

(October 2009)

Regulation Impact Statement

Redrafting Australian Auditing Standards in “Clarity” Format



Australian Government

Auditing and Assurance Standards Board

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Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

CONTENTS

| | <i>Paragraphs</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Introduction | 1-4 |
| Background | |
| Auditing Standards in Australia and Internationally..... | 5-7 |
| AUASB Mandate..... | 8-10 |
| IAASB “Clarity Project” | 11-13 |
| AUASB “Clarity Project” | 14-16 |
| The Issue | 17 |
| Australian Government’s Objectives | 18-19 |
| Options | 20 |
| Option 1: Status quo..... | 21-24 |
| Option 2: Restructure the existing ASAs in “clarity” format without revision..... | 25-27 |
| Option 3: Adopt the “clarity” ISAs with minimal, or no, changes..... | 28-30 |
| Option 4: Use the IAASB “clarity” standards as the underlying standards, with minimal changes, to create equivalent Australian Auditing Standards that comply with the Australian regulatory environment..... | 31-33 |
| Impact Analysis | 34 |
| Costs..... | 35-41 |
| Benefits..... | 42-46 |
| Cost/Benefit Conclusion..... | 47 |
| Recommended Option | 48-49 |
| Consultation | |
| AUASB Due Process..... | 50-61 |
| Proposed Implementation and Review | 62-63 |
| Appendix 1: Background Information | |

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Appendix 2: Main Changes to Australian Auditing Standards

Appendix 3: Mapping the Revised Australian Auditing Standards

Appendix 4: Responses to Exposure Drafts

Regulation Impact Statement

Redrafting Auditing Standards in “Clarity” Format

Introduction

1. The Auditing and Assurance Standards Board (AUASB) has undertaken to revise and reissue the Australian Auditing Standards in “clarity” format using the International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) 1^F issued by the International Auditing and Assurance Standards Board (IAASB) as the underlying standards.
2. Australian Auditing Standards means the suite of auditing standards issued by the AUASB, comprising:
 - (a) Auditing Standards made under section 336 of the *Corporations Act 2001*, including:
 - *ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*; and
 - *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*; and
 - (b) Auditing Standards not made under the *Corporations Act 2001*, comprising:
 - *ASA 805 Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*; and
 - *ASA 810 Engagements to Report on Summary Financial Statements*.

¹ See ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements*.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

3. Once approved, the revised Australian Auditing Standards would become operative for reporting periods commencing on or after 1 January 2010, in line with the effective date of the revised ISAs.²
4. This Regulation Impact Statement sets out the AUASB’s consideration of the impacts of the proposed changes to the Australian Auditing Standards on businesses, individuals and the Australian economy.

Background

Auditing Standards in Australia and Internationally

5. The current Australian Auditing Standards (April 2006) (as amended) were drafted as legislative instruments to conform with the ISAs in effect at that time, and audits undertaken in compliance with the current Australian Auditing Standards enables compliance with those ISAs.
6. In March 2009, the IAASB completed a comprehensive program, conducted over several years, known as the “Clarity Project”, which has resulted in revisions to the format and content of the ISAs. These changes need to be incorporated into Australian Auditing Standards, with an equivalent effective date, to ensure that Australian Auditing Standards continue to conform with the ISAs, so as to ensure that Australian Auditing Standards are not out of step with international standards.
7. Other leading international jurisdictions have announced their intention to adopt “clarity” auditing standards with effect from 1 January 2010.

AUASB Mandate

8. The AUASB makes Auditing Standards under section 336 of the *Corporations Act 2001* for the purposes of the corporations legislation and formulates auditing and assurance standards for other purposes.
9. The AUASB’s mandate under Section 227B of the *Australian Securities and Investments Commission Act 2001* (ASIC Act) requires the AUASB to participate in and contribute to the

² The IAASB has announced that the complete set of ISAs, written in the new “clarity” format, will be effective for audits of financial statements for periods beginning on or after 15 December 2009.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

development of a single set of Auditing Standards for world-wide use.³

10. Similarly, the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), requires the AUASB to have regard to any program initiated by the IAASB for the revision and enhancement of ISAs and make appropriate consequential amendments to the Australian Auditing Standards.⁴

IAASB “Clarity Project”⁵

11. The IAASB’s “Clarity Project” aimed to enhance the clarity, and thereby the consistent application, of the ISAs.
12. The main revisions to the ISAs arising from the “Clarity Project” were:
 - (a) setting an objective in each ISA and establishing the auditor's obligation in relation to that objective;
 - (b) clarifying the obligations imposed on auditors and eliminating any possible ambiguity about the requirements an auditor needs to fulfil by:
 - (i) elevating certain guidance material to the requirements section of an ISA;
 - (ii) introducing new or revised requirements; and
 - (iii) changing the expression used to communicate such requirements; and
 - (c) improving the overall readability and understandability of the ISAs through structural and drafting improvements, such as:
 - (i) separating the requirements and application and other explanatory material (previously referred to as explanatory guidance) within each ISA;

³ See Appendix 1 for AUASB functions under the ASIC Act.

⁴ See Appendix 1 for the FRC Strategic Direction to the AUASB.

⁵ See www.ifac.org/clarify-center/index.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

- (ii) introducing referencing between a particular requirement and the corresponding application and other explanatory material;
 - (iii) removing duplication in requirements and guidance between standards; and
 - (iv) adding references between ISAs, where applicable.
13. The final set of revised international standards comprises 36 ISAs and ISQC 1, including:
- (a) 20 standards, including ISQC 1, that were redrafted without major revision. The main changes made to these standards arose from the application of the new “clarity” drafting conventions, reflecting matters of general clarity only, and the elevation of guidance material to the requirements section, where appropriate;
 - (b) 16 standards that were revised, as well as redrafted in the new “clarity” format, and contain new and revised requirements; and
 - (c) one new auditing standard, addressing communication of deficiencies in internal control.

