

EXPOSURE DRAFT

ED 06/09

(March 2009)

**Proposed Auditing Standard
ASA 800
*Special Considerations –
Audits of Financial Reports
Prepared in Accordance with
Special Purpose Frameworks*
(Revised and Redrafted)
(Re-issuance of ASA 800)**

Issued for Comment by the Auditing and Assurance Standards
Board



Australian Government

Auditing and Assurance Standards Board

Commenting on this Exposure Draft

Comments on this Exposure Draft should be forwarded so as to arrive by no later than 6 April 2009. Comments should be addressed to:

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A copy of all non-confidential submissions will be placed on public record on the AUASB website: www.auasb.gov.au.

Obtaining a Copy of this Exposure Draft

This Exposure Draft is available on the AUASB website: www.auasb.gov.au.

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PREFACE

Reasons for Issuing ED 06/09

The Auditing and Assurance Standards Board (AUASB) is proposing to re-issue Auditing Standard ASA 800 *The Auditor's Report on Special Purpose Audit Engagements* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory board of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Australian Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC), has undertaken a programme to redraft, in “clarity” format, the entire suite of International Standards on Auditing (ISAs). In some cases, and in accordance with normal practice, the ISAs have been revised in addition to being redrafted. The redrafted ISAs are effective for audits of financial statements for periods beginning on or after 15 December 2009.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required to have regard to any programme initiated by the IAASB for the revision and enhancement of the ISAs and to make appropriate consequential amendments to the Australian Auditing Standards. Accordingly, the AUASB has decided to revise and redraft the Australian Auditing Standards using the equivalent redrafted ISAs.

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Main Proposals

This proposed Auditing Standard establishes mandatory Requirements and provides Application and Other Explanatory Material regarding special considerations in the application of Australian Auditing Standards to an audit of a financial report, or a complete set of financial statements, prepared in accordance with a special purpose framework.

Proposed Operative Date

It is intended that this proposed Auditing Standard will be operative for financial reporting periods commencing on or after 1 January 2010.

Main changes from existing ASA 800 *The Auditor's Report on Special Purpose Audit Engagements (April 2006, as amended)*

The main differences between this proposed Auditing Standard and the Auditing Standard that it supersedes, ASA 800 *The Auditor's Report on Special Purpose Audit Engagements (April 2006, as amended)*, are included in the Tables of Differences provided as an attachment to this Exposure Draft.

This Auditing Standard deals with audits of financial reports, or a complete set of financial statements, that are prepared in accordance with a special purpose framework. Extant ASA 800 deals, in addition to this, with audits of other historical financial information.

Request for Comments

Comments are invited on this Exposure Draft of the proposed re-issuance of Auditing Standard ASA 800, *The Auditor's Report on Special Purpose Audit Engagements* by no later than 6 April 2009. The AUASB is seeking comments on the main changes from the existing ASA 800. In addition, respondents are asked to consider and respond to the following questions:

1. Have applicable laws and regulations been appropriately addressed in the proposed standard?
2. Are there any references to relevant laws or regulations that have been omitted?

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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?
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 this proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of audit services?
5. Are there any other significant public interest matters that constituents wish to raise?

The AUASB prefers that respondents express a clear opinion on whether the main changes to the Requirements of this proposed Auditing Standard are supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on the above matters. The AUASB regards both supportive and critical comments as essential to a balanced review of the Auditing Standard.

AUASB Information Note

The IAASB has announced completion of the “Clarity” project. While all currently known conforming amendments are incorporated into this Exposure Draft, readers are advised that the AUASB may decide to make further conforming amendments, and other editorial changes.

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(Re-issuance of ASA 800)

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes this Auditing Standard ASA 800 *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks (Revised and Redrafted)* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*.

This Auditing Standard is to be read in conjunction with ASA 101 *Preamble to Australian Auditing Standards*, which sets out the intentions of the AUASB on how the Australian Auditing Standards, operative for financial reporting periods commencing on or after 1 January 2010, are to be understood, interpreted and applied.

AUDITING STANDARD ASA 800

Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks (Revised and Redrafted)

Application

- Aus 0.1 This Auditing Standard applies to:
- (a) an audit of a special purpose financial report for a financial year, in accordance with the *Corporations Act 2001*; and
 - (b) an audit of a financial report, or a complete set of financial statements, prepared for any other special purpose.
- Aus 0.2 This Auditing Standard also applies, as appropriate, to an audit of other historical financial information prepared in accordance with a special purpose framework.

Operative Date

- Aus 0.3 This Auditing Standard is operative for financial reporting periods commencing on or after 1 January 2010.

Introduction

Scope of this ASA

1. The Australian Auditing Standards in the ASA 100 - ASA 700 series apply to an audit of a financial report, or a complete set of financial statements. This Auditing Standard deals with special considerations in the application of those Australian Auditing Standards to an audit of a financial report or a complete set of financial statements prepared in accordance with a special purpose framework.
2. This Auditing Standard is written in the context of a financial report, or a complete set of financial statements, prepared in accordance with a special purpose framework. ASA 805 (Revised and

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Redrafted)¹ deals with special considerations relevant to an audit of a single financial statement or of a specific element, account, or item of a financial statement.

3. This Auditing Standard does not override the requirements of the other Australian Auditing Standards; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.

