

**The following are the comments of the Secretariat of the Auditing
and Assurance Standards Board of the Institute of Chartered
Accountants of India on the Exposure Drafts of ISA 800 (Revised)
and ISA 805 (Revised)**

**ED of ISA 800(R) – Special Considerations – Audits of financial statements
prepared in accordance with Special Purpose Framework**

1. ISA 800 relates to financial statements prepared on the basis of special purpose financial reporting framework (SPFRF). Before making ISA 701 requirements applicable to financial statements prepared on SPFRF, regard should be had to the number of prospective users and their varying needs from such financial statements *vis a vis* the benefits, cost, audit effort as well as inherent professional risk involved in reporting KAM. We feel that in the initial stages the KAM should be tested only for listed entities as mentioned in ISA 701 or voluntary basis for financial statements prepared on the basis of general purposes financial reporting framework. Once it stabilises in the field of General Purpose Financial Statements (GPFS), IAASB can consider its utility in other areas.
2. Illustrative Audit Report should also be provided for 2nd example of special purpose framework i.e Cash receipts and disbursement basis if accounting for cash flow information.
3. Illrd illustrative audit report – Refer Page 35 last para where in matter's were excluded from report because adverse consequences outweigh public interest – Please clarify the same with examples where in this might happen. Though assignment involves audit of complete set of financials but there can be a case where special purpose financial statements are required to be prepared in addition to the financial statements prepared as per general purpose FRF and the auditors for both the types of financial statements are different.

Exposure Draft of ISA 805 (Revised) – Special Considerations – Audits of Single Financial statements and Specific elements, Accounts or items of a financial statement

ISA 805 is based on the presumption that the assignment (here in referred to as Audits of single financial statements) will be undertaken by statutory auditors. It will have overall implication on ISA 805 and procedures suggested by the same for auditing single financial statement, specific elements, accounts or items of financial statement. As a corollary to the mentioned point following issues may need consideration:

- In case the specific assignment is given to a practitioner (other than the independent auditor of the entity) then what will be his/her responsibility relating to audit procedures and reporting Key Audit matter.
- Guidance is needed in cases where the auditor appointed for specific element audit has different opinion related to that line item or KAM?