AUASB “Clarity Project”

14. In accordance with its statutory mandate, the AUASB has undertaken to revise and reissue the Australian Auditing Standards, using the IAASB’s “clarity” ISAs and ISQC 1 as the underlying standards. These changes would ensure that Australian Auditing Standards continue to be of equivalent quality to the global standards of the IAASB.
15. The AUASB’s project to revise and reissue Australian Auditing Standards includes consideration of the following matters:
- (a) the extent and nature of the changes made by the IAASB to the ISAs and ISQC 1 necessitates corresponding revisions to be made to the Australian Auditing Standards to ensure that they continue to conform with the ISAs.
 - (b) international conformity is expected to provide important efficiencies in the following areas:

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

- (i) cross-border audits (other than the US currently) are generally undertaken in accordance with the ISAs. Thus, Australian auditors could participate in cross-border audit engagements, using legally enforceable Australian Auditing Standards that conform with the ISAs. This would include, for example, Australian audits of overseas subsidiaries.
 - (ii) audit software and audit methodologies developed for the application of ISAs, could be adapted more readily for the Australian environment, where Australian Auditing Standards conform to the international standards.
 - (iii) audit firms globally would be able to develop consistent policies and procedures, audit training manuals, and staff training and secondment programs.
- (c) consistent global auditing standards would enable users of audit services to take comfort that an audit conducted in Australia, using the Australian Auditing Standards, is equivalent to an audit conducted in other jurisdictions, using the ISAs.
- (d) the revised international standards were drafted in a manner that enables them to be applied according to the size and complexity of an entity. The Australian Auditing Standards would be drafted in the same manner, enabling non-global audit firms and smaller audit practitioners to apply the revised standards in a relevant and cost-effective way. In addition, the professional accounting bodies in Australia provide audit manuals and audit toolkits to assist members, particularly smaller practitioners, in applying the standards.
- (e) consultation with stakeholders,⁶ including large and mid-sized audit firms, the Australian professional accounting bodies⁷ (representing smaller audit practitioners), and the Auditors-General, indicated that there is general support for the adoption of “clarity”

⁶ See paragraphs 50-61 and Appendix 4 for information regarding the AUASB’s consultation processes.

⁷ The Institute of Chartered Accountants in Australia, CPA Australia and the National Institute of Accountants.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

standards in Australia with effect from 1 January 2010, in line with the date of effect of the equivalent international standards.

16. Importantly, the revised Australian Auditing Standards, in “clarity” format, would continue to be enforceable under Australian regulatory arrangements.

The Issue

17. Given recent changes made to the ISAs by the IAASB, the AUASB had to consider how best to make commensurate changes to Australian Auditing Standards, in order to meet the Australian Government’s objectives and fulfil the Board’s mandate in terms of formulating high quality, globally consistent auditing standards in the public interest.

Australian Government’s Objectives

18. The Australian Government’s objectives, as described in the ASIC Act and the FRC’s Strategic Direction to the AUASB, are for the AUASB to formulate auditing and assurance standards, and guidance, that meet the following criteria:
 - (a) have a clear public interest focus;
 - (b) are of the highest quality; and
 - (c) contribute to the development of a single set of auditing standards for world-wide use.
19. The AUASB’s project to redraft the Australian Auditing Standards in “clarity” format is based fundamentally on the principle of public interest and is a continuation of the Australian Government’s program to promote transparency and accountability in corporate reporting nationally and globally, to enhance business and investor confidence, capital flows, innovation and wealth creation.⁸

⁸ See Appendix 1 *Background Information*.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Options

20. The options available to the AUASB to address the issue outlined in paragraph 17 above, included:
- (a) Option 1: status quo;
 - (b) Option 2: restructure the existing ASAs in “clarity” format without revision;
 - (c) Option 3: adopt the “clarity” ISAs with minimal, or no, changes; and
 - (d) Option 4: use the IAASB “clarity” standards as the underlying standards, with minimal changes, to create equivalent Australian Auditing Standards that comply with the Australian regulatory environment.

These options are further described in paragraphs 21-33 below.

Option 1: Status quo

Description

21. This option would involve retaining the existing Australian Auditing Standards.

Considerations

22. The AUASB considers Option 1 to be inappropriate because it does not achieve the Australian Government’s objectives in terms of developing auditing standards that have a clear public interest focus, that are high quality and consistent with international standards.
23. This option would result in Australian Auditing Standards being inconsistent with, and inferior to, the ISAs. For example, the IAASB “Clarity Project” resulted in new audit requirements arising from both the elevation of guidance material and the introduction of new requirements that did not previously exist as guidance. If the Australian Auditing Standards do not contain the same requirements that are contained in the ISAs, audits conducted in Australia will be perceived as being of lower quality. That is, users of Australian audit services may have less confidence in the assurance provided

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

by auditors in Australia, compared to that provided by auditors in other jurisdictions.

24. This option has the potential to impact adversely on Australia’s reputation for having high quality auditing standards, equal to those in other leading developed economies, with adverse consequences for business and investor confidence, capital flows, innovation and wealth creation.

Option 2: Restructure the existing ASAs in “clarity” format without revision

Description

25. Under this option, the AUASB would restructure the existing Australian Auditing Standards in “clarity” format, without revision to the content of the standards.

Considerations

26. The AUASB considers Option 2 to be inappropriate, given the extent of the changes to the ISAs, as it would result in the content of Australian Auditing Standards being inconsistent with, and inferior to, the content of the ISAs. The Australian Government’s objectives and the AUASB’s mandate clearly propose that Australian Auditing Standards are to be consistent with international auditing standards.
27. As with Option 1, this option has the potential to impact adversely on Australia’s reputation for having high quality auditing standards, equal to those in other leading developed economies, with adverse consequences for business and investor confidence, capital flows, innovation and wealth creation.

Option 3: Adopt the “clarity” ISAs with minimal, or no, changes

Description

28. Under this option, the AUASB would adopt the revised ISAs with minimal, or no, changes.

Considerations

29. The AUASB considers Option 3 to be inappropriate in the Australian context, where auditing standards made under section 336 of the *Corporations Act 2001* must be drafted as legislative

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

instruments, consistent with legislative drafting conventions, to ensure enforceability under Australian regulatory arrangements. For this reason, in some instances, the wording used in Australian Auditing Standards must necessarily vary from the wording used in the equivalent ISAs⁹. Care must also be taken to ensure that legal requirements contained in the standards are capable of being performed and that standards do not conflict with other regulatory requirements.