Effective Date

4. [Deleted by the AUASB. Refer Aus 0.3]

Objective

5. The objective of the auditor, when applying Australian Auditing Standards in an audit of a financial report prepared in accordance with a special purpose framework, is to address appropriately the special considerations that are relevant to:
- (a) The acceptance of the engagement;
 - (b) The planning and performance of that engagement; and
 - (c) Forming an opinion and reporting on the financial report.

Definitions

6. For the purposes of the Australian Auditing Standards, the following terms have the meanings attributed below:
- (a) [Deleted by AUASB. Refer Aus 6.1]
 - (b) Special purpose framework means a financial reporting framework designed to meet the financial information needs of specific users. The financial reporting framework may be a fair presentation framework or a compliance framework.² (Ref: Para. A1-A4)

¹ See ASA 805 (Revised and Redrafted), *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*.

² See ASA 200 (Revised and Redrafted), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*, paragraph 13(a).

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Aus 6.1 Special purpose financial report means a complete set of financial statements, including the related notes, and where applicable, directors' declaration (or a declaration by those responsible for the financial report) about the statements and notes, prepared in accordance with a special purpose framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The requirements of the applicable financial reporting framework* determine what constitutes a complete set of financial statements in accordance with a special purpose framework. (Ref: Para A4)

7. [Deleted by AUASB. Refer Aus 7.1]

Aus 7.1 A reference to "financial report" in this Auditing Standard is also taken to include a "complete set of financial statements".

Requirements

Considerations When Accepting the Engagement

Acceptability of the Financial Reporting Framework

8. ASA 210 (Revised and Redrafted) requires the auditor to determine the acceptability of the financial reporting framework applied in the preparation of the financial report.³ In an audit of a special purpose financial report, the auditor shall obtain an understanding of:

- (a) The purpose for which the financial report is prepared;
- (b) The intended users; and
- (c) The steps taken by management to determine that the applicable financial reporting framework is acceptable in the circumstances. (Ref: Para. A5-A8)

Considerations When Planning and Performing the Audit

9. ASA 200 (Revised and Redrafted) requires the auditor to comply with all Australian Auditing Standards relevant to the audit.⁴ In

* See for example, *the Corporations Act 2001* or Australian Accounting Standards.

³ See ASA 210 (Revised and Redrafted), *Agreeing the Terms of Audit Engagements*, paragraph 6(a).

⁴ See ASA 200 (Revised and Redrafted), paragraph 18.

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planning and performing an audit of a special purpose financial report, the auditor shall determine whether application of the Australian Auditing Standards requires special consideration in the circumstances of the engagement. (Ref: Para. A9-A12)

10. ASA 315 (Revised and Redrafted) requires the auditor to obtain an understanding of the entity's selection and application of accounting policies.⁵ In the case of a financial report prepared in accordance with the provisions of a contract, the auditor shall obtain an understanding of any significant interpretations of the contract that management made in the preparation of that financial report. An interpretation is significant when adoption of another reasonable interpretation would have produced a material difference in the information presented in the financial report.

Forming an Opinion and Reporting Considerations

11. When forming an opinion and reporting on a special purpose financial report, the auditor shall apply the requirements in ASA 700 (Revised and Redrafted).⁶ (Ref: Para. A13)

Description of the Applicable Financial Reporting Framework

12. ASA 700 (Revised and Redrafted) requires the auditor to evaluate whether the financial report adequately refers to, or describes, the applicable financial reporting framework.⁷ In the case of a financial report prepared in accordance with the provisions of a contract, the auditor shall evaluate whether the financial report adequately describes any significant interpretations of the contract on which the financial report is based.
13. ASA 700 (Revised and Redrafted) deals with the form and content of the auditor's report. In the case of an auditor's report on a special purpose financial report:
- (a) The auditor's report shall also describe the purpose for which the financial report is prepared and, if necessary, the intended users, or refer to a note in the special purpose financial report that contains that information; and

⁵ See ASA 315 (Revised and Redrafted), *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment*, paragraph 11(c).

⁶ See ASA 700 (Revised and Redrafted), *Forming an Opinion and Reporting on a Financial Report*.

⁷ See ASA 700 (Revised and Redrafted), paragraph 15.

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- (b) If management has a choice of financial reporting frameworks in the preparation of such a financial report, the explanation of management's⁸ responsibility for the financial report shall also make reference to its responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances.

Alerting Readers that the Financial Report is Prepared in Accordance with a Special Purpose Framework

14. The auditor's report on the special purpose financial report shall include an Emphasis of Matter paragraph alerting users of the auditor's report that the financial report is prepared in accordance with a special purpose framework and that, as a result, the financial report may not be suitable for another purpose. The auditor shall include this paragraph under an appropriate heading. (Ref: Para. A14-A15)

* * *

⁸ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

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Application and Other Explanatory Material

Definition of Special Purpose Frameworks (Ref: Para. 6)

A1. Examples of special purpose frameworks are:

- A tax basis of accounting for a financial report that accompany an entity's tax return;
- The cash receipts and disbursements basis of accounting for cash flow information that an entity may be requested to prepare for creditors;
- The financial reporting provisions established by a regulator to meet the requirements of that regulator; or
- The financial reporting provisions of a contract, such as a bond indenture, a loan agreement, or a project grant.

Aus A1.1 In Australia, “non-reporting entities” have the option of preparing a special purpose financial report in compliance with those Australian Accounting Standards necessary to enable the financial report to meet the special purpose needs of users under the *Corporations Act 2001*^{*,†}.

