

TABLES OF DIFFERENCES
ASA 805 [Revised and Redrafted]
SPECIAL CONSIDERATIONS-AUDITS OF SINGLE FINANCIAL STATEMENTS AND SPECIFIC ELEMENTS,
ACCOUNTS, OR ITEMS OF A FINANCIAL STATEMENT

Extant ASA: ASA 800 *Special Considerations – The Auditor’s Report on Special Purpose Audit Engagements*

ISA ISA 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement* [Revised and Redrafted]

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<i>Key Statistics</i>			
Exhibit		No.	
1	New Requirements [Elevation of Guidance]	4	
1	New Requirements [no previous Equivalent in extant ASA]	5	
N/A	Total number of New Requirements	9	
2	Extant ASA Requirements covered in another standard[s]	-	

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Requirements in ISA’s not in Extant ASA

- *Exhibit 1 identifies Requirements in the redrafted ISA that are not present in the equivalent extant ASA*
- *Exhibit 1 does not identify Requirements that are identical; or similar but for differences in expression/wording*

Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?
Scope				
1	[ISA 805] 1-3	1. The International Standards on Auditing (ISAs) in the 100-700 series apply to an audit of financial statements and are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. This ISA deals with special considerations in the application of those ISAs to an audit of a single financial statement or of a specific element, account, or item of a financial statement. The single financial statement or the specific element, account or item of a financial statement may be prepared in accordance with a general or special purpose framework. If prepared in accordance with a special purpose framework, ISA 800 (Revised and Redrafted) also applies to the audit. (Ref: Para. A1-A4) 2. This ISA does not apply to the report of a component auditor, issued as a result of work performed on the financial information of a component at the request of a group engagement team for purposes of an audit of group financial statements (see ISA 600 (Revised and Redrafted)). 3. This ISA does not override the requirements of the	New Scope section included. Not inconsistent with Australian practice, or extant ASA 800’s scope. Suggest Adopt ISA.	Y

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?
		other ISAs; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.		
Objectives				
2	[ISA 805] 5	<p>The objective of the auditor, when applying ISAs in an audit of a single financial statement or a specific element, account or item of a financial statement, is to address appropriately the special considerations that are relevant to:</p> <ul style="list-style-type: none"> (a) The acceptance of the engagement; (b) The planning and performance of that engagement; and (c) Forming an opinion and reporting on the single financial statement or on the specific element, account or item of a financial statement. 	<p>New Objectives included.</p> <p>Not inconsistent with extant ASA 800.</p> <p>Suggest Adopt ISA.</p>	Y
Considerations when accepting the Engagement				
3	[ISA 805] 7	<p>ISA 200 (Revised and Redrafted) requires the auditor to comply with all ISAs relevant to the audit. In the case of an audit of a single financial statement or of a specific element of a financial statement, this requirement applies irrespective of whether the auditor is also engaged to audit the entity's complete set of financial statements. If the auditor is not also engaged to audit the entity's complete set of financial statements, the auditor shall determine whether the audit of a single financial statement or of a specific element of those financial statements in accordance with ISAs is practicable. (Ref: Para. A5-A6)</p>	<p>Elevation of extant ASA Explanatory Guidance.</p> <p>[Extant ASA 800 para 27—equivalent Explanatory Guidance]</p> <p>Suggest Adopt ISA.</p>	

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?
Considerations when Planning and Performing the Audit				
4	[ISA 805] 10	ISA 200 (Revised and Redrafted) states that ISAs are written in the context of an audit of financial statements; they are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. In planning and performing the audit of a single financial statement or of a specific element of a financial statement, the auditor shall adapt all ISAs relevant to the audit as necessary in the circumstances of the engagement. (Ref: Para. A10-A14)	Requirement has no Extant ASA equivalent. Not inconsistent with Australian practice. Suggest Adopt ISA.	
Forming an Opinion and Reporting Considerations				
5	[ISA 805] 11	When forming an opinion and reporting on a single financial statement or on a specific element of a financial statement, the auditor shall apply the requirements in ISA 700 (Redrafted), adapted as necessary in the circumstances of the engagement. (Ref: Para. A15-A16)	Elevation of extant ASA Explanatory Guidance. [Extant ASA 800 para 27—equivalent Explanatory Guidance] Suggest Adopt ISA.	
6	[ISA 805] 12	If the auditor undertakes an engagement to report on a single financial statement or on a specific element of a financial statement in conjunction with an engagement to audit the entity's complete set of financial statements, the auditor shall express a separate opinion for each engagement.	Elevation of extant ASA Explanatory Guidance. [Extant ASA 800 para 27—equivalent Explanatory Guidance] Suggest Adopt ISA.	

