

Ms Merran Kelsall  
Chairman  
Australian Auditing and Assurance Standards Board  
PO Box 204  
Collins Street  
Melbourne  
VIC 8009

4 July 2016

Dear Ms Kelsall

**Re: Exposure Draft ED 01/16 – Proposed Auditing Standard *ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks***

Deloitte Touche Tohmatsu (Deloitte) is pleased to respond to the Australian Auditing and Assurance Standards Board's (AUASB) Exposure Draft ED 01/16 Proposed Auditing Standard *ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks* (ED 01/16).

We support having one set of international standards on auditing that are used by practitioners worldwide in the audit of a financial report. Accordingly, we support the issuance of the proposed revised and amending standards as part of the harmonisation project and conformity with International Standards on Auditing.

Please refer to Appendix 1 for our responses to the specific questions posed by the AUASB within ED 01/16.

In addition, we have included specific comments relating to the wording of the proposed standard within ED 01/16 in Appendix 2.

If you have any queries in relation to this response please do not hesitate to contact me on 02 9322 3434.

Yours sincerely



Gareth Bird  
Partner  
Deloitte Touche Tohmatsu

## **Appendix 1 – Response to specific questions posed within ED 01/16**

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

Yes, other than the specific points noted in Appendix 2.

2. *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?*

Nothing noted.

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

None noted.

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

Nothing further of significance noted.

## Appendix 2 – Specific comments relating to proposed changes within ED 01/16

ED 01/16 Paragraph	Comment
Aus 6.1	<p>The definition of a special purpose financial report currently does not distinguish between a financial report prepared for the purpose of the <i>Corporations Act 2001</i> or for any other purpose.</p> <p>One of the most common uses of this standard is in circumstances when a special purpose financial report is prepared for the purpose of the <i>Corporations Act 2001</i>.</p> <p>Therefore it is our view that the definition of a special purpose financial report should be expanded to distinguish between a financial report for the purpose of the <i>Corporations Act 2001</i> and for purposes other than the <i>Corporations Act 2001</i>. We believe that this would be beneficial for users as well as consistent with the definitions of financial report included paragraphs Aus 8.1 and Aus 8.2 of ASA 700 and paragraph Aus 13.2 of ASA 200.</p>
Aus 6.1  Footnote “#”	<p>The footnote (#) to paragraph Aus 6.1 refers to the assertion statement as needing to be included only “where considered applicable”.</p> <p>It is our view that in the context of ASA 800, the assertion statement will be required in all circumstances as the standard is specifically in relation to a financial report in accordance with a special purpose framework. The definitions of a financial report included in ASA 700 paragraphs Aus 8.1 and Aus 8.2 (for purposes of the <i>Corporations Act 2001</i> and other than the <i>Corporations Act 2001</i>) as well as the definition of a special purpose financial report included in ASA 800 paragraph Aus 6.1, all refer to a complete set of financial statements and an assertion statement. This is consistent with and further supported by the definitions within ASA 200 paragraph Aus 13.2.</p> <p>As a result, we recommend that the footnote be removed completely, as an assertion statement should be included in every circumstance in order for the financial information (prepared by the entity) to meet the definition of a financial report.</p>