30. The AUASB considers this option to be inappropriate, also, because it does not provide flexibility to incorporate Australian specific requirements, terminology or legislative and other referencing into the standards.

Option 4: Use the IAASB “clarity” standards as the underlying standards, with minimal changes, to create equivalent Australian Auditing Standards that comply with the Australian regulatory environment

Description

31. Under this option, Australian Auditing Standards would continue to reflect world practice, as the IAASB “clarity” standards would be used as the underlying standards for updating the ASAs.

Considerations

32. Other than minor editorial and formatting changes, the underlying ISA standards would only be amended for one, or more, of the following three reasons:
- (a) Reason 1 – Where there are Australian legal and/or regulatory requirements that should be incorporated into the standards.
 - (b) Reason 2 – Where there are wording or format changes due to the nature of Australian legislative instruments.
 - (c) Reason 3 – Where there are changes required for “additional public interest” reasons. These are changes that, in the AUASB’s view, give an additional benefit to the application of the standards. Such benefits could include:

⁹ For example, Australian Auditing Standards are required to contain specific Application paragraphs.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

- (i) those that are deemed helpful to constituents;
 - (ii) those where the omission of particular Australian requirements or guidance is seen as a clear disadvantage in the redrafted standard; and
 - (iii) where there are Australian contextual reasons for maintaining the current content or format.
33. The AUASB considers Option 4 to be appropriate because:
- (a) It meets the Australian Government’s objective of developing a single set of auditing standards for worldwide use, that are high quality and have a clear public interest focus.
 - (b) The revised Australian Auditing Standards based on this drafting option would continue to meet Australian legislative drafting requirements.
 - (c) The revised Australian Auditing Standards would be very similar in content and format to the equivalent ISAs, leading to increased consistency in the application of auditing standards worldwide and to cost efficiencies in terms of globally consistent audit methodologies, software, policies and procedures and training manuals.
 - (d) Audit practitioners in Australia have been applying the legally enforceable Australian Auditing Standards since July 2006 and should therefore be familiar with the current principles-based approach and terminology of the Australian Auditing Standards, which would be maintained in the revised standards.
 - (e) Consultation with key stakeholders at the commencement of the “Clarity Project” indicated that Option 4 was the preferred option. Audit practitioners from mid-sized firms and above, together with Australian professional accounting bodies (on behalf of smaller practitioners), have indicated that they support globally consistent auditing standards. At the same time, these stakeholders recognise that Australian regulatory arrangements and public interest matters may require certain differences from the ISAs.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Impact Analysis

34. The businesses and individuals affected by the proposed “clarity” changes to Australian Auditing Standards are likely to include:
- (a) audit and assurance practitioners, including registered company auditors¹⁰, authorised audit companies and other entities and sole practitioners providing audit and assurance services;
 - (b) entities requiring audit and assurance services, including:
 - (i) audits required under the law or regulations. This group includes disclosing entities, public companies and large proprietary companies, which are required by the *Corporations Act 2001* to have their annual financial reports audited. It also includes life insurance companies, general insurance companies, financial institutions, incorporated associations, regulated superannuation funds and other entities required by other Commonwealth, State and Territory Acts to have their financial reports or other accounts audited; and
 - (ii) audits required under contract or other arrangements, such as grant acquittals and special purpose reporting requirements;
 - (c) users of audit and assurance reports including investors, financial institutions, creditors, analysts and credit rating agencies, and other interested parties; and
 - (d) academic institutions and other providers of audit training, education or other services.

Costs

35. The incremental costs are expected to impact mainly on audit and assurance practitioners, who will be required to implement the changes in their audit and assurance practices. The changes are not expected to have a significant cost impact on audit clients and consumers.

¹⁰ There were 5,365 registered company auditors in Australia as at 30 June 2009, as per the *Australian Securities and Investments Commission* database.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

36. To assist the AUASB in understanding the issue of costs, during the exposure process, constituents were asked to respond specifically on questions relating to costs and benefits associated with the implementation of the revised standards. Overall, the feedback from respondents indicates that the expected benefits arising from the improved clarity of the standards are anticipated to outweigh the expected costs.¹¹
37. Some respondents consider that incremental costs may be incurred in the following areas:
- (a) understanding the main changes to the Australian Auditing Standards, including:
 - (i) format changes common to all standards;
 - (ii) changes arising from the substantive revision of some standards, including new requirements; and
 - (iii) requirements of the redrafted standard on quality control for audit and assurance firms;¹²
 - (b) reviewing and updating audit programs and procedures to ensure compliance with the new standards;
 - (c) reviewing and updating audit software;
 - (d) developing, updating, and conducting training programs;
 - (e) communicating to audit and assurance clients the impact of changes to audit processes, where applicable; and
 - (f) internal monitoring of compliance with the revised standards.
38. However, most respondents consider these incremental costs will largely be one-off and relate mostly to the first year of compliance with the revised Australian Auditing Standards.
39. Some respondents commented on the potential for increased costs arising from the number of new requirements in the revised

¹¹ Copies of responses to exposure drafts are available on the AUASB’s website: www.auasb.gov.au

¹² ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

standards. Other respondents acknowledged that many of the new requirements arise from the elevation of guidance material and, as such, already form part of current practice for many audit and assurance firms that have well-documented audit methodologies. For these firms, the incremental costs associated with these types of changes should not be significant, as the existing Australian Auditing Standards, unlike the pre-existing ISAs, strongly linked audit procedures in the guidance material to the requirements of the standards.

