



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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2. 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
3. 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
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).	n/a
5. The proposed modification does not conflict with or result in lesser requirements than the international standard.	n/a
6. The proposed modification overall does not result in the standard being overly complex and confusing.	n/a
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.	n/a
C. Conclusion	
Compelling reasons test met/not met?	The compelling reasons test has been met.
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?	