A2. There may be circumstances where a special purpose framework is based on a financial reporting framework established by an authorised or recognised standards setting organisation or by law or regulation, but does not comply with all the requirements of that framework. An example is a contract that requires a financial report to be prepared in accordance with most, but not all, of the Australian Accounting Standards. When this is acceptable in the circumstances of the engagement, it is inappropriate for the description of the applicable financial reporting framework in the special purpose financial report to imply full compliance with the financial reporting framework established by the authorised or recognised standards setting organisation or by law or regulation. In the above example of the contract, the description of the applicable financial reporting framework may refer to the financial reporting provisions of the contract, rather than make any reference to the Australian Accounting Standards.

* See Division 1 of Part 2M.3 of the *Corporations Act 2001* for relevant sections.

† For example, see ASIC Regulatory Guide 85 *Reporting Requirements for non-reporting entities*.

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- A3. In the circumstances described in paragraph A2, the special purpose framework may not be a fair presentation framework even if the financial reporting framework on which it is based is a fair presentation framework. This is because the special purpose framework may not comply with all the requirements of the financial reporting framework established by the authorised or recognised standards setting organisation or by law or regulation that are necessary to achieve fair presentation of the financial report.
- A4. A financial report prepared in accordance with a special purpose framework may be the only financial report an entity prepares. In such circumstances, that financial report may be used by users other than those for whom the financial reporting framework is designed. Despite the broad distribution of the financial report in those circumstances, the financial report is still considered to be a special purpose financial report for the purposes of the Australian Auditing Standards. The requirements in paragraphs 13-14 are designed to avoid misunderstandings about the purpose for which the financial report is prepared.

Considerations When Accepting the Engagement

Acceptability of the Financial Reporting Framework (Ref: Para. 8)

- A5. In the case of a special purpose financial report, the financial information needs of the intended users are a key factor in determining the acceptability of the financial reporting framework applied in the preparation of the financial report.
- A6. The applicable financial reporting framework may encompass the financial reporting standards established by an organisation that is authorised or recognised to promulgate standards for a special purpose financial report. In that case, those standards will be presumed acceptable for that purpose if the organisation follows an established and transparent process involving deliberation and consideration of the views of relevant stakeholders. In some jurisdictions, law or regulation may prescribe the financial reporting framework to be used by management in the preparation of a special purpose financial report for a certain type of entity. For example, a regulator may establish financial reporting provisions to meet the requirements of that regulator. In the absence of indications to the contrary, such a financial reporting framework is presumed acceptable for a special purpose financial report prepared by such entity.

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- A7. Where the financial reporting standards referred to in paragraph A6 are supplemented by legislative or regulatory requirements, ASA 210 (Revised and Redrafted) requires the auditor to determine whether any conflicts between the financial reporting standards and the additional requirements exist, and prescribes actions to be taken by the auditor if such conflicts exist.⁹
- A8. The applicable financial reporting framework may encompass the financial reporting provisions of a contract, or sources other than those described in paragraphs A6 and A7. In that case, the acceptability of the financial reporting framework in the circumstances of the engagement is determined by considering whether the framework exhibits attributes normally exhibited by acceptable financial reporting frameworks as described in Appendix 2 of ASA 210 (Revised and Redrafted). In the case of a special purpose framework, the relative importance to a particular engagement of each of the attributes normally exhibited by acceptable financial reporting frameworks is a matter of professional judgement. For example, for purposes of establishing the value of net assets of an entity at the date of its sale, the vendor and the purchaser may have agreed that very prudent estimates of allowances for uncollectible accounts receivable are appropriate for their needs, even though such financial information is not neutral when compared with financial information prepared in accordance with a general purpose framework.

Considerations When Planning and Performing the Audit (Ref: Para. 9)

- A9. ASA 200 (Revised and Redrafted) requires the auditor to comply with (a) relevant ethical requirements, including those pertaining to independence, relating to financial statement audit engagements, and (b) all Auditing Standards relevant to the audit. It also requires the auditor to comply with each requirement of an Auditing Standard unless, in the circumstances of the audit, the entire Auditing Standard is not relevant or the requirement is not relevant because it is conditional and the condition does not exist. In exceptional circumstances, the auditor may judge it necessary to depart from a relevant requirement in an Auditing Standard by performing alternative audit procedures to achieve the aim of that requirement.¹⁰
- A10. Application of some of the requirements of the Auditing Standards in an audit of a special purpose financial report may require special consideration by the auditor. For example, in ASA 320 (Revised and

⁹ See ASA 210 (Revised and Redrafted), paragraph 18.

¹⁰ See ASA 200 (Revised and Redrafted), paragraphs 14, 18 and 22-23.

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Redrafted), judgements about matters that are material to users of the financial report is based on a consideration of the common financial information needs of users as a group.¹¹ In the case of an audit of a special purpose financial report, however, those judgements are based on a consideration of the financial information needs of the intended users.

- A11. In the case of a special purpose financial report, such as those prepared in accordance with the requirements of a contract, management may agree with the intended users on a threshold below which misstatements identified during the audit will not be corrected or otherwise adjusted. The existence of such a threshold does not relieve the auditor from the requirement to determine materiality in accordance with ASA 320 (Revised and Redrafted) for purposes of planning and performing the audit of the special purpose financial report.
- A12. Communication with those charged with governance in accordance with Australian Auditing Standards is based on the relationship between those charged with governance and the financial report subject to audit, in particular, whether those charged with governance are responsible for overseeing the preparation of that financial report. In the case of a special purpose financial report, those charged with governance may not have such a responsibility; for example, when the financial information is prepared solely for management's use. In such cases, the requirements of ASA 260 (Revised and Redrafted)¹² may not be relevant to the audit of the special purpose financial report, except when the auditor is also responsible for the audit of the entity's general purpose financial report or, for example, has agreed with those charged with governance of the entity to communicate to them relevant matters identified during the audit of the special purpose financial report.

