

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 02/16 – Proposed Auditing Standard *ASA 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*

Deloitte Touche Tohmatsu (Deloitte) is pleased to respond to the Australian Auditing and Assurance Standards Board's (AUASB) Exposure Draft ED 02/16 Proposed Auditing Standard *ASA 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* (ED 02/16).

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 02/16.

In addition, we have included specific comments relating to the wording of the proposed standard within ED 02/16 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 02/16

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

Yes, no comments noted.

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 02/16

ED 02/16 Paragraph	Comment
7	<p>The last sentence of this paragraph currently reads as follows: “If the auditor is not also engaged to audit the entity’s financial report, the auditor shall determine whether the audit of a single financial statement or of a specific element of those financial report in accordance with Australian Auditing Standards is practicable.”</p> <p>We recommend that the wording be changed to refer to “...specific element of a financial statement...” in order to align with the definition in ASA 805 paragraph 6 and also to be grammatically correct. The concept of an “element of a financial report” is not defined within the standard.</p>
16	<p>Similar to the point noted above, the first sentence of this paragraph refers to: “...in the context of a separate audit of a specific element of that financial report...”.</p> <p>We recommend that the wording be changed to refer to “...specific element of a financial statement...” in order to align with the definition in ASA 805 paragraph 6. The concept of an “element of a financial report” is not defined within the standard. If further and specific clarity was considered necessary, then the wording could be changed to: “...specific element of a financial statement which forms part of the financial report...”.</p>
Typographical and grammatical points noted	
Footnote 7	This footnote should be moved from the bottom of page 9 to page 8.
Footnote 7	We recommend that the prefix “See” is included at the start of the wording for this footnote to be consistent with the convention adopted in other footnotes when specific paragraphs are referred to (for example, footnotes 11, 12 and 13).
15	The end of this paragraph makes reference to paragraph A128. This paragraph does not exist. It should instead make reference to paragraph A28.