40. Some respondents commented that incremental costs may impact smaller audit and assurance practitioners more than larger practitioners. In undertaking to revise the Australian Auditing Standards, the AUASB was mindful of the needs of smaller practitioners and that they are particularly sensitive to changes in regulation. In particular, the AUASB noted that:
- (a) like the ISAs, the revised Australian Auditing Standards would continue to recognise the differences that exist between audits of entities of varying sizes and complexities. Thus, while the standards apply to audits of all entities, whether large or small, complex or simple, they are able to be applied in a manner relative to the circumstances of an entity;
 - (b) the AUASB intends to issue guidance regarding the application of Australian Auditing Standards relative to the size and complexity of an entity;
 - (c) the AUASB will continue to look to the Australian professional accounting bodies to provide smaller practitioners with support in relation to audit manuals and audit programs; and
 - (d) it is in the public interest that users of financial reports have confidence that audits of all entities have been performed to the same high standards, irrespective of size and complexity.
41. In summary, to the extent that any incremental costs associated with the changes to Australian Auditing Standards are incurred by audit and assurance practitioners, it is not anticipated that these will be significant or that there is likely to be a significant impact on users of audit services and consumers. For larger audit firms already applying existing Australian Auditing Standards, the changes are not

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

expected to have a significant cost impact, and for smaller practitioners, the impact of costs is likely to be minimised through appropriate application of the Standards, together with guidance issued by the AUASB, and the utilisation of support materials provided by the Australian professional accounting bodies.

Benefits

42. Users of audit reports are expected to benefit from:
- (a) increased consistency in the cross-border application of auditing standards within Australia and internationally;
 - (b) an overall higher quality of audit engagements within Australia and internationally; and
 - (c) increased consistency in audit reporting globally.
- These factors are expected to lead to greater confidence within the investing public, both within Australia and overseas.
43. Audit practitioners are expected to benefit from the increased clarity of auditing standards and to realise efficiencies through the consistent application of standards between firms and jurisdictions.
44. Firms with international affiliations may benefit from standardised audit methodologies, programs and documentation.
45. Audit firms may have increased opportunities for utilising staff across jurisdictions, where auditing standards are globally consistent.
46. The Australian economy would maintain and extend its reputation as having high quality audit and assurance practices, equal to those in other leading world economies, and this may contribute to increased capital flows, innovation and wealth creation.

Cost/Benefit Conclusion

47. With the wider, and more consistent, application of the revised auditing standards, both within Australia and internationally, the expected benefits to users of audit services, users of audit reports, audit and assurance practitioners, and the Australian economy in general are, on balance, likely to outweigh expected costs.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Recommended Option

48. After considering all the options, the AUASB concluded that Option 4 is the preferred option because:
- (a) it best meets the Australian Government’s objectives by fulfilling both the functions of the AUASB as prescribed in the ASIC Act and the FRC Strategic Direction to the AUASB;
 - (b) it balances the Australian Government’s legislative objectives with the costs and benefits to individuals, businesses and the public;
 - (c) it upholds the public interest; and
 - (d) it enhances the quality of Australian Auditing Standards, consistent with global practice.
49. The main changes proposed to be made to Australian Auditing Standards under this option are listed at Appendix 2.

Consultation

AUASB Due Process

50. In accordance with the AUASB policies, due process comprised the following activities:

Pre-Project Consultation

51. The AUASB conducted preliminary meetings with a significant number of large and mid-sized accounting firms and the Australian professional accounting bodies (representing smaller audit practitioners), to seek views on the IAASB project to update the ISAs in “clarity” format. The AUASB also included the “Clarity Project” in the program for its annual Consultative Meeting held in December 2008. There was general support among constituents for the proposal that Australian Auditing Standards should be updated to conform with the redrafted ISAs.

Consultation during the Project

52. The AUASB consulted with stakeholders through a comprehensive exposure draft process comprising:

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

- (a) Proposed standards were released in groups as exposure drafts for exposure for minimum periods of 30 days.
 - (b) Each exposure draft included a Table of Changes detailing the main changes between the existing Australian Auditing Standard and the proposed “clarity” standard, including the:
 - (i) new objectives;
 - (ii) new definitions, if any;
 - (iii) new requirements, if any; and
 - (iv) significant new guidance, if any.
 - (c) A media release accompanied the release of each group of exposure drafts.
 - (d) Exposure drafts were published on the AUASB website.
 - (e) Through the Australian professional accounting bodies, the AUASB encouraged smaller practitioners to submit comments on the proposed “clarity” changes.
 - (f) A total of 238 comment letters were received from 9 different respondents. Many respondents chose to respond to all groups of exposure drafts, however, others responded to only one exposure draft. A summary of the number of responses received to each exposure draft released to date is included in Appendix 4. Comments received are available on the AUASB web site, other than confidential responses.
 - (g) Comments included in responses to exposure drafts were analysed by the AUASB and, where appropriate, changes were made to Auditing Standards based on the comments received.
53. Meetings of the AUASB are open to the public and the agenda for meetings and supporting documents are posted on the AUASB website, including responses to exposure drafts. After each AUASB meeting, meeting highlights are published on the AUASB website for public viewing.
54. The AUASB provides a free Update Notification Service where subscribers are notified by email, of all important updates to the

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

AUASB website, including the release of exposure drafts and media releases. Members of the public and businesses can subscribe to this service by registering on line at *ww.auasb.gov.au./Home/Subscribe for Alerts*.

55. The AUASB has engaged in regular liaison with mid-sized and larger audit and assurance firms, and the Australian professional accounting bodies (representing smaller audit practitioners), regarding the “clarity” changes to Australian Auditing Standards and is aware, and supportive, of their activities regarding publicising the changes, and providing training and other support to members.

