



26 November 2015

Merran Kelsall  
The Chairman  
Auditing and Assurance Standards Board  
Level 14, 530 Collins St  
Melbourne VIC 3000

**CPA Australia Ltd**  
ABN 64 008 392 452  
Level 20, 28 Freshwater Place  
Southbank VIC 3006  
Australia  
GPO Box 2820  
Melbourne VIC 3001  
Australia  
**Phone** 1300 737 373  
**Outside Aust** +613 9606 9677  
**Website** cpaaustralia.com.au

Via website: <http://www.auasb.gov.au/>

Dear Merran

**Exposure Draft 03/15: Proposed Auditing Standard ASA 2015-3 Amendments to Australian Auditing Standards**

CPA Australia welcomes the opportunity to respond to the above Exposure Draft. CPA Australia represents the diverse interests of more than 155,000 members in 120 countries. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest.

CPA Australia supports the adopted approach of convergence with the International Standards on Auditing (ISAs) unless there is a compelling reason to modify them for application in Australia and so we support the removal of the Australian specific paragraphs.

We support the proposed changes to the Australian Auditing Standards to better address disclosures, including clarification of the definition of financial report as it relates to disclosures, enhancing requirements to specifically address disclosures and additional guidance to assist auditors in applying the requirements relating to disclosures.

Our responses to the specific questions raised in the ED and some additional comments are provided in the attached Appendix. CPA Australia does not have any further comments with respect to the proposed auditing standard ASA 2015-3 and we support an effective date of periods ending on or after 15 December, 2016 to align with the other new and revised Auditor Reporting standards.

If you require further information on any of our views expressed in this submission, please contact Claire Grayston, CPA Australia by email at [claire.grayston@cpaaustralia.com.au](mailto:claire.grayston@cpaaustralia.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read "Eva Tsahuridu".

Dr Eva Tsahuridu  
Manager – Accounting Policy

## **APPENDIX**

### **Responses to specific questions**

- 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

- 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

- 4. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the requirements of this proposed standard? If there are significant costs, do these outweigh the benefits to the users of audit services?**

CPA Australia does not consider that the proposed amendments to Auditing Standards will create any significant costs for auditors and the business community. However, we expect the proposals will benefit auditors and audit quality by encouraging consideration of disclosures, obtaining of information for disclosures from management and communicating with those charged with governance regarding disclosures earlier in the audit, as well as highlighting the need to consider information on which disclosures are based, the materiality of disclosures, adequacy of disclosures and misstatements in disclosures.

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

No

### **Additional Comments**

The following typographical errors have been identified and are brought to your attention for the finalisation of the standard.

1. Paragraph 15: "New paragraph A1 is inserted after the sub-heading referred to in paragraph 44 13..."
2. Paragraph 23: "The following footnote, referenced to paragraph ~~19~~22..."
3. Paragraph 98: "Evaluating the appropriate presentation, arrangement and content of the financial report includes, for example, consideration of the terminology used as required by the applicable financial reporting framework, the level of detail provided and the aggregation and disaggregation of amounts and the bases of amounts set forth."
4. Paragraph 101: Footnote 1 "...to meet the disclosure objectives in paragraph 42B."

5. Paragraph 102: "...Misstatements that are clearly trivial will be of a wholly different (smaller) order of magnitude, or of a wholly different nature than those that would be determined to be material and ~~will be matters and~~ will be misstatements that are clearly inconsequential..."
6. Paragraph 124: "...(a) The financial report appropriately discloses..."