



<b>Proposed modification (1) to international standard ISA 800</b>	
<b><i>Proposed modification</i></b>	
Where applicable, all illustrative example auditor's reports are to be modified or new reports included, to accommodate the requirements of the <i>Corporations Act 2001</i> and not-for profits under State Acts.	
<b>Rationale for the proposed modification</b>	
<b>The international standard is not consistent with Australian regulatory arrangements.</b>	The ISA does not provide examples that comply with local legislative requirements. As the Auditing Standards are made and enforceable under the Act, it is necessary to include relevant example auditor's reports to clarify obligations. The Board has previously adopted this position for the Auditor Reporting project.
<b>OR</b>	
<b>The international standard does not reflect principles and practices that are considered appropriate in Australia.</b>	n/a
<b>A. Consideration of compelling reason criteria where the international standard is not consistent with Australian regulatory requirements.</b>	
<u>Compelling reason criteria as per agreed Principles of Convergence</u>	<u>Consideration whether the proposed modification meets the criteria</u>
<b>1. The standard can be modified so as to result in a standard the application of which results in effective and efficient compliance with the legal framework in Australia.</b>	Yes.  The proposed modifications are not to the requirements, but an enhancement to the Application and Other Explanatory Material – specifically the appendices.
<b>2. The proposed modification does not result in a standard that conflicts with, or results in lesser requirements than the international standard.</b>	There is no conflict or lessening of the ISA requirements merely adaptations to comply with applicable legislation.
<b>B. Consideration of compelling reason criteria where the international standard does not reflect principles and practices that are considered appropriate in Australia.</b>	
<u>Compelling reason criteria as per agreed Principles of Convergence</u>	<u>Consideration whether the proposed modification meets the criteria</u>
<b>1. The application of the proposed modification will result in compliance with principles and practices considered appropriate by the AUASB.</b>	n/a
<b>2. The proposed modification results in a standard that is clear and that promotes consistent application by all practitioners. (For example, excluding options not</b>	n/a



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relevant in Australia and New Zealand)	
<b>3. The proposed modification will promote significant improvement in audit quality in Australia (With improvement in audit quality being linked to one or more of the Applicable Elements in the IAASB's Framework for Audit Quality)</b>	n/a
<b>4. The relative benefits of the modification outweigh the cost (with cost being compliance cost and the cost of differing from the international standard, and benefit relating to audit quality).</b>	n/a
<b>5. The proposed modification does not conflict with or result in lesser requirements than the international standard.</b>	n/a
<b>6. The proposed modification overall does not result in the standard being overly complex and confusing.</b>	n/a
<b>7. The proposed modification does not inadvertently change the meaning of the international standard wording by placing more onerous requirements on a practitioner in Australia than necessary to meet the intent of the international standard.</b>	n/a
<b>C. Conclusion</b>	
<b>Compelling reasons test met/not met?</b>	The compelling reasons test has been met.
<b>Does the Board agree that the proposed modification meets the compelling reason test, and that ISA 800 should be modified as described above?</b>	