Post-Project Consultation

56. The AUASB will hold a Consultative Meeting on 8 December 2009 to engage with key stakeholders about the changes to Australian Auditing Standards.
57. The AUASB, supported by the Australian professional accounting bodies, will also provide formal information sessions to audit and assurance practitioners about the revised standards, in Melbourne and Sydney in December 2009, and in other locations around Australia in the first half of 2010. These information sessions will focus on the main changes to the standards and will include material aimed specifically at assisting smaller practitioners.
58. The AUASB intends to develop guidance to assist smaller practitioners regarding the application of the revised Australian Auditing Standards relative to the size and complexity of an entity, with particular emphasis on micro audits.
59. In addition, it is the AUASB’s understanding that the Australian professional accounting bodies will release updated audit guides and audit practice manuals for their members, incorporating the provisions of the revised Australian Auditing Standards.
60. The AUASB will issue further media releases and contribute articles for professional magazines highlighting the changes.
61. The finalised Australian Auditing Standards will be published on the AUASB website and, at the same time, email notification will be provided to subscribers to the Update Notification Service.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Proposed Implementation and Review

62. Post 1 January 2010, the AUASB will monitor the implementation of the new Australian Auditing Standards by:
- (a) liaising with the Australian professional accounting bodies and participating in further information sessions, as required;
 - (b) conducting further consultative meetings with key stakeholders; and
 - (c) assessing the nature of issues faced by stakeholders by monitoring direct enquiries made to the AUASB.
63. The AUASB will continue to liaise with the IAASB to monitor the wider implementation of the “clarity” standards around the world and will ensure that Australian Auditing Standards continue to conform with any later amendments made to the ISAs.

* * *

Appendix 1

Background Information

Corporate Law Economic Reform Program

The Government has an ongoing focus aimed at promoting transparency and accountability in corporate reporting nationally and globally.

These changes began in 2000 under the Corporate Law Economic Reform Program (CLERP), which was designed to modernise business regulation and foster a strong and vibrant economy, progressing the principles of market freedom, investor protection and quality disclosure of relevant information to the market.

The *Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* (CLERP 9 Act) introduced a range of measures designed to enhance audit regulation and the general corporate disclosure framework. It established the AUASB as an independent statutory authority under the ASIC Act with the power to make legally enforceable auditing standards, as well as standards and guidance for other purposes. It also expanded the responsibilities of the FRC to oversee auditor independence requirements in Australia and the auditing standard setting arrangements.

Establishment of the AUASB

The CLERP 9 Act established the AUASB as an independent statutory body under section 227A of the *Australian Securities and Investments Commission Act 2001* (ASIC Act) with effect from 1 July 2004.

Functions of the AUASB

Under section 227B (1) of the ASIC Act, the functions of the AUASB are:

- (a) to make Auditing Standards under section 336 of the *Corporations Act* for the purposes of the corporations legislation; and
- (b) to formulate Auditing and Assurance Standards for other purposes; and
- (c) to formulate guidance on audits and assurance matters; and
- (d) to participate in and contribute to the development of a single set of auditing standards for world-wide use; and

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

- (e) to advance and promote the main objects of this Part.

The standards made under paragraph (a) above are given legal effect by the *Corporations Act 2001* (the Act). The standards formulated under paragraph (b) do not have legal effect under the Act itself but may be applied or adopted by some other authority.

Strategic Direction of the AUASB

The Financial Reporting Council (FRC), on 6 April 2005, issued the following Strategic Direction to the AUASB:

- (a) The AUASB should develop Australian Auditing Standards that have a clear public interest focus and are of the highest quality.
- (b) The AUASB should use, as appropriate, International Standards on Auditing (ISAs) of the International Auditing and Assurance Standards Board (IAASB) as a base from which to develop Australian Auditing Standards.
- (c) The AUASB should make such amendments to ISAs as necessary to accommodate and ensure that Australian Auditing Standards both exhibit and conform with the Australian regulatory environment and statutory requirements, including amendments as necessary for Australian Auditing Standards to have the force of law and be capable of enforcement under the requirements of the Act by 30 June 2006.
- (d) The AUASB should continue to develop auditing and assurance standards other than for historical financial information as well as developing and issuing other guidance on auditing and assurance matters, and may participate in audit research that is conducive to, and which significantly benefits, the standard-setting activities of the AUASB.
- (e) In addition, the AUASB should have regard to any program initiated by the IAASB for the revision and enhancement of ISAs and make appropriate consequential amendments to the AUSs. The FRC strongly encourages participation by the AUASB in the work of international bodies such as the IAASB.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Appendix 2

Main Changes to Australian Auditing Standards

The AUASB has decided to update existing Australian Auditing Standards using the revised and redrafted “clarity” ISAs as the underlying standards.

Under this option, the redrafted ASAs will reflect the equivalent redrafted ISAs, with minimum changes made to the underlying standards to reflect Australian specific matters. Thus, while the redrafted ASAs will “look” and “feel” like the equivalent ISAs, they may appear to be different from the extant ASAs.

The main changes to the extant ASAs include:

1. Changes made to the ISAs, that have been included in the ASAs, including:
 - (a) those that are common to all standards; and
 - (b) those that affect only certain standards.
2. Australian specific changes, that are not in the ISAs, including those relating to:
 - (a) Australian legal and/or regulatory requirements that require amendments to the wording or format either in a single Standard or unilaterally;
 - (b) Australian legislative instrument requirements that require wording or format amendments to comply with requirements.
 - (c) “additional public interest” reasons. These are changes that in the AUASB’s view give an additional benefit to the application of the standard. These changes are highlighted in the revised standards by the prefix “Aus”.
3. Minor editorial and formatting changes, where required.

These changes were detailed in the Tables of Changes attached to each exposure draft, which remain available for viewing on the AUASB’s website.

They are explained in summary in the following table.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

TABLE A: MAIN CHANGES TO AUSTRALIAN AUDITING STANDARDS

| <i>Main Changes to ASAs</i> | <i>Explanation of Change</i> | <i>Impact of Change</i> |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Changes common to all ASAs | | |
| 1. New Objective/s | The identification of an objective, or objectives, in each standard, and the establishment of an obligation on the auditor in relation to the objective/s. | Improved clarity regarding the auditor’s objective/s. |
| 1. Requirements and guidance are grouped in two separate sections in each standard | Previously, guidance was interspersed between the requirements. The new format is consistent with the structure of the redrafted ISAs and is expected to clarify the standard. | Mandatory requirements are clearly separated from explanatory guidance, so that auditors can readily understand their obligations. |
| 2. Requirements are not displayed in bold (‘black letter’) type | This is consistent with the format of the redrafted ISAs. | The impact is in appearance only, and is of no substance. |
| 3. The term ‘explanatory guidance’ has been replaced with ‘application and other explanatory material’ | This is consistent with the terminology of the redrafted ISAs. | The new term provides a more comprehensive description of the nature and purpose of guidance material. |
| Changes to certain ASAs | | |
| 4. Insertion of new definitions, where applicable | This is consistent with the definitions in the redrafted ISAs. | Improved clarity regarding the meaning of terms used in the standards. |
| 5. Removing duplication in the requirements between standards. | This is consistent with the changes made to the redrafted ISAs. | The impact of this change is to streamline the standards by removing unnecessary repetition of requirements and improving the clarity of the auditor’s obligations. |

