



# Grant Thornton

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Dear Merran

## **ED 02/12 PROPOSED STANDARD ON REVIEW ENGAGEMENTS ASRE 2400 – Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Auditing and Assurance Standards Board (AUASB) with its comments on ED 02/12 Proposed Standard on Review Engagements ASRE 2400 - Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity. Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses, and this submission has benefited with input from our clients, Grant Thornton International and discussions with key constituents.

As a general principle, Grant Thornton believes that the AUASB when re-badging standards issued by global standards setters such as the International Auditing and Assurance Standards Board (IAASB), should make no changes to the global standard, unless this is necessary for reference to regulatory requirements (i.e. ASQC 1 – p78). Even then Grant Thornton is of the view that it would be preferable to make no regulatory changes in the actual standard, and instead have comparative references elsewhere in a global standards references document, perhaps in the AUASB's Preambles.

Grant Thornton is not opposed to providing additional local guidance but only where it is clear that such guidance is not inconsistent with the global standard, and constituents agree it is necessary. However Grant Thornton does not support extra requirements such as Item 8 on page 81 that refers to paragraph 30 (prior to accepting a review engagement on the financial reporting framework).

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Grant Thornton is also concerned that the delay in issuing ASRE 2400 (ISRE 2400 issue in September 2012) which is evident from a different application date (commencing on or after 1 July 2013 compared to the IAASB's ending on or after 31/12/2013) puts Australia out of line with global requirements which Australia is required to follow via world's best practice. Additionally the extra cost to the AUASB's resources, and the lack of any realistic way to significantly change what is now a global standard, is an issue. Grant Thornton believes that the AUASB should instead issue IAASB documents at the same time that as the IAASB so that Australian constituents including the AUASB have an opportunity to influence the final standard. This is the process that the New Zealand External Reporting Board follows, and given the policy of the Governments of Australia and New Zealand to have common requirements, it seems obvious that the AUASB's process is not consistent with Government policy.

Subject to the above comments, and on the basis that the final Australian Standard is consistent with the requirements of the International Auditing and Assurance Standards Board's ISRE 3410 (page 78), Grant Thornton supports the release of a Standard based on ED 02/12.

If you require any further information or comment, please contact me.

Yours sincerely  
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly  
National Head of Professional Standards