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?
Acceptability of the Financial Reporting Framework				
7	[ISA 805] 13	An audited single financial statement or an audited specific element of a financial statement may be published together with the entity's audited complete set of financial statements. If the auditor concludes that the presentation of the single financial statement or of the specific element of a financial statement does not differentiate it sufficiently from the complete set of financial statements, the auditor shall ask management to rectify the situation. Subject to paragraphs 15 and 16, the auditor shall also differentiate the opinion on the single financial statement or on the specific element of a financial statement from the opinion on the complete set of financial statements. The auditor shall not issue the auditor's report containing the opinion on the single financial statement or on the specific element of a financial statement until satisfied with the differentiation.	(1) Shaded text is an elevation of extant ASA Explanatory Guidance. [Extant ASA 800 para 35—equivalent Explanatory Guidance] Suggest Adopt ISA. (2) Unshaded text has not extant ASA equivalent. Not inconsistent with Australian practice. Suggest Adopt ISA.	
8	[ISA 805] 15	If the opinion in the auditor's report on an entity's complete set of financial statements is modified, or that report includes an Emphasis of Matter paragraph or an Other Matter paragraph, the auditor shall determine the effect that this may have on the auditor's report on a single financial statement or on a specific element of those financial statements. When deemed appropriate, the auditor shall modify the opinion on the single financial statement or on the specific element of a financial statement, or include an Emphasis of Matter paragraph or an Other Matter paragraph in the auditor's report, accordingly. (Ref: Para. A17)	Requirement has no Extant ASA equivalent Not inconsistent with Australian Practice. Suggest Adopt ISA.	
9	[ISA 805] 16	If the auditor concludes that it is necessary to express an adverse opinion or disclaim an opinion on the entity's complete set of financial statements as a whole	(1) Shaded text is equivalent in meaning to extant ASA Requirement.	

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		<p>but, in the context of a separate audit of a specific element that is included in those financial statements, the auditor nevertheless considers it appropriate to express an unmodified opinion on that element, the auditor shall only do so if:</p> <p>(a) The auditor is not prohibited by law or regulation from doing so;</p> <p>(b) That opinion is expressed in an auditor’s report that is not published together with the auditor’s report containing the adverse opinion or disclaimer of opinion; and</p> <p>(c) The specific element does not constitute a major portion of the entity’s complete set of financial statements.</p>	<p>[Extant ASA 800 para 36—equivalent Requirement]</p> <p>Suggest Adopt ISA.</p> <p>(2) Unshaded text has not extant ASA equivalent.</p> <p>Not inconsistent with Australian practice.</p> <p>Suggest Adopt ISA.</p>	
10	[ISA 805] 17	<p>The auditor shall not express an unmodified opinion on a single financial statement of a complete set of financial statements if the auditor has expressed an adverse opinion or disclaimed an opinion on the complete set of financial statements as a whole. This is the case even if the auditor’s report on the single financial statement is not published together with the auditor’s report containing the adverse opinion or disclaimer of opinion. This is because a single financial statement is deemed to constitute a major portion of those financial statements.</p>	<p>Requirement has no extant ASA equivalent.</p> <p>Not inconsistent with Australian practice.</p> <p>Suggest Adopt ISA.</p>	

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Requirements in Extant ASA not in ISA’s

- *Exhibit 2 identifies Requirements in the extant ASA that are not present in the equivalent redrafted ISA*
- *Exhibit 2 does not identify Requirements that are identical; or similar but for differences in expression [wording]*

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary	Accept in ASA Y/N?
Not Retained in ASA [Revised & Redrafted]				
Retained in ASA [Revised & Redrafted] Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]				
Retained in ASA [Revised & Redrafted] Reason 2: [Only when requirement necessary for legislative instrument reasons]				
Retained in ASA [Revised & Redrafted] Reason 3: [Only when requirement necessary for public interest reasons and no inconsistency with the ISA]				

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Significant Differences in Guidance — ISA’s and Extant ASA

- *Exhibit 3 identifies significant differences between the Application and Other Explanatory Material (guidance) in the redrafted ISA and the Explanatory Guidance in the equivalent extant ASA.*
- *Exhibit 3 does not identify guidance that is identical; or similar but for differences in expression/wording*

Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?
PART A – ISA				
Considerations when Accepting the Engagement				
1	[ISA 805] A5-A7, A9	<p>A5 ISA 200 (Revised and Redrafted) requires the auditor to comply with (a) relevant ethical requirements, including those pertaining to independence, relating to financial statement audit engagements, and (b) all ISAs relevant to the audit. It also requires the auditor to comply with each requirement of an ISA unless, in the circumstances of the audit, the entire ISA is not relevant or the requirement is not relevant because it is conditional and the condition does not exist. In exceptional circumstances, the auditor may judge it necessary to depart from a relevant requirement in an ISA by performing alternative audit procedures to achieve the aim of that requirement.</p> <p>A6. Compliance with the requirements of ISAs relevant to the audit of a single financial statement or of a specific element of a financial statement may not be practicable when the auditor is not also engaged to audit</p>	<p>New Explanatory Guidance in ISA.</p> <p>Quality of standard would be reduced if this guidance is removed. This guidance does not conflict with Australian practice.</p> <p>Suggest Adopt ISA.</p>	

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		<p>the entity’s complete set of financial statements. In such cases, the auditor often does not have the same understanding of the entity and its environment, including its internal control, as an auditor who also audits the entity’s complete set of financial statements. The auditor also does not have the audit evidence about the general quality of the accounting records or other accounting information that would be acquired in an audit of the entity’s complete set of financial statements. Accordingly, the auditor may need further evidence to corroborate audit evidence acquired from the accounting records. In the case of an audit of a specific element of a financial statement, certain ISAs require audit work that may be disproportionate to the element being audited. For example, although the requirements of ISA 570 (Redrafted) are likely to be relevant in the circumstances of an audit of a schedule of accounts receivable, complying with those requirements may not be practicable because of the audit effort required. If the auditor concludes that an audit of a single financial statement or of a specific element of a financial statement in accordance with ISAs may not be practicable, the auditor may discuss with management whether another type of engagement might be more practicable.</p> <p><i>Acceptability of the Financial Reporting Framework (Ref: Para. 8)</i></p> <p>A7. A single financial statement or a specific element of a financial statement may be</p>		

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		<p>prepared in accordance with an applicable financial reporting framework that is based on a financial reporting framework established by an authorized or recognized standards setting organization for the preparation of a complete set of financial statements (e.g., International Financial Reporting Standards). If this is the case, determination of the acceptability of the applicable framework may involve considering whether that framework includes all the requirements of the framework on which it is based that are relevant to the presentation of a single financial statement or of a specific element of a financial statement that provides adequate disclosures.</p> <p>A9. In the case of a single financial statement or of a specific element of a financial statement, the applicable financial reporting framework may not explicitly address the presentation of the financial statement or of the element. This may be the case when the applicable financial reporting framework is based on a financial reporting framework established by an authorized or recognized standards setting organization for the preparation of a complete set of financial statements (e.g., International Financial Reporting Standards). The auditor therefore considers whether the expected form of opinion is appropriate in the light of the applicable financial reporting framework. Factors that may affect the auditor’s consideration as to whether to use the phrases “presents fairly, in all material respects,” or “gives a true and fair view” in the auditor’s opinion include:</p>		

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		<ul style="list-style-type: none"> • Whether the applicable financial reporting framework is explicitly or implicitly restricted to the preparation of a complete set of financial statements. • Whether the single financial statement or the specific element of a financial statement will: <ul style="list-style-type: none"> • Comply fully with each of those requirements of the framework relevant to the particular financial statement or the particular element and the presentation of the financial statement or the element include the related notes. • If necessary to achieve fair presentation, provide disclosures beyond those specifically required by the framework or, in exceptional circumstances, depart from a requirement of the framework. <p>The auditor’s decision as to the expected form of opinion is a matter of professional judgment. It may be affected by whether use of the phrases “presents fairly, in all material respects,” or “gives a true and fair view” in the auditor’s opinion on a single financial statement or on a specific element of a financial statement prepared in accordance with a fair presentation framework is generally accepted in the particular jurisdiction.</p>		

