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Dear Ms Kelsall

**Exposure Draft 05/13 - Proposed Standard on Assurance Engagements
ASAE 3000 Assurance Engagements Other than Audits or Reviews of
Historical Financial Information**

Exposure Draft 06/13 - Proposed Framework for Assurance Engagements

**Exposure Draft 07/13 - Proposed Conforming Amendments to ASAE 3402,
ASAE 3410 and ASAE 3420 as a Result of Proposed Re-issuance of ASAE
3000**

Grant Thornton Australia welcomes the opportunity to offer its views on the three AUASB Exposure Drafts;

- Exposure Draft 05/13 - Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information
- Exposure Draft 06/13 - Framework for Assurance Engagements
- Exposure Draft 07/13 - Amendments to ASAE 3402, ASAE 3410 and ASAE 3420 as a result of Proposed Re-issuance of ASAE 3000 (the 'Proposed Standards').

Overall, we support the reissue of these Proposed Standards and provide our response to the specific questions that the AUASB has raised. We do however have concerns with the additional requirements placed on Australian entities when performing limited assurance assignments to obtain an understanding of internal control over the preparation of the subject matters relevant to the engagement. When compared to the wording of ISAE 3000 (Revised December 2013) we feel this would increase the inconsistency between the ASAEs and the ISAEs and place additional burden on Australian auditors performing limited assurance reviews.

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Our Ref: L - 20140203 - ASAE 3000 To AUASB.Docx



The AUASB has previously only made deviations from the IAASB standards when they are justified in the Australian market. From the available evidence, we have not been provided compelling evidence to support this deviation.

Our responses to the specific questions that the AUASB has raised are outlined in Appendix A.

Yours sincerely

GRANT THORNTON AUSTRALIA LTD

A handwritten signature in blue ink, appearing to read 'Andrew Archer'.

Andrew Archer
National Audit Leader

Appendix A

ED 05/13 - Proposed Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information

1. Do respondents believe that additional paragraphs marked as “Aus” are appropriate?

We have concerns over the inconsistency between ASAE 3000 and ISAE 3000 particularly in relation to paragraph Aus 47L.1, which significantly increases the understanding of the internal control system when compared to the equivalent ISAE for limited assurance engagements.

Limited assurance engagements are an engagement type that is expected to increase in use as the profession moves more towards assurance opinions, by increasing the level of understanding in relation to these engagements we are not differentiating between a reasonable assurance engagement and limited assurance engagement within the Australian market.

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

We believe that applicable laws and regulations have been appropriately addressed.

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

None noted.

4. 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?

None noted.

5. 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?

The proposed standard increases the understanding of the internal control environment with regard to limited assurance engagements. Where a company is preparing prospective information and providing a limited assurance engagement on historical financial information, the additional costs of an Australian auditor providing the opinion, when compared to another overseas entity may be significant particularly for a group engagement.



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

None noted.

ED 06/13 - Proposed Framework for Assurance Engagements

1. Do respondents believe that additional paragraphs marked as “Aus” are appropriate?

There are limited changes to the proposed standard when compared to the International Framework for Assurance Engagements (December 2013) as issued by the IAASB. Grant Thornton Australia has no concerns on the additional paragraphs.

2. Have applicable laws and regulations been appropriately addressed in the proposed Framework?

We believe that applicable laws and regulations have been appropriately addressed.

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

None noted.

4. 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 Framework?

None noted.

5. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the requirements of this proposed Framework? If there are significant costs, do these outweigh the benefits to the users of audit services?

From the limited changes, we do not anticipate any additional costs to arise.

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

None noted.

ED 07/13 - Proposed Conforming Amendments to ASAE 3402, ASAE 3410 and ASAE 3420 as a Result of Proposed Re-issuance of ASAE 3000

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

We believe that applicable laws and regulations have been appropriately addressed.

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

None noted.

3. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed amendments, or may conflict with the proposed amendments?

None noted.



4. What, if any, are the additional significant costs to/benefits for assurance practitioners and the business community arising from compliance with the requirements contained in these proposed amendments? If there are significant costs, do these outweigh the benefits to the users of assurance services?

Refer to our comments in response to Exposure Draft 05/13 in relation to significant cost implications.

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

None noted.