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**Your Ref: Comment letter on Proposed International Standards on Auditing
- ISA 800 (Revised), Special Considerations – Audits of Financial Statements Prepared
in Accordance with Special Purpose Frameworks
and
- ISA 805 (Revised), Special Considerations – Audits of Single Financial Statements and
Specific Elements, Accounts or Items of a Financial Statement
- Proposed Conforming Amendment to Another ISA**

Dear Sir.

Thank you for giving us the opportunity to comment on your Exposure Draft on Proposed International Standards on Auditing: ISA 800 (Revised), Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks; ISA 805 (Revised), Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement; and Proposed Conforming Amendment to Another ISA.

You are seeking views from stakeholders in relation to your proposed amendments to consider how the enhancements to auditor reporting resulting from your new and revised Auditor Reporting standards should affect: ISA 800, Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks, which deals with special considerations in the application of the ISAs to an audit of financial statements that are prepared in accordance with a special purpose framework; and ISA 805, Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, which deals with special considerations in the application of the ISAs to an audit of a financial statement or a specific element, account or item of a financial statement.

Key audit matters

Concerning key audit matters (KAM), ISA 700 (Revised) clearly requires the auditor to communicate KAM only for audits of complete sets of general purpose financial statements of listed entities. Despite this, I fully agree that law or regulation could require the auditor to communicate in the auditor's report about KAM in certain cases, and I support that an auditor could always decide to communicate KAM on a voluntary basis. I also agree that an Other Matter (OM) paragraph in accordance with ISA 706 (Revised) is the appropriate vehicle to refer to the existence of KAM in the auditor's report on the complete set of financial statements where the auditor considers it relevant to users' understanding of the ISA 805 auditor's report.

Summary

I support your proposed amendments and clarifications and agree with how the enhancements resulting from the new and revised Auditor Reporting standards have been addressed in proposed ISA 800 (Revised) and proposed ISA 805 (Revised). I also agree that the proposed standards include sufficient guidance to enable auditors to appropriately apply the new and revised Auditor Reporting standards in the context of ISA 800 and ISA 805 engagements.

Yours faithfully

C.R. Barnard

Chris Barnard