

The Chairman  
Auditing and Assurance Standards Board  
PO Box 204  
Collins Street West  
MELBOURNE VIC 8007

8 March 2017

Dear Ms Kelsall

**Exposure Draft ED 06-16 Proposed Auditing Standard ASA 2016-1 *Amendments to Australian Auditing Standards* ("ED 06/16")**

Ernst & Young Australia welcomes the opportunity to offer its views on the exposure draft Proposed Auditing Standard ASA 2016-1 *Amendments to Australian Auditing Standards*, issued by the Auditing and Assurance Standards Board (AUASB).

We fully support the proposed amendments outlined in ED 06/16 which arise from consequential changes following revisions to ASA 250 *Consideration of Laws and Regulations in an Audit of a Financial Report* and changes made by the International Auditing and Assurance Board to ISA 250 *Consideration of Laws and Regulations in an Audit of a Financial Report* resulting from enhancements aimed at addressing laws and regulations. We believe that the auditing and assurance standards in Australia should be closely aligned to and consistent as possible with its international equivalents.

**Our views on the AUASB's Specific Questions in relation to ED 06/16**

- 1. Have applicable laws and regulations been appropriately addressed in the proposed standard?***
- 2. Are there any references to relevant laws or regulations that have been omitted?***
- 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?***
- 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?***
- 5. Are there any other significant public interest matters that constituents wish to raise?***

We believe that all applicable laws and regulations have been appropriately addressed in the proposed standard. We are not aware of any omitted references. Furthermore, 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. In our view, there are no additional significant costs to/ benefits arising from compliance with the requirements of the proposed standard and there are no other significant public interest matters to raise.

We welcome the opportunity to contribute to the improvement of Auditing and Assurance Standards that will continue to drive the quality and consistency of such services in Australia. We would be pleased to discuss our comments with members of the Auditing and Assurance Standards Board and its staff. Should you wish to do so, please contact myself on 02 8295 6882.

Yours sincerely



Kathy Parsons  
Oceania Professional Practice Director - Assurance  
Ernst & Young