



The Chairman
Auditing and Assurance Standards Board
PO Box 204, Collins Street West
Melbourne Victoria 8007 AUSTRALIA

10 March 2017

Dear Sir

Exposure Draft 05-16, Proposed Auditing Standard ASA 250 *Consideration of Laws and Regulations in an Audit of a Financial Report*

We are pleased to have the opportunity to comment on Exposure Draft 05-16, Proposed Auditing Standard ASAS 250 *Consideration of Laws and Regulations in an Audit of a Financial Report* (the proposed standard) issued by the Auditing and Assurance Standards Board (AUASB). This letter represents the views of KPMG Australia.

Overarching comments

KPMG Australia is supportive of the content of the proposed standard, including the Australian amendments to International Standard on Auditing ISA 250 *Consideration of Laws and Regulations in an Audit of Financial Statements* issued by the International Auditing and Assurance Standards Board (IAASB).

We are supportive of the removal of Aus 11.1 on the basis that there is no compelling reason for the amendment.

We encourage the AUASB to continue to ensure the consistency of the proposed standard with the *Proposed Amendments to APES 110 Code of Ethics for Professional Accountants* as issued by the APESB as the APESB progress with their project.

Our comments in relation to the specific matters raised by the AUASB in the proposed standard are set out below.

Comments in relation to specific matters raised by the AUASB

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

Given the significant number and variety of laws and regulations that may be relevant in an audit of a financial report, we are satisfied that the proposed standard uses wording that is appropriate to encompass those laws and regulations that may be relevant depending on specific facts and circumstances.

2. Are there any laws and regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?

Other than the matters outlined in paragraphs 20, 23 and A21, we are not aware of any laws and regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard.

3. What, if any, are the additional significant cost to / benefits for auditors and the business community arising from compliance with the main changes to the requirements of this proposed standard? If there are significant costs, do these outweigh the benefit to the users of audit services?

Paragraph 30(a) to the proposed standard requires documentation of the audit procedures performed, the significant professional judgements made and the conclusions reached thereon. We are of the view that auditors would ordinarily document the procedures performed, the significant professional judgements made and the conclusions reached thereon in accordance with ASA 230 *Audit documentation*, and therefore additional cost to / benefits for auditors are minimal.

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

KPMG do not wish to raise any other significant public interest matters.

Please contact me on (02) 9335 8749 if you wish to discuss any of the comments raised in this letter.

Yours faithfully,



Julian Bishop

Partner