

**ASA 2021-4**  
(September 2021)

## **Explanatory Statement**

# ***ASA 2021-4 Amendments to Australian Auditing Standard ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks***

Issued by the Auditing and Assurance Standards Board



**Australian Government**  

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**Auditing and Assurance Standards Board**

## **Obtaining a Copy of this Explanatory Statement**

This Explanatory Statement is available on the Auditing and Assurance Standards Board (AUASB) website: [www.auasb.gov.au](http://www.auasb.gov.au)

### **Contact Details**

Auditing and Assurance Standards Board  
Podium Level 14, 530 Collins Street  
Melbourne Victoria 3000  
AUSTRALIA

Phone: (03) 8080 7400  
E-mail: [enquiries@auasb.gov.au](mailto:enquiries@auasb.gov.au)

**Postal Address:**  
PO Box 204, Collins Street West  
Melbourne Victoria 8007  
AUSTRALIA

## **Reasons for Issuing Auditing Standard ASA 2021-4**

The AUASB issues Auditing Standard ASA 2021-4 *Amendments to Australian Auditing Standard ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is a non-corporate Commonwealth entity of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislation Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, *inter alia*, to develop auditing standards that have a clear public interest focus and are of the highest quality.

## **Purpose of Auditing Standard ASA 2021-4 Amendments to Australian Auditing Standard ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks**

The purpose of the Auditing Standard is to make amendments to the application and other explanatory material and appendices of the following Auditing Standard:

ASA 800      *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks* (Issued July 2016 and amended to June 2020)

## **Main Features**

This Auditing Standard makes amendments to the application and other explanatory material and appendices of Australian Auditing Standard ASA 800 *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*. The amendments arise from changes to the Australian Accounting Standards (AAS) impacting the ability for certain for-profit entities to prepare Special Purpose Financial Statements (SPFS).

## **Operative Date**

ASA 2021-4 *Amendments to Australian Auditing Standard ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks* is operative for financial reporting periods commencing on or after 1 July 2021.

## **Process of making Australian Auditing Standards**

The AUASB's Strategic Direction, *inter alia*, provides that the AUASB develop Australian Auditing Standards that:

- have a clear public interest focus and are of the highest quality;
- use the International Standards on Auditing (ISAs) of the International Auditing and Assurance Standards Board (IAASB) as the underlying standards;
- conform with the Australian regulatory environment; and
- are capable of enforcement.

## **Consultation Process prior to issuing the Auditing Standard**

It is the view of the AUASB that the amendments to ASA 800 do not require public exposure as they are not significant in nature and have no impact on the requirement of ASA 800.

## **Regulatory Impact Statement**

A Regulatory Impact Statement (RIA) has been prepared in connection with the preparation of *ASA 2021-4 Amendments to Australian Auditing Standard ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*. The RIA has been cleared by the Office of Best Practice Regulation (OBPR).

## **STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

**Legislative Instrument:**            **Auditing Standard ASA 2021-4 Amendments to Australian  
Auditing Standard ASA 800 Special Considerations – Audits of  
Financial Reports Prepared in Accordance with Special Purpose  
Frameworks**

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Overview of the Legislative Instrument**

#### *Background*

The AUASB is an independent statutory committee of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

#### *Purpose of Auditing Standard ASA 2021-4*

The purpose of the Auditing Standard is to make amendments to the application and other explanatory material and appendices of the following Auditing Standard:

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Special Purpose Frameworks* (Issued July 2016 and amended to June 2020)

#### *Main Features*

ASA 2021-4 makes amendments to the application and other explanatory material and appendices of Australian Auditing Standard ASA 800 *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*. The amendments arise from changes to the Australian Accounting Standards (AAS) impacting the ability for certain for-profit entities to prepare Special Purpose Financial Statements (SPFS).

### **Human Rights Implications**

Australian Auditing Standards are issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standards do not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

#### *Conclusion*

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.