



Proposed modification (3) to international standard ISA 250

Proposed modification

Include Aus A20.1:

In the case of an audit conducted under the *Corporations Act 2001*, the auditor may consider the provisions relating to the protection for whistleblowers contained in Part 9.4AAA of the *Corporations Act 2001* when communicating identified or suspected non-compliance with management and those charged with governance.

Rationale for the proposed modification

The international standard is not consistent with Australian regulatory arrangements.

The proposed modification is merely to correctly identify the reporting requirements under Australian legislation.

OR

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

NA

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 provides a reference to a requirement under the *Corporations Act 2001*.

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 merely adaptations to comply with applicable legislation.

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.

NA

2. The proposed modification results in a standard that is clear and that promotes consistent application by all practitioners. (For example, excluding options not

NA



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relevant in Australia and New Zealand)	
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)	NA
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).	NA
5. The proposed modification does not conflict with or result in lesser requirements than the international standard.	NA
6. The proposed modification overall does not result in the standard being overly complex and confusing.	NA
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.	NA
C. Conclusion	
Compelling reasons test met/not met?	The compelling reasons test has been met.
Does the Board agree that the proposed modification meets the compelling reason test, and that ISA 250 should be modified as described above?	