Forming an Opinion and Reporting Considerations (Ref: Para. 11)

- A13. The Appendix to this Auditing Standard contains illustrations of auditors' reports on the special purpose financial report.

¹¹ See ASA 320 (Revised and Redrafted), *Materiality in Planning and Performing an Audit*, paragraph 2.

¹² See ASA 260 (Revised and Redrafted), *Communication with Those Charged with Governance*.

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Alerting Readers that the Financial Report is Prepared in Accordance with a Special Purpose Framework (Ref: Para. 14)

A14. The special purpose financial report may be used for purposes other than that for which it was intended. For example, a regulator may require certain entities to place the special purpose financial report on public record. To avoid misunderstandings, the auditor alerts users of the auditor's report that the financial report is prepared in accordance with a special purpose framework and, therefore, may not be suitable for another purpose.

Restriction on Distribution or Use (Ref: Para. 14)

A15. In addition to the alert required by paragraph 14, the auditor may consider it appropriate to indicate that the auditor's report is intended solely for the specific users. Depending on the law or regulation of the particular jurisdiction, this may be achieved by restricting the distribution or use of the auditor's report. In these circumstances, the paragraph referred to in paragraph 14 may be expanded to include these other matters, and the heading modified accordingly.

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Conformity with International Standards on Auditing

This Auditing Standard conforms with International Standard on Auditing ISA 800 *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* (Revised and Redrafted), issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

Paragraphs that have been added to this Auditing Standard (and do not appear in the text of the equivalent ISA) are identified with the prefix “Aus”.

Compliance with this Auditing Standard enables compliance with ISA 800.

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Appendix 1

(Ref: Para. A13)

**Illustrations of Auditors' Reports on a Special Purpose
Financial Report**

- Illustration 1: An auditor's report on a complete financial report prepared in accordance with the financial reporting provisions of a contract (for purposes of this illustration, a compliance framework).
- Illustration 2: An auditor's report on a complete financial report prepared in accordance with the tax basis of accounting (for purposes of this illustration, a compliance framework).
- Illustration 3: An auditor's report on a complete financial report prepared in accordance with the financial reporting provisions established by a regulatory authority (for purposes of this illustration, a fair presentation framework).
- Illustration 4 (Australian Insert): An auditor's report on special purpose financial report prepared by a non-reporting entity under the *Corporations Act 2001* (for purposes of this illustration, a fair presentation framework).

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**Example Auditors Report – A Financial Report prepared
for Compliance with a Contract
(compliance framework)**

Illustration 1:

Circumstances include the following:

- **The financial report has been prepared by management of the entity in accordance with the financial reporting provisions of a contract (i.e., a special purpose framework) to comply with the provisions of that contract. Management does not have a choice of financial reporting frameworks.**
- **The applicable financial reporting framework is a compliance framework.**
- **The terms of the audit engagement reflect the description of management’s responsibility for the financial report in ASA 210 (Revised and Redrafted).**
- **Distribution and use of the auditor’s report is restricted.**

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

We have audited the accompanying financial report of ABC Company, which comprise the balance sheet as at 30 June, 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial report has been prepared by the management of ABC Company based on the financial reporting provisions of Section Z of the contract dated January 1, 20X1 between ABC Company and DEF Company (“the contract”).

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Management’s¹³ Responsibility for the Financial Report

Management is responsible for the preparation of this financial report in accordance with the financial reporting provisions of Section Z of the contract; and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on this financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report of ABC Company for the year ended 30 June, 20X1 is prepared, in all material respects, in accordance with the financial reporting provisions of Section Z of the contract.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note X to the financial report, which describes the basis of accounting. The financial report is prepared to assist ABC Company to comply with the financial reporting provisions of the contract referred to above. As a result, the financial report

¹³ Or another term that is appropriate in the context of the legal framework in the particular jurisdiction.

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may not be suitable for another purpose. Our report is intended solely for ABC Company and DEF Company and should not be distributed to or used by parties other than ABC Company or DEF Company.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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**Example Auditors Report – Financial Report prepared in
accordance with a Tax basis of Accounting
(compliance framework)**

Illustration 2:

Circumstances include the following:

- **The financial report has been prepared by management of a partnership in accordance with the tax basis of accounting (i.e., a special purpose framework) to assist the partners in preparing their individual income tax returns. Management does not have a choice of financial reporting frameworks.**
- **The applicable financial reporting framework is a compliance framework.**
- **The terms of the audit engagement reflect the description of management’s responsibility for the financial report in ASA 210 (Revised and Redrafted).**
- **Distribution of the auditor’s report is restricted.**

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

We have audited the accompanying financial report of ABC Partnership, which comprise the balance sheet as at 30 June, 20X1 and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial report has been prepared by management using the tax basis of accounting.

Management’s¹⁴ Responsibility for the Financial Report

Management is responsible for the preparation of the financial report in accordance with the tax basis of accounting; and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

¹⁴ Or another term that is appropriate in the context of the legal framework in the particular jurisdiction.