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| <i>Main Changes to ASAs</i> | <i>Explanation of Change</i> | <i>Impact of Change</i> |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. Elevation of guidance to requirements | This is consistent with the changes made to the redrafted ISAs. | The impact of this change is to remove uncertainty about the auditor’s obligations and to formalise the requirements. Many auditors are already performing these audit procedures in accordance with “best practice”. |
| 7. Moving requirements from one standard and placing them in another standard, in some instances. | This is consistent with the changes made to the redrafted ISAs. <i>An example is ASA 620 Using the Work of an Auditor’s Expert, which now contains requirements and guidance relating only to the work of an auditor’s expert. Material relating to using the work of a management’s expert, which was included in the extant ASA 620, has been moved to ASA 500 Audit Evidence.</i> | The impact of these changes is to clarify the auditor’s obligations in each auditing standard, by removing the potential for misunderstanding. |
| 8. Separating the content of some standards into separate standards, where the subject matter warrants separate standards | This is consistent with the changes made to the redrafted ISAs. <i>An example is extant standard ASA 701 Modification to the Independent Auditor’s Report, which has been separated into two standards: ASA 705 Modifications to the Opinion in the Independent Auditor’s Report and ASA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report.</i> | The impact of these changes is to clarify the auditor’s obligations in each auditing standard, by removing the potential for misunderstanding. |

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| <i>Main Changes to ASAs</i> | <i>Explanation of Change</i> | <i>Impact of Change</i> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. Developing a new auditing standard, where there was previously no standard. | There is one new standard: ASA 265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i> , which is consistent with the new ISA 265. | This new standard provides requirements and guidance to auditors on how to deal with internal controls weaknesses that are significant but not material. Previously there were no requirements or guidance about this matter. |
| Australian Specific Changes | | |
| 10. Australian legal and/or regulatory requirements that should be incorporated into the Auditing Standards | Examples of these changes include: <ul style="list-style-type: none"> • Updated references for Australian laws and regulations; and • Updated references for Australian “ethics” pronouncements. | The impact of this change is to provide accurate referencing to auditors, to enable them to readily locate further information, if required. |
| 11. Wording or format changes due to the nature of Australian legislative instruments | Examples of these changes include: <ul style="list-style-type: none"> • Under Australian law, Application clauses are required in each standard; • Australian spelling is required (for example, “cheque” rather than “check”, “organisation” rather than “organization”); and • Requirements must be capable of being performed (for example, the phrase “shall obtain” has been reviewed and, where necessary, replaced with “shall endeavour to obtain”). | The impact of this change is to improve the accuracy of the standards and to ensure their enforceability under Australian regulatory arrangements. |
| 12. Changes made for “additional public interest” reasons. | These are changes that, in the AUASB’s view, give an additional benefit to the application of the standard. An example is the AUASB’s decision to issue ASA 508 <i>Litigation and Claims</i> as a separate standard, and to include in it additional requirements and guidance that were contained in the extant standard. | The impact of these changes is to improve the application of the standards in the Australian context, by providing further requirements and guidance to auditors and, in so doing, to protect the public interest. |

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Appendix 3

Mapping the Revised Australian Auditing Standards

Table B below lists the Revised Australian Auditing Standards, the equivalent existing ASAs and the equivalent IAASB standards.

TABLE B: REVISED AUSTRALIAN AUDITING STANDARDS, EXISTING ASAs AND IAASB STANDARDS

| New ASA Number | New ASA Title | Existing ASA Number | Existing ASA Title | ISA Number | ISA Title |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASQC 1 | <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information and Other Assurance Engagements</i> | — | No equivalent existing ASA | ISQC 1 | <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> |
| ASA 101 | <i>Preamble to Australian Auditing Standards</i> | ASA 100 | <i>Preamble to AUASB Standards</i> | — | No equivalent ISA |
| ASA 102 | <i>Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i> | — | No equivalent existing ASA | — | No equivalent ISA, however the requirement and application and other explanatory material in ASA 102 has been drawn from ISQC 1, ISA 200 and ISA 220. |
| ASA 200 | <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards</i> | ASA 200 | <i>Objective and General Principles Governing an Audit of a Financial Report</i> | ISA 200 | <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing</i> |
| ASA 210 | <i>Agreeing the Terms of Audit Engagements</i> | ASA 210 | <i>Terms of Audit Engagements</i> | ISA 210 | <i>Agreeing the Terms of Audit Engagements</i> |
| ASA 220 | <i>Quality Control for an Audit of a Financial Report</i> | ASA 220 | <i>Quality Control for Audits of Historical Financial Information</i> | ISA 220 | <i>Quality Control for an Audit of Financial Statements</i> |
| ASA 230 | <i>Audit Documentation</i> | ASA 230 | <i>Audit Documentation</i> | ISA 230 | <i>Audit Documentation</i> |
| ASA 240 | <i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> | ASA 240 | <i>The Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report</i> | ISA 240 | <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i> |
| ASA 250 | <i>Consideration of Laws and Regulations in an Audit of a Financial Report</i> | ASA 250 | <i>Consideration of Laws and Regulations in an Audit of a Financial Report</i> | ISA 250 | <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i> |
| ASA 260 | <i>Communication with Those Charged with Governance</i> | ASA 260 | <i>Communication of Audit Matters with Those Charged With Governance</i> | ISA 260 | <i>Communication with Those Charged with Governance</i> |
| ASA 265¹ | <i>Communicating Deficiencies in Internal Control to Those Charged with Governance</i> | — | No equivalent existing ASA | ISA 265 | <i>Communicating Deficiencies in Internal Control to Those Charged with Governance</i> |

