

April 10, 2015

The Chairman  
International Auditing and Assurance Standards Board  
International Federation of Accountants  
529 5<sup>th</sup> Avenue, 6<sup>th</sup> Floor.  
New York  
New York 10017  
United States of America

Via Online Submission

Dear Mr Arnold Schilder

**COMMENTS ON IAASB EXPOSURE DRAFT PROPOSED INTERNATIONAL  
STANDARDS ON AUDITING (ISA) 800 (REVISED), SPECIAL CONSIDERATIONS –  
AUDITS OF FINANCIAL STATEMENTS PREPARED IN  
ACCORDANCE WITH SPECIAL PURPOSE FRAMEWORKS AND  
PROPOSED ISA 805 (REVISED), SPECIAL CONSIDERATIONS –  
AUDITS OF SINGLE FINANCIAL STATEMENTS AND SPECIFIC ELEMENTS,  
ACCOUNTS OR ITEMS OF A FINANCIAL STATEMENT**

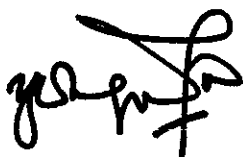
We thank you for the opportunity to comment on IAASB Exposure Draft Proposed international Standards on Auditing (ISA) 800 (Revised), *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and Proposed ISA 805 (Revised), *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*.

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours faithfully



FOO YOKE PIN (Mr)  
Executive Director

**THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
**(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)**

**International Auditing and Assurance Standards Board**

**Proposed International Standard 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***

**Questionnaire**

---

The IAASB welcomes comments on all matters addressed in the exposure draft. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in this exposure draft (especially those calling for change in current practice), it will be helpful for the IAASB to be made aware of this view.

---

**Question 1**

Do respondents 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) as explained in paragraphs 10-32 of the explanatory memorandum (EM)? If not, respondents are requested to provide their rationale as to why they do not support the proposals and, where applicable, suggest alternative approaches.

**MICPA's Comments:**

MICPA agrees 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) as explained in paragraph 10-32 of the explanatory memorandum (EM).

**Questions 2**

Do 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?

**MICPA's Comments:**

MICPA is of the view 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.

### Questions 3

In relation to Key Audit Matters (KAM):

- (a) Do respondents agree with the IAASB's decision that the communication of KAM be voluntary for all entities under both proposed ISA 800 (Revised) and proposed ISA 805 (Revised), unless required by law or regulation?
- (b) Specific to proposed ISA 805 (Revised), whether respondents support the IAASB's proposed direction that reference to KAM that is communicated in the auditor's report on the complete set of financial statements be permitted in the ISA 805 auditor's report using an Other Matter (OM) paragraph and how this has been illustrated in the ISA (see paragraphs 25-32 of the EM). In particular, the IAASB would also welcome respondents' views about:
  - (i) The usefulness of the guidance in paragraph A23 in proposed ISA 805 (Revised) and the appropriateness of Illustration 3 in Appendix 2 to assist auditors in determining how to make a reference in the ISA 805 auditor's report to KAM that are communicated in the auditor's report on the complete set of financial statements; and
  - (ii) In light of views on (i) and the Board's deliberations summarized in paragraphs 25-32 of the EM, whether it is necessary to establish requirements in proposed ISA 805 (Revised) relating to a reference to KAM in the ISA 805 auditor's report either to promote consistent treatment in practice or expressly prohibit certain approaches (e.g., a reference only to relevant KAM in the auditor's report on the complete set of financial statements or the possibility of repeating the full description of a KAM).

#### **MICPA's Comments:**

- (a) In view that KAM was mainly in the context of a complete set of general purposes financial statements of a listed entity, MICPA agrees with the IAASB's decision that the communication of KAM be voluntary for all entities under both proposed ISA 800 (revised) and proposed ISA 805 (revised) unless required by law or regulation.

The Institute also supports the application guidance in A17 of ISA 800 (revised) and A19 of ISA 805 (revised) which requires the application of ISA 701 in its entirety when communication of key audit matters in the auditor's report on the special purpose financial statements is required by law or regulation or when the auditor otherwise decides to communicate key audit matters.

- (b) MICPA supports the IAASB's proposed direction that reference to KAM that is communicated in the auditor's report on the complete set of financial statements be permitted in the ISA 805 auditor's report using an Other Matter (OM) paragraph; and
  - (i) MICPA agrees that the guidance in paragraph A23 in proposed ISA 805 (revised) is useful and that Illustration 3 in Appendix 2 is appropriate to assist auditors in determining how to make a reference in the ISA 805 auditor's report to KAM that are communicated in the auditor's report on the complete set of financial statements;
  - (ii) MICPA concurs with the IAASB's view (as set out in Para 32 of the EM) that it was preferable to provide flexibility to auditors to determine what may be most useful to users of the ISA 805 auditor's report and that it was sufficient for the application material to indicate that such reference would be through an OM paragraph.

#### Questions 4

The IAASB would also welcome feedback on whether conforming amendments to extant ISA 810 are needed at this time and, if so, what approach could be taken to incorporate the enhancements resulting from the new and revised Auditor Reporting standards.

**MICPA's Comments:**

MICPA is of the view that conforming amendments to ISA 810 should be aligned with the new and revised Auditor Reporting standards to provide for KAMs or reference to KAMs especially in a public interest setting.