Proposed Auditing Standard ASA 800
Special Considerations – Audits of Financial Reports Prepared in
Accordance with Special Purpose Frameworks (Revised and Redrafted)
(Re-issuance of ASA 800)

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the partnership’s preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the partnership’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report of ABC Partnership for the year ended 30 June, 20X1 is prepared, in all material respects, in accordance with [describe the applicable income tax law].

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note X to the financial report, which describes the basis of accounting. The financial report is prepared to assist the partners of ABC Partnership in preparing their individual income tax returns. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for ABC Partnership and its partners and should not be distributed to parties other than ABC Partnership or its partners.

[Auditor’s signature]

[Date of the auditor’s report]

[Auditor’s address]

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**Example Auditors Report – Financial Report prepared to
meet Regulatory Authority requirements
(fair presentation framework)**

Illustration 3:

Circumstances include the following:

- **The financial report has been prepared by management of the entity in accordance with the financial reporting provisions established by a regulatory authority (i.e., a special purpose framework) to meet the requirements of that authority. Management does not have a choice of financial reporting frameworks.**
- **The applicable financial reporting framework is a fair presentation framework.**
- **The terms of the audit engagement reflect the description of management’s responsibility for the financial report in ASA 210 (Revised and Redrafted).**
- **Distribution or use of the auditor’s report is not restricted.**
- **The Other Matter paragraph refers to the fact that the auditor has also issued an auditor’s report on the financial report prepared by ABC Company for the same period in accordance with a general purpose framework.**

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

We have audited the accompanying financial report of ABC Company, which comprise the balance sheet as at 30 June, 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial report has been prepared by management based on the financial reporting provisions of Section Y of Regulation Z.

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Management’s¹⁵ Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation¹⁶ of these financial report in accordance with the financial reporting provisions of Section Y of Regulation Z, and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation¹⁷ of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.¹⁸ An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

¹⁵ Or another term that is appropriate in the context of the legal framework in the particular jurisdiction.

¹⁶ Where management’s responsibility is to prepare a financial report that gives a true and fair view, this may read: “Management are responsible for the preparation of the financial report that give a true and fair view in accordance with the financial reporting provisions of section Y of Regulation Z , and for such...”

¹⁷ In the case of footnote 16, this sentence may read: “In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.”

¹⁸ In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial report, this sentence would be worded as follows: “In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances.” In the case of footnote 16, this may read: “In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.”

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accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report presents fairly, in all material respects, (or give a true and fair view of) the financial position of ABC Company as at 30 June, 20X1, and (of) its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of Section Y of Regulation Z.

Basis of Accounting

Without modifying our opinion, we draw attention to Note X to the financial report, which describes the basis of accounting. The financial report is prepared to assist ABC Company to meet the requirements of Regulatory Authority DEF. As a result, the financial report may not be suitable for another purpose.

Other Matter

ABC Company has prepared a separate financial report for the year ended 30 June, 20X1 in accordance with Australian Accounting Standards on which we issued a separate auditor's report to the shareholders of ABC Company dated March 31, 20X2.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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**Example Auditors Report – Financial Report prepared by
non-reporting entity to meet reporting requirements under
the *Corporations Act 2001*
(fair presentation framework)**

Aus Illustration 4:

Circumstances include the following:

- **The financial report has been prepared by management of the entity in accordance with the financial reporting provisions set by the entity. The entity is a small-proprietary company controlled by a foreign company which has not lodged a financial report with ASIC (i.e. the company is a ‘non-reporting’ entity).**
- **The entity has financial reporting requirements under the *Corporations Act 2001*.**
- **The applicable financial reporting framework is a fair presentation framework.**
- **The terms of the audit engagement reflect the description of management’s responsibility for the financial report in ASA 210 (Revised and Redrafted).**
- **Distribution or use of the auditor’s report is restricted.**

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

We have audited the accompanying financial report, being a special purpose financial report, of ABC Company, which comprises the statement of financial position as at 30 June 20X1, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes comprising a summary of significant

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accounting policies, other explanatory notes and the [Directors']¹⁹
declaration.²⁰

Management's Responsibility¹⁹ for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Corporations Act 2001*²¹ and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note XX, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with *International Financial Reporting Standards*.[#]

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

¹⁹ Or another term that is appropriate in the context of the legal framework in the particular jurisdiction.

²⁰ When the auditor is aware that the financial report will be included in a document that contains other information, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the audited financial report is presented.

²¹ Insert reference to appropriate mandate.

[#] Insert only where the entity has included in the notes to the financial statements, an explicit and unreserved statement of compliance with *International Financial Reporting Standards* in accordance with AASB 101 *Presentation of Financial Statements*.

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internal control.²² An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor’s Opinion

In our opinion:

- (a) the financial report of ABC Company is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of ABC Company’s financial position as of 30 June 20X1 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial report; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial reporting, and complying with the *Corporations Act 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note XX.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note X to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling management’s financial reporting under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report

²² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial report, this sentence would be worded as follows: “In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances”.

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is intended solely for ABC Company and should not be distributed to or used by parties other than ABC Company.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

Tables of Differences — ASA 800 (Revised and Redrafted) and Extant ASA 800

Underlying Standard

ISA 800 *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* (Revised and Redrafted) is used as the underlying Auditing Standard for the purpose of re-drafting this proposed Auditing Standard. The underlying Auditing Standard will be amended for the following matters:

- Australian Laws and Regulations (including the *Corporations Act 2001*);
- Changes considered necessary because this Auditing Standard is a legislative instrument; and
- Changes considered necessary in the public interest.