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Considerations when Planning and Performing the Audit				
2	[ISA 805] A10-A14	<p>A10. The relevance of each of the ISAs requires careful consideration. Even when only a specific element of a financial statement is the subject of the audit, ISAs such as ISA 240 (Redrafted), ISA 550 (Revised and Redrafted) and ISA 570 (Redrafted) are, in principle, relevant. This is because the element could be misstated as a result of fraud, the effect of related party transactions, or the incorrect application of the going concern assumption under the applicable financial reporting framework.</p> <p>A11. Furthermore, ISAs are written in the context of an audit of financial statements; they are to be adapted as necessary in the circumstances when applied to the audit of a single financial statement or of a specific element of a financial statement. For example, written representations from management about the complete set of financial statements would be replaced by written representations about the presentation of the financial statement or the element in accordance with the applicable financial reporting framework.</p> <p>A12. When auditing a single financial statement or a specific element of a financial statement in conjunction with the audit of the entity's complete set of financial statements, the auditor may be able to use audit evidence obtained as part of the audit of the entity's complete set of financial statements in the audit of the financial statement or the</p>	<p>New Explanatory Guidance in ISA.</p> <p>Quality of standard would be reduced if this guidance is removed. This guidance does not conflict with Australian practice.</p> <p>Suggest Adopt ISA.</p>	

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		<p>element. ISAs, however, require the auditor to plan and perform the audit of the financial statement or element to obtain sufficient appropriate audit evidence on which to base the opinion on the financial statement or on the element.</p> <p>A13. The individual financial statements that comprise a complete set of financial statements, and many of the elements of those financial statements, including their related notes, are interrelated. Accordingly, when auditing a single financial statement or a specific element of a financial statement, the auditor may not be able to consider the financial statement or the element in isolation. Consequently, the auditor may need to perform procedures in relation to the interrelated items to meet the objective of the audit.</p> <p>A14. Furthermore, the materiality determined for a single financial statement or for a specific element of a financial statement may be lower than the materiality determined for the entity's complete set of financial statements; this will affect the nature, timing and extent of the audit procedures and the evaluation of uncorrected misstatements.</p>		
Forming an Opinion and Reporting Considerations				
3	[ISA 805] A15-A18	A15 ISA 700 (Redrafted) requires the auditor, in forming an opinion, to evaluate whether the financial statements provide adequate disclosures to enable the intended users to understand the effect of material	<p>New Explanatory Guidance in ISA.</p> <p>Quality of standard would be reduced if this guidance is</p>	

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		<p>transactions and events on the information conveyed in the financial statements. In the case of a single financial statement or of a specific element of a financial statement, it is important that the financial statement or the element, including the related notes, in view of the requirements of the applicable financial reporting framework, provides adequate disclosures to enable the intended users to understand the information conveyed in the financial statement or the element, and the effect of material transactions and events on the information conveyed in the financial statement or the element.</p> <p>A16. Appendix 2 of this ISA contains illustrations of auditors' reports on a single financial statement and on a specific element of a financial statement.</p> <p><i>Modified Opinion, Emphasis of Matter Paragraph or Other Matter Paragraph in the Auditor's Report on the Entity's Complete Set of Financial Statements (Ref: Para. 14-15)</i></p> <p>A17. Even when the modified opinion on the entity's complete set of financial statements, Emphasis of Matter paragraph or Other Matter paragraph does not relate to the audited financial statement or the audited element, the auditor may still deem it appropriate to refer to the modification in an Other Matter paragraph in an auditor's report on the financial statement or on the element because the auditor judges it to be relevant to the users'</p>	<p>removed. This guidance does not conflict with Australian practice.</p> <p>Suggest Adopt ISA.</p>	

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		<p>understanding of the audited financial statement or the audited element or the related auditor's report (see ISA 706 (Revised and Redrafted)).</p> <p>A18. In the auditor's report on an entity's complete set of financial statements, the expression of a disclaimer of opinion regarding the results of operations and cash flows, where relevant, and an unmodified opinion regarding the financial position is permitted since the disclaimer of opinion is being issued in respect of the results of operations and cash flows only and not in respect of the financial statements as a whole.</p>		
PART B – ASA				
Retained in ASA [Revised & Redrafted] Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]				
Retained in ASA [Revised & Redrafted] Reason 2: [Only when requirement necessary for legislative instrument reasons]				
Retained in ASA [Revised & Redrafted] Reason 3: [Only when Requirement is deemed necessary for public interest reasons and is not inconsistent with the ISA]				

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EXHIBIT 4

Significant Differences in Appendices — ISA’S and Extant ASA

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Item #	ISA/ASA Para. #	Appendix	Commentary	Accept in ASA? Y/N
1	Appendix 2	Illustration 1 – An Auditor’s report on a single financial statement prepared in accordance with a general purpose framework (for purposes of this illustration, a fair presentation framework).	Not included in extant ASA Quality of standard would be reduced if this Appendix were removed. This Appendix does not conflict with Australian practice. Suggest Adopt ISA.	

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