



### Proposed modification (3) to international standard ISA 800

#### *Proposed modification*

The following existing definitions are additional to, or changed from, ISA 800:

#### **Aus 6.1**

Special purpose financial report means a complete set of financial statements,\* including an assertion statement by those responsible for the financial report, prepared in accordance with a special purpose framework.

#### **Rationale for the proposed modification**

**The international standard is not consistent with Australian regulatory arrangements.**

The ISAs are inconsistent with Australian legislation; however, the Aus definitions are considered necessary to ensure applicability in Australia and that terminology in the *Corporations Act 2001* and all others Standards are consistent.

**OR**

**The international standard does not reflect principles and practices that are considered appropriate in Australia.**

n/a

#### **A. Consideration of compelling reason criteria where the international standard is not consistent with Australian regulatory requirements.**

##### Compelling reason criteria as per agreed Principles of Convergence

##### Consideration whether the proposed modification meets the criteria

**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.**

Yes.  
The proposed modifications are not to the requirements of the standards, but to the definitions and either replace, or are additional to ISA 800

**2. The proposed modification does not result in a standard that conflicts with, or results in lesser requirements than the international standard.**

There is no conflict or lessening of the ISA requirements.

#### **B. Consideration of compelling reason criteria where the international standard does not reflect principles and practices that are considered appropriate in Australia.**

##### Compelling reason criteria as per agreed Principles of Convergence

##### Consideration whether the proposed modification meets the criteria

**1. The application of the proposed modification will result in compliance with principles and practices considered appropriate by the AUASB.**

n/a

\* See ASA 200, paragraph Aus 13.1.



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<b>2.</b> The proposed modification results in a standard that is clear and that promotes consistent application by all practitioners. <i>(For example, excluding options not relevant in Australia and New Zealand)</i>	n/a
<b>3.</b> The proposed modification will promote significant improvement in audit quality in Australia <i>(With improvement in audit quality being linked to one or more of the Applicable Elements in the IAASB’s Framework for Audit Quality)</i>	n/a
<b>4.</b> 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).	n/a
<b>5.</b> The proposed modification does not conflict with or result in lesser requirements than the international standard.	n/a
<b>6.</b> The proposed modification overall does not result in the standard being overly complex and confusing.	n/a
<b>7.</b> 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.	n/a
<b>C. Conclusion</b>	
<b>Compelling reasons test met/not met?</b>	The compelling reasons test has been met.
<b>Does the AUASB agree that retaining the proposed “Aus” paragraph modifications meet the compelling reason test, and that ASA 800 should consequently retain the “Aus” paragraph?</b>	