¹ ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management* is a new standard.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| New ASA Number | New ASA Title | Existing ASA Number | Existing ASA Title | ISA Number | ISA Title |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------|
| | <i>and Management</i> | | | | <i>and Management</i> |
| ASA 300 | <i>Planning an Audit of a Financial Report</i> | ASA 300 | <i>Planning an Audit of a Financial Report</i> | ISA 300 | <i>Planning an Audit of Financial Statements</i> |
| ASA 315 | <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i> | ASA 315 | <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i> | ISA 315 | <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i> |
| ASA 320¹ | <i>Materiality in Planning and Performing an Audit</i> | ASA 320 | <i>Materiality and Audit Adjustments</i> | ISA 320 | <i>Materiality in Planning and Performing an Audit</i> |
| ASA 330 | <i>The Auditor's Responses to Assessed Risks</i> | ASA 330 | <i>The Auditor's Procedures in Response to Assessed Risks</i> | ISA 330 | <i>The Auditor's Responses to Assessed Risks</i> |
| ASA 402 | <i>Audit Considerations Relating to an Entity Using a Service Organisation</i> | ASA 402 | <i>Audit Considerations Relating to Entities Using Service Organisations</i> | ISA 402 | <i>Audit Considerations Relating to an Entity Using a Service Organization</i> |
| ASA 450² | <i>Evaluation of Misstatements Identified during the Audit</i> | — | No equivalent existing ASA | ISA 450 | <i>Evaluation of Misstatements Identified during the Audit</i> |
| ASA 500 | <i>Audit Evidence</i> | ASA 500 | <i>Audit Evidence</i> | ISA 500 | <i>Audit Evidence</i> |
| ASA 501 | <i>Audit Evidence—Specific Considerations for Inventory and Segment Information</i> | ASA 501 | <i>Existence and Valuation of Inventory</i> | ISA 501 | <i>Audit Evidence—Specific Considerations for Selected Items</i> |
| ASA 502 | <i>Audit Evidence—Specific Considerations for Litigation and Claims</i> | ASA 508 | <i>Enquiry Regarding Litigation and Claims</i> | — | No ISA equivalent. Litigation and Claims is covered in ISA 501 |
| ASA 505 | <i>External Confirmations</i> | ASA 505 | <i>External Confirmations</i> | ISA 505 | <i>External Confirmations</i> |
| ASA 510 | <i>Initial Audit Engagements—Opening Balances</i> | ASA 510 | <i>Initial Engagements - Opening Balances</i> | ISA 510 | <i>Initial Audit Engagements—Opening Balances</i> |
| ASA 520 | <i>Analytical Procedures</i> | ASA 520 | <i>Analytical Procedures</i> | ISA 520 | <i>Analytical Procedures</i> |
| ASA 530 | <i>Audit Sampling</i> | ASA 530 | <i>Audit Sampling and Other Means of Testing</i> | ISA 530 | <i>Audit Sampling</i> |

¹ Extant ASA 320 *Materiality and Audit Adjustments* has been split into two standards: ASA 320 *Materiality in Planning and Performing an Audit* and ASA 450 *Evaluation of Misstatements Identified during the Audit*.

² *Evaluation of Misstatements Identified during the Audit* was previously part of extant ASA 320 *Materiality and Audit Adjustments*.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| New ASA Number | New ASA Title | Existing ASA Number | Existing ASA Title | ISA Number | ISA Title |
|-----------------------|--------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------|
| ASA 540 | <i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</i> | ASA 540 | <i>Audit of Accounting Estimates</i> | ISA 540 | <i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</i> |
| — ¹ | No equivalent new ASA. Auditing fair value measurements and disclosures is now included in ASA 540. | ASA 545 | <i>Auditing Fair Value Measurements and Disclosures</i> | — | No equivalent ISA. Auditing fair value measurements and disclosures is covered in ISA 540 |
| ASA 550 | <i>Related Parties</i> | ASA 550 | <i>Related Parties</i> | ISA 550 | <i>Related Parties</i> |
| ASA 560 | <i>Subsequent Events</i> | ASA 560 | <i>Subsequent Events</i> | ISA 560 | <i>Subsequent Events</i> |
| ASA 570 | <i>Going Concern</i> | ASA 570 | <i>Going Concern</i> | ISA 570 | <i>Going Concern</i> |
| ASA 580 | <i>Written Representations</i> | ASA 580 | <i>Management Representations</i> | ISA 580 | <i>Written Representations</i> |
| ASA 600 | <i>Special Considerations— Audits of a Group Financial Report (Including the Work of Component Auditors)</i> | ASA 600 | <i>Using the Work of Another Auditor</i> | ISA 600 | <i>Special Considerations— Audits of Group Financial Statements (Including the Work of Component Auditors)</i> |
| ASA 610 | <i>Using the Work of Internal Auditors</i> | ASA 610 | <i>Considering the Work of Internal Audit</i> | ISA 610 | <i>Using the Work of Internal Auditors</i> |
| ASA 620 | <i>Using the Work of an Auditor’s Expert</i> | ASA 620 | <i>Using the Work of an Expert</i> | ISA 620 | <i>Using the Work of an Auditor’s Expert</i> |
| ASA 700 | <i>Forming an Opinion and Reporting on a Financial Report</i> | ASA 700 | <i>The Auditor’s Report on a General Purpose Financial Report</i> | ISA 700 | <i>Forming an Opinion and Reporting on Financial Statements</i> |
| — ² | No equivalent new ASA. See ASA 705 and ASA 706. | ASA 701 | <i>Modifications to the Auditor’s Report</i> | — | No equivalent ISA. Covered by ISA 705 and ISA 706 |
| ASA 705 | <i>Modifications to the Opinion in the Independent Auditor’s Report</i> | — | No equivalent existing ASA | ISA 705 | <i>Modifications to the Opinion in the Independent Auditor’s Report</i> |
| ASA 706 | <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report</i> | — | No equivalent existing ASA | ISA 706 | <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report</i> |

