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15 December 2008

Dear Merran

**ED 15/08 Proposed Auditing Standard ASA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards**

**ED 16/08 Proposed Auditing Standard ASA 250 Consideration of Laws and Regulations in an Audit of a Financial Report**

**ED 17-08 Proposed Auditing Standard ASA 320 Materiality in Planning and Performing an Audit**

**ED 18-08 Proposed Auditing Standard ASA 450 Evaluation of Misstatements Identified during the Audit**

**ED 19-08 Proposed Auditing Standard ASA 510 Initial Audit Engagements - Opening Balances**

**ED 20-08 Proposed Auditing Standard ASA 550 Related Parties**

**ED 21-08 Proposed Auditing Standard ASA 580 Written Representations**

**ED 22/08 Proposed Auditing Standard ASA 720 The Auditor's Responsibility in Relation to Other Information in Documents Containing an Audited Financial Report.**

Grant Thornton Australia Limited. (Grant Thornton) is pleased to comment on the Auditing and Assurance Standards Board's ED 15/08 Proposed Auditing Standard ASA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards, ED 16/08 Proposed Auditing Standard ASA 250 Consideration of Laws and Regulations in an Audit of a Financial Report, ED 17-08

Proposed Auditing Standard ASA 320 Materiality in Planning and Performing an Audit, ED 18-08 Proposed Auditing Standard ASA 450 Evaluation of Misstatements Identified during the Audit, ED 19-08 Proposed Auditing Standard ASA 510 Initial Audit Engagements — Opening Balances, ED 20-08 Proposed Auditing Standard ASA 550 Related Parties, ED 21-08 Proposed Auditing Standard ASA 580 Written Representations, and ED 22/08 Proposed Auditing Standard ASA 720 The Auditor's Responsibility in Relation to Other Information in Documents Containing an Audited Financial Report .

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses.

Grant Thornton supports the release of Australian Auditing Standards based on the proposals contained in EDs 15-22/08. Our specific comments on the Proposals are contained in the attached Appendix.

As a general philosophy, given the commitment to International Auditing Standards, our preference would be for all Australian Auditing Standards to use the exact numbering system of the equivalent International Statement of Auditing Standards issued by the International Auditing and Assurance Standards Board (IAASB) which for the above EDs would be ISA 200, ISA 250, ISA 320, ISA 450, ISA 510, ISA 550, ISA 580 and ISA 720 and to refer to the Standards as Australian and International Auditing Standard ISA 200 Overall Objectives etc. This would make it clear to readers of Australian Audit Reports that the requirements of the International Auditing Standards have been complied with.

If you require any further information or comment, please contact me.

Yours sincerely  
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly  
National Head of Professional Standards

## Appendix

Grant Thornton supports the release of EDs 15-22/08 as Australian Auditing Standards with the proposed changes from the existing ASAs on the basis of conformity with the respective ISAs. In addition as requested in EDs 15-22/08 our specific comments raised in the EDs are as follows:

- 1 Have applicable laws and regulations been appropriately addressed in the proposed standard?

Yes.

- 2 Are there any references to relevant laws or regulations that have been omitted?

No, not that we are aware of.

- 3 Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?

No, not that we are aware of.

- 4 What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the Requirements of this proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of audit services?

The major benefit is the alignment of the proposed ASAs with the equivalent ISAs. We do however suggest that the AUASB should use exactly the same referencing to that of the equivalent ISA – e.g. ISA 200 Australian and International Auditing Standard

- 5 Are there any other significant public interest matters that constituents wish to raise?

Apart from using the exact referencing to the equivalent ISAs, we do not believe that there are any other significant public interest matters to consider.