

14 October 2008

Ms Merran Kelsall
Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
VIC 8007

Dear Ms Kelsall,

**EXPOSURE DRAFT 10/08 PROPOSED AUDITING STANDARD ASA 300
PLANNING AN AUDIT OF A FINANCIAL REPORT (REVISED AND REDRAFTED)
(REISSUANCE OF ASA 300)**

Members of the Australasian Council of Auditors-General (ACAG) have been canvassed and submit the attachment in response to the Exposure Draft referred to above.

The views expressed in this submission represent those of all Australian members of ACAG.

The opportunity to comment is appreciated and I trust you will find the attached comments useful.

Yours sincerely



Frank McGuinness
Chairman
ACAG Financial Reporting and Auditing Committee

Exposure Draft 10/08 Proposed Auditing Standard ASA 300 *Planning an Audit of a Financial Report* (Revised and Redrafted) (Re-issuance of ASA 300)

ACAG has reviewed the Exposure Draft and provides responses to the five questions indicated and additional comments below.

1. Have applicable laws and regulations been appropriately addressed in the proposed standard?

All applicable laws and regulations have been appropriately addressed in the proposed standard.

2. Are there any references to relevant laws or regulations that have been omitted?

There have been no references to relevant laws or regulations omitted.

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?

We are not aware of any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard.

4. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the Requirements of the proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of audit services?

There are no additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the Requirements of the proposed ASA 300. The requirements of the proposed standard are consistent with those in the current ASA 300.

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

There are no other significant public interest matters that we wish to raise.

Additional Comments

We recommend that the following minor changes be made to the proposed ASA 300:

1. Paragraph 8 does not include an equivalent to the extant ASA paragraph 18 requirement to “plan to reduce audit risk to an acceptably low level”. The justification for removing this is that the requirement is inherent in the new requirements and also incorporated in: ASA 200 (Revised and Redrafted), ASA 315 (Revised and Redrafted), and ASA 330 (Revised and Redrafted). In their current iterations, only ASA 200 (Revised and Redrafted) addresses the subject of reducing risk to an acceptably low level. Currently paragraph 8 contains references to ASA 315 (Revised and Redrafted) and ASA 330 (Revised and Redrafted). It is recommended that the Board give consideration to including a reference to ASA 200 (Revised and Redrafted) to make the requirement explicit rather than inherent.