¹ The requirements and guidance in existing ASA 545 have been included in proposed ASA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.
² Existing ASA 701 has been split into two standards: proposed ASA 705 *Modifications to the Opinion in the Independent Auditor’s Report* and proposed ASA 706 *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report*.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| New ASA Number | New ASA Title | Existing ASA Number | Existing ASA Title | ISA Number | ISA Title |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASA 710 | <i>Comparative Information—Corresponding Figures and Comparative Financial Reports</i> | ASA 710 | <i>Comparatives</i> | ISA 710 | <i>Comparative Information—Corresponding Figures and Comparative Financial Statements</i> |
| ASA 720 | <i>The Auditor’s Responsibility in Relation to Other Information in Documents Containing Audited Financial Reports</i> | ASA 720 | <i>Other Information in Documents Containing Audited Financial Reports</i> | ISA 720 | <i>The Auditor’s Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements</i> |
| ASA 800¹ | <i>Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i> | ASA 800 | <i>The Auditor’s Report on Special Purpose Audit Engagements</i> | ISA 800 | <i>Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> |
| ASA 805 | <i>Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> | — | No equivalent existing ASA | ISA 805 | <i>Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> |
| ASA 810 | <i>Engagements to Report on Summary Financial Statements</i> | — | No equivalent existing ASA | ISA 810 | <i>Engagements to Report on Summary Financial Statements</i> |
| ASRE 2410 | <i>Review of an Interim Financial Report Performed by the Independent Auditor of the Entity.</i> This standard is being redrafted in “clarity” format, even though the IAASB is not updating ISRE 2410 at this time. | ASRE 2410 | <i>Review of an Interim Financial Report Performed by the Independent Auditor of the Entity</i> | ISRE 2410 | <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity.</i> This standard is not being updated by the IAASB as part of the “Clarity Project”. |

¹ Existing ASA 800 has been split into three standards: proposed ASA 800 *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*, proposed ASA 805 *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* and proposed ASA 810 *Engagements to Report on Summary Financial Statements*. ASA 805 and ASA 810 have been formulated as Auditing Standards that are applicable to audit engagements other than those under the *Corporations Act 2001*, and therefore have not been designated as legal instruments.

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

Appendix 4

Responses to Exposure Drafts

The following table provides information about the responses received to exposure drafts released by the AUASB during the “clarity” redrafting project.

| <i>Exposure Draft (Proposed Standard)</i> | <i>No. of Responses</i> | <i>Respondents (Numbers refer to the list below table)</i> |
|-----------------------------------------------|-----------------------------|--------------------------------------------------------------------|
| ASQC 1 | 8 | 1,2,3,5,6,7,8,9 |
| ASA 101 | 5 | 2,4,5,6,7 |
| ASA 102 | 6 | 4,5,6,7,8,9 |
| ASA 200 | 3 | 3,5,7 |
| ASA 210 | 6 | 1,2,3,5,6,7 |
| ASA 220 | 6 | 1,2,3,5,6,7 |
| ASA 230 | 8 | 1,2,3,4,5,6,7,8 |
| ASA 240 | 7 | 1,2,3,4,5,7,8 |
| ASA 250 | 4 | 3,5,6,7 |
| ASA 260 | 7 | 1,2,3,4,5,7,8 |
| ASA 265 | 6 | 1,2,3,5,6,7 |
| ASA 300 | 8 | 1,2,3,4,5,6,7,8 |
| ASA 315 | 8 | 1,2,3,4,5,6,7,8 |
| ASA 320 | 3 | 3,5,7 |
| ASA 330 | 7 | 1,2,3,4,5,7,8 |
| ASA 402 | 6 | 1,2,3,5,6,7 |
| ASA 450 | 4 | 3,5,6,7 |
| ASA 500 | 6 | 1,2,5,6,7,8 |
| ASA 501 | 6 | 1,2,5,6,7,8 |
| ASA 502 | 7 | 1,2,3,5,6,7,8 |
| ASA 505 | 7 | 1,2,3,5,6,7,8 |

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| <i>Exposure Draft (Proposed Standard)</i> | <i>No. of Responses</i> | <i>Respondents (Numbers refer to the list below table)</i> |
|-----------------------------------------------|-----------------------------|--------------------------------------------------------------------|
| ASA 510 | 4 | 3,5,6,7 |
| ASA 520 | 9 | 2,5,6,7 |
| ASA 530 | 3 | 5,7,8 |
| ASA 540 | 8 | 1,2,3,4,5,6,7,8 |
| ASA 550 | 4 | 3,5,6,7 |
| ASA 560 | 8 | 1,2,3,4,5,6,7,8 |
| ASA 570 | 7 | 1,2,3,4,5,7,8 |
| ASA 580 | 4 | 3,5,6,7 |
| ASA 600 | 7 | 1,2,3,5,6,7,8 |
| ASA 610 | 3 | 5,7,8 |
| ASA 620 | 7 | 1,2,3,5,6,7,8 |
| ASA 700 | 6 | 1,2,5,6,7,8 |
| ASA705 | 6 | 1,2,5,6,7,8 |
| ASA 706 | 6 | 1,2,5,6,7,8 |
| ASA 710 | 7 | 1,2,3,5,6,7,8 |
| ASA 720 | 4 | 3,5,6,7 |
| ASA 800 | 6 | 1,2,5,6,7,8 |
| ASA 805 | 6 | 1,2,5,6,7,8 |
| ASA 810 | 6 | 1,2,5,6,7,8 |
| ASRE 2410 | 4 | 2,5,6,7 |

Regulation Impact Statement – Redrafting Australian Auditing Standards in “Clarity” Format

| | Respondent |
|---|-----------------------------------------------------------------------------------------------------------------------|
| 1 | KPMG |
| 2 | Deloitte |
| 3 | PricewaterhouseCoopers |
| 4 | Ernst & Young |
| 5 | Grant Thornton |
| 6 | Australasian Council of Auditors-General |
| 7 | Professional Accounting Bodies (Institute of Chartered Accountants; CPA Australia; National Institute of Accountants) |
| 8 | Australian Securities and Investments Commission |
| 9 | Accounting Professional and Ethical Standards Board |