

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

11 October 2016

ED 04/16 Proposed Standard on Assurance Engagements ASAE 3100 *Compliance Engagements*

Dear Merran

On behalf of Ernst & Young I am writing to support the proposals contained within Exposure Draft 04/16 which is designed to update ASAE 3100 *Compliance Engagements* to establish requirements and provides application and other explanatory material regarding the conduct of and reporting on assurance engagements on compliance.

We have supported and continue to support the AUASB's initiatives to improve assurance engagement quality and believe that the proposals enhance clarity on how to scope, conduct and report in an assurance engagement on compliance. We agree with the Board's effort to facilitate conformity with current AUASB standards and revised ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, which will be achieved by the proposals.

We also note the following, as requested:

1. As far as we can see, applicable laws and regulations have been appropriately addressed in the proposal standard;
2. We are not aware of any references to relevant laws or regulations that have been omitted;
3. 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. In our view, the considerations for conducting a direct engagement are adequately differentiated from an attestation engagement;
5. The procedures required for limited and reasonable assurance engagements are appropriately and adequately distinguished;
6. We do not believe that there are any additional significant costs to/ benefits for assurance practitioners and the business community arising from compliance with the requirements of this proposed standard; and
7. We have no significant public interest matters that we would like to raise in relation to the proposed standard.

Please contact me if you would like to discuss this submission further.

Denis Thorn
Partner
Ernest & Young



Copy to: Kathy Parsons, Oceania Professional Practice Director