Summary of Main Differences — ASA 800 (Revised and Redrafted) and Extant ASA 800

The table below details the main differences (excluding editorial amendments) between this proposed Auditing Standard and extant ASA 800.

Requirements in ASA 800 (Revised and Redrafted) not in Extant ASA

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised and Redrafted) Requirements	Commentary
Scope			
1	1-3	1. The Australian Auditing Standards in the ASA 100 - ASA 700 series apply to an audit of a financial report. This Auditing Standard deals with special considerations in the application of those Australian Auditing Standard to an audit of a financial report, or a complete set of financial statements prepared in accordance with a special purpose framework.	New Scope section included.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised and Redrafted) Requirements	Commentary
		2. This Auditing Standard is written in the context of a financial report prepared in accordance with a special purpose framework. ASA 805 (Revised and Redrafted) deals with special considerations relevant to an audit of a single financial statement or of a specific element, account or item of a financial statement. 3. This Auditing Standard does not override the requirements of the other Australian Auditing Standards; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.	
Objectives			
2	5	The objective of the auditor, when applying Australian Auditing Standards in an audit of a financial report prepared in accordance with a special purpose framework, is to address appropriately the special considerations that are relevant to: <ul style="list-style-type: none"> (a) The acceptance of the engagement; (b) The planning and performance of that engagement; and (c) Forming an opinion and reporting on the financial report. 	New Objectives included. Not inconsistent with extant ASA 800.
Definitions			
3	6-7	6. For purposes of the Australian Auditing Standards, the following terms have the meanings attributed below: <ul style="list-style-type: none"> (a) [Deleted by AUASB. Refer Aus 6.1 (c)] (b) Special purpose framework – A financial reporting framework designed to meet the financial information needs of specific users. The financial reporting framework 	New Definitions included. [Extant ASA 800 para 18—equivalent Explanatory Guidance]

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised and Redrafted) Requirements	Commentary
		<p>may be a fair presentation framework or a compliance framework. (Ref: Para. A1-A4)</p> <p>Aus 6.1 Special purpose financial report means a complete set of financial statements, including the related notes, and where applicable, directors' declaration (or a declaration by those responsible for the financial report) about the statements and notes, prepared in accordance with a special purpose framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The requirements of the applicable financial reporting framework determine what constitutes a complete set of financial statements in accordance with a special purpose framework. (Ref: Para A4)</p> <p>Aus 7.1 A reference to "financial report" in this Auditing Standard is also taken to include a "complete set of financial statements".</p>	
Considerations when Planning and Performing the Audit			
4	9	<p>ASA 200 (Revised and Redrafted) requires the auditor to comply with all Australian Auditing Standards relevant to the audit. In planning and performing an audit of a special purpose financial report, the auditor shall determine whether application of the Australian Auditing Standards requires special consideration in the circumstances of the engagement. (Ref: Para. A9-A12)</p>	<p>No extant ASA equivalent.</p> <p>The concept of the Requirement is inherent in the extant ASA's Appendices 1 & 2 Example Auditors Opinion wording. It is also inherent in the Requirement [para 9(d)(i)] - Form of the Opinion.</p>

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised and Redrafted) Requirements	Commentary
5	10	<p>ASA 315 (Revised and Redrafted) requires the auditor to obtain an understanding of the entity’s selection and application of accounting policies. In the case of a financial report prepared in accordance with the provisions of a contract, the auditor shall obtain an understanding of any significant interpretations of the contract that management made in the preparation of that financial report. An interpretation is significant when adoption of another reasonable interpretation would have produced a material difference in the information presented in the financial report.</p>	<p>(1) Shaded text is an elevation of extant ASA Explanatory Guidance. [Extant ASA 800 para 16—equivalent Explanatory Guidance]</p> <p>(2) Unshaded text is equivalent in meaning to extant ASA Requirement. [Extant ASA 800 para 15—equivalent Requirement]</p>
Forming an Opinion and Reporting Considerations			
6	11	<p>When forming an opinion and reporting on a special purpose financial report, the auditor shall apply the requirements in ASA 700 (Revised and Redrafted). (Ref: Para. A13)</p>	<p>Elevation of extant ASA Explanatory Guidance. [Extant ASA 800 para 11—equivalent Explanatory Guidance]</p>
Alerting Readers that the Financial Report is Prepared in Accordance with a Special Purpose Framework			
7	14	<p>The auditor’s report on a special purpose financial report shall include an Emphasis of Matter paragraph alerting users of the auditor’s report that the financial report is prepared in accordance with a special purpose framework and that, as a result, the financial statements may not be suitable for another purpose. The auditor shall include this paragraph under an appropriate heading. (Ref: Para. A14-A15)</p>	<p>Extant ASA did not require an Emphasis of Matter paragraph be included in the Auditor’s Report for a special purpose financial report. In the extant ASA, the alert was contained in the scope section of the Auditor’s Report.</p>

Requirements in Extant ASA not included in ASA 800 (Revised and Redrafted)

