

The Chairman
Australian Auditing and Assurance Standards Board
PO Box 204, Collins Street West
Melbourne, VIC 8009

28 February 2017

Dear Chairman

Re: Exposure Draft ED 06/2016 – Amendments to Australian Auditing Standards

Deloitte Touche Tohmatsu (Deloitte) is pleased to respond to the Australian Auditing and Assurance Standards Board's (AUASB) Exposure Draft ED 06/2016 – *Amendments to Australian Auditing Standards* ("ED 06/2016").

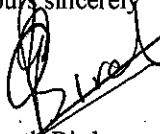
We support having one set of international standards on auditing that are used by practitioners worldwide in the audit of a financial report (although we also acknowledge that there may be certain circumstances where compelling reasons exist for the inclusion of Australian specific requirements and guidance). Accordingly, we support the issuance of the proposed amending standards.

Please refer to Appendix 1 for our responses to the specific questions posed by the AUASB within ED 06/2016.

In addition, we have included specific comments relating to the wording of the proposed standards within ED 06/2016 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 06/2016

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

Yes.

2. *Are there any references to relevant laws or regulations that have been omitted?*

Nothing noted.

3. *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.

4. *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.

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

Nothing further of significance noted.

Appendix 2 – Other specific comments relating to proposed changes within ED 06/2016

ED 06/2016 Paragraph	Comment
Amendments to ED 06/2016	
Paragraphs 22, 25 and 27	<p>We note that holistically there seems to have been a conscious decision made to specifically differentiate between the terminology used when applying to the auditor and the entity. Based on our review of the exposure draft, the distinction is as follows:</p> <ul style="list-style-type: none"> • Applicable to the auditor - the terminology utilised is “law or regulation” or “law, regulation or relevant ethical requirements”. • Applicable to the entity - the terminology utilised is “laws and regulations”. <p>If our understanding is correct, we note that there are at least three instances where the terminology utilised is inconsistent with the distinction summarised above.</p> <p>For example in paragraph 27 of ED 06/2016 (in relation to updates to ASA 450), both “law or regulation” as well as “laws or regulations” are used interchangeably when referring to the applicability to the auditor. We also noted similar instances in paragraph 22 (in relation to updates to ASA 240) and paragraph 25 (in relation to updates to ASA 260).</p> <p>If the intention is to make a clear distinction between terminologies used when applicable to the auditor versus the entity, then we recommend that the wording within the exposure draft is revisited to consider potential instances of inconsistency, in addition to those noted above.</p>
Paragraphs 9, 18 and 40	<p>We note that references have been made to the <i>“Proposed Amendments to APES 110 Code of Ethics for Professional Accountants exposure draft issued by the Accounting Professional and Ethical Standards Board on December 16 2016”</i>.</p> <p>Given that this wording will quickly become outdated, we are assuming that the intention of the AUASB is to update these references as appropriate, prior to the issuance of the amended auditing standards.</p>