



September 17, 2014

International Auditing and Assurance Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, NY 10017

Via IAASB website at www.iaasb.org

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Re: Addressing Disclosures in the Audit of Financial Statements

Dear Board Members and Staff:

Grant Thornton International Ltd (Grant Thornton) is pleased to have the opportunity to comment on the Proposed Changes to the International Standards on Auditing (ISAs) – *Addressing Disclosures in the Audit of Financial Statements*. We appreciate the International Auditing and Assurance Standards Board (Board) addressing this subject and respectfully submit our comments and recommendations.

Grant Thornton endorses the Board's project related to auditing disclosures. We believe the proposed changes to the ISAs will clarify the expectations of auditors with respect to auditing financial statement disclosures and agree with the Board's proposals in the exposure draft. Attached please find some suggestions for possible improvements in specific paragraphs.

In response to the Board's specific questions, Grant Thornton believes that the proposed changes and specific areas noted are consistent with the Board's objectives and should result in auditors focusing on disclosure misstatement risk, and responses to such risks, earlier in the audit. We did not identify other areas that we may wish to mention.

We would be pleased to discuss our comments with you. If you have any questions, please contact Richard Wood, Executive Director – International Auditing Standards, at Rick.Wood@gti.gt.com or at (312) 961.0715.

Sincerely,

A handwritten signature in black ink that reads "Kenneth C. Sharp". The signature is written in a cursive style.

Kenneth C. Sharp
Global Leader – Assurance Services
Grant Thornton International Ltd

Comments on specific paragraphs

The following provides certain specific paragraph-level comments related to the proposed changes for the Board's consideration.

- **Page 36, paragraph A21a** – Consider enhancing this paragraph to include complex disclosures or opaque disclosures where there is a risk that users will not understand the potential impacts on the entity.
- **Page 37, paragraph A30** – In the second bullet, the phrase “related party requirements” may not be appropriately understood; consider referring to “related party accounting and reporting requirements” instead.
- **Page 37, paragraph A31** – This paragraph uses a new phrase that is not consistently used throughout the ISAs, including the phrase “significant classes of transactions and events.” We request the Board to consider this matter so as not to create unintended consequences.
- **Page 42, paragraph A128c** – In the last bullet, we suggest adding “of key assumptions” after “sensitivity analysis” (same comment on page 45, paragraph A10 in first bullet).
- **Page 51, paragraph A13a** – In the last sentence, we suggest using the phrase “inaccurate or incomplete” or “incorrect or incomplete” in lieu of “incorrect.”
- **Page 53, paragraph A17a** – The term “trend” may be too subtle; alternatively, consider “an intentional effort” or “strategy to.” This addition would make the concept of incomplete explicit in the example.