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary
Introduction			
1	4	<p>The purpose of this Auditing Standard is to establish mandatory requirements and to provide explanatory guidance in connection with special purpose audit engagements including:</p> <ul style="list-style-type: none"> (a) a financial report prepared in accordance with an alternative comprehensive basis of accounting, such as a special purpose financial report prepared for the purpose of fulfilling the directors' financial reporting requirements of the <i>Corporations Act 2001</i>; (b) a component of a general purpose or special purpose financial report, such as a single financial statement, specified accounts, elements of accounts, or items in a financial statement; (c) compliance with contractual agreements; and (d) a summarised financial report. 	<p>(1) Shaded text is incorporated into a separate Auditing Standard. [Proposed] ASA 805 <i>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> [para 1]</p> <p>(2) Bold text is incorporated into a separate Auditing Standard. [Proposed] ASA 810 <i>Engagements to Report on Summary Financial Statements</i> [para 14]</p> <p>(3) Non-shaded/unbold text is included in the Proposed Auditing Standard. [Proposed] ASA 800 <i>Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i> [para's 1-2, 10]</p>
General Considerations			
2	9	<p>The auditor's report on a special purpose audit engagement, except for a report on a summarised financial report, shall include the following basic elements, ordinarily in the following layout:</p> <ul style="list-style-type: none"> (a) a title clearly identifying it as the report of an independent auditor; (b) an addressee; 	<p>Requirement not included in ASA 800 (Revised and Redrafted). However, paragraph 13 refers the auditor to [Proposed] ASA 700, <i>Forming an Opinion and Reporting on a Financial Report</i>. Paragraphs 20-42 of this Standard include Requirements which are equivalent in meaning to the extant ASA</p>

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary
		<p>(c) an introductory paragraph that:</p> <ul style="list-style-type: none"> (i) identifies the financial information that was audited including the name of the entity whose financial information has been audited and the reporting period covered by the financial information; (ii) identifies the responsible party, and includes a description of that party’s responsibility for preparing and presenting the financial information in accordance with the applicable financial reporting framework; and (iii) includes a statement that the auditor is responsible for expressing an opinion on the financial information based on the audit; <p>(d) a scope paragraph (describing the nature of an audit) that:</p> <ul style="list-style-type: none"> (i) includes a statement that the audit was conducted in accordance with Australian Auditing Standards and an explanation that these Auditing Standards require the auditor to comply with relevant ethical requirements relating to audit engagements; and (ii) a description of the work the auditor performed; <p>(e) a statement that the auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor’s opinion;</p> <p>(f) an opinion paragraph containing an expression of opinion on the financial information that refers to the applicable financial reporting framework;</p> <p>(g) the date of the auditor’s report;</p> <p>(h) the auditor’s address; and</p>	<p>[Extant ASA paragraph 9—equivalent Requirement]</p>

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary
		(i) the auditor’s signature.	
3	13	When requested to report in a prescribed format, the auditor shall consider the substance and wording of the prescribed report and, when necessary, shall make appropriate changes to conform to the requirements of this Auditing Standard, either by rewording the form or by attaching a separate report.	Requirement not included in ASA 800 (Revised and Redrafted). However, paragraph 13 refers the auditor to [Proposed] ASA 700, <i>Forming an Opinion and Reporting on a Financial Report</i> . Paragraphs 20-42 include Requirements that are equivalent in meaning to extant ASA paragraph 13.
4	25	If the financial report prepared on an alternative comprehensive basis is not suitably titled or the basis of accounting is not adequately disclosed, the auditor shall issue an appropriately modified report.	Requirement included in another ASA. [Proposed ASA 700, paragraph 17—equivalent Requirement]
Reports on Components of a Financial Report			
5	27	The auditor may be requested to express an opinion on one or more components of a financial report, for example, a single financial statement such as a balance sheet, accounts receivable, inventory, an employee’s bonus calculation or a provision for income taxes. The component might be prepared to meet the financial information needs of specific users and have limited distribution, or may be intended to meet the information needs of a wide range of users and, therefore, prepared in accordance with the relevant requirements of an applicable financial reporting framework. This type of engagement may be undertaken as a separate engagement or in conjunction with an audit of the entity’s financial report (ASA (700 Revised and Redrafted) contains mandatory requirements and explanatory guidance in relation to the auditor’s other reporting responsibilities). However, this type of engagement does not result in a report on the financial report taken as a whole and, accordingly, an opinion is only expressed on the component.	(1) Shaded text is an elevation of explanatory guidance that is now incorporated into a separate Auditing Standard. [Proposed] ASA 805 <i>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> [para 7] (2) Bold text is an elevation of explanatory guidance that is now incorporated into a separate Auditing Standard. [Proposed] ASA 805 <i>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> [para 11] (3) <u>Underlined text</u> is an elevation of explanatory guidance that is

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary
			<p>now incorporated into a separate Auditing Standard.</p> <p>[Proposed] ASA 805 <i>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> [para 12]</p>
6	28	<p>In determining the scope of the engagement, the auditor shall consider those financial report items that are inter-related and which could materially affect the information on which the audit opinion is to be expressed.</p>	<p>Requirement included in another ASA.</p> <p>[Proposed] ASA 805, paragraph 8—equivalent Requirement</p>
7	30	<p>The auditor shall consider the concept of materiality in relation to the component of a financial report being reported upon.</p>	<p>Requirement included in another ASA.</p> <p>[Proposed] ASA 805, paragraph 8—equivalent Requirement</p>
8	32	<p>The auditor’s report on a component of a financial report shall include a statement that indicates the applicable financial reporting framework in accordance with which the component is presented or refers to an agreement that specifies the basis of accounting used. The opinion shall state whether the component gives a true and fair view or presents fairly, in all material respects, in accordance with the applicable financial reporting framework or identified basis of accounting.</p>	<p>Requirement included in another ASA.</p> <p>[Proposed] ASA 805, paragraph 9—equivalent Requirement.</p>
9	34	<p>When a modified opinion on the entire financial report has been expressed, the auditor shall refer to</p> <ul style="list-style-type: none"> (a) the modification in the auditor’s report if: <ul style="list-style-type: none"> the modification has a material effect on the component; or (b) on the date of signing the auditor’s report, the auditor is aware that the auditor’s report on the component is to be presented with the entire financial report or other significant components. 	<p>Requirement included in another ASA.</p> <p>[Proposed] ASA 805, paragraph 14—equivalent Requirement.</p>

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary
Reports on Summarised Financial Statements			
10	48	<p>The auditor’s report on a summarised financial report shall include the following basic elements ordinarily in the following layout:</p> <ul style="list-style-type: none"> (a) a title clearly identifying it as the report of an independent auditor; (b) an addressee; (c) an identification of the audited financial report from which the summarised financial report was derived, including the name of the entity and the reporting period covered by the financial report; (d) a reference to the date of the auditor’s report on the unabridged financial report and the type of opinion given in that report; (e) a reference to Australian Auditing Standards and relevant ethical requirements relating to audit engagements; (f) an opinion as to whether the information in the summarised financial report is consistent with the audited financial report from which it was derived. When the auditor has issued a modified opinion on the unabridged financial report yet is satisfied with the presentation of the summarised financial report, the auditor’s report should state that, although consistent with the unabridged financial report, the summarised financial report was derived from a financial report on which a modified auditor’s report was issued; (g) a statement, or reference to the note within the summarised financial report, which indicates that for a better understanding of an entity’s financial performance and position and of the scope of the audit performed, the summarised financial report shall be read in conjunction with the unabridged financial report and the auditor’s report thereon; 	<p>(1) Shaded text is equivalent in meaning to Requirements incorporated into a separate Auditing Standard.</p> <p>[Proposed] ASA 810 <i>Engagements to report on Summary Financial Statements</i> [para 14]</p> <p>(2) Unshaded/non-bold text has no ASA equivalent (although the Appendix to [Proposed] ASA 800 (Revised and Redrafted) contains this information.)</p> <p>(3) Bold text is equivalent in meaning to a Requirements incorporated into a separate Auditing Standard, with a conceptual difference.</p> <p>[Proposed] ASA 810 (Revised and Redrafted) requires the auditor’s report to only refer to compliance with ASA 810 rather than the Australian Auditing Standards.</p> <p>[Proposed] ASA 810 - [paragraph 14(e)] -“A statement that the auditor is responsible for expressing an opinion on the summary financial statements based on the procedures required by this Auditing Statement.”</p> <p>No practical implications perceived from amendment to signoff given the auditor is merely reporting on summary financial statements which have been extracted from a financial report that has already been audited by the auditor in compliance with the suite of Australian Auditing Standards.</p>

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary
		(h) the date of the report; (i) the auditor’s address; and (j) the auditor’s signature.	

Significant Differences in Guidance —ASA 800 (Revised and Redrafted) and Extant ASA

Item #	ASA(Revised & Redrafted) Para. #	Guidance	Commentary
Considerations When Accepting the Engagement			
1	A5-A8	<p>A5 In the case of a special purpose financial report, the financial information needs of the intended users are a key factor in determining the acceptability of the financial reporting framework applied in the preparation of the financial report.</p> <p>A6 The applicable financial reporting framework may encompass the financial reporting standards established by an organisation that is authorised or recognised to promulgate standards for a special purpose financial report. In that case, those standards will be presumed acceptable for that purpose if the organisation follows an established and transparent process involving deliberation and consideration of the views of relevant stakeholders. In some jurisdictions, law or regulation may prescribe the financial reporting framework to be used by management in the preparation of a special purpose financial report for a certain type of entity. For example, a regulator may establish financial reporting provisions to meet the requirements of that regulator. In the absence of indications to the contrary, such a financial reporting framework is presumed acceptable for a special purpose financial report prepared by such entity.</p> <p>A7 Where the financial reporting standards referred to in paragraph A6 are supplemented by legislative or regulatory requirements, ASA 210 (Revised and Redrafted) requires the auditor to determine whether any conflicts between the financial reporting standards and the additional requirements exist, and prescribes actions to be taken by the auditor if such conflicts exist.</p>	New Explanatory Guidance.

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p>A8 The applicable financial reporting framework may encompass the financial reporting provisions of a contract, or sources other than those described in paragraphs A6 and A7. In that case, the acceptability of the financial reporting framework in the circumstances of the engagement is determined by considering whether the framework exhibits attributes normally exhibited by acceptable financial reporting frameworks as described in Appendix 2 of ASA 210 (Revised and Redrafted). In the case of a special purpose framework, the relative importance to a particular engagement of each of the attributes normally exhibited by acceptable financial reporting frameworks is a matter of professional judgement. For example, for purposes of establishing the value of net assets of an entity at the date of its sale, the vendor and the purchaser may have agreed that very prudent estimates of allowances for uncollectible accounts receivable are appropriate for their needs, even though such financial information is not neutral when compared with financial information prepared in accordance with a general purpose framework.</p>	

Significant Differences in Appendices — ASA 800 (Revised and Redrafted) and Extant ASA

Item #	Extant ASA Para. #	Appendix	Commentary
Appendix 2 – Summary of Audit Reporting Requirements under the Corporations Act 2001			
1	All	All contents of Appendix	Not included in ASA (Revised and Redrafted) Reference to Division 1 of Part 2M.3 <i>Corporations Act 2001</i> covering all paragraphs are effectively referenced via Footnote to Aus A1.1.