



Suruhanjaya Sekuriti
Securities Commission
Malaysia

Ref: AOB/IAASB/R&RT/2015-004/SPFS

29 April 2015

Ms Kathleen Healy
Technical Director
International Auditing and Assurance Standards Board
529 Fifth Avenue, 6th Floor
New York, NY 10017
USA

Dear Madam

**COMMENTS ON IAASB EXPOSURE DRAFTS
PROPOSED ISA 800 (REVISED), PROPOSED ISA 805 (REVISED) AND
PROPOSED CONFORMING AMENDMENT TO ANOTHER ISA**

We thank you for the opportunity to comment.

The Audit Oversight Board, Malaysia, (AOB) supports the efforts of the International Auditing and Assurance Standards Board (IAASB) in enhancing auditor reporting on special purpose financial statements in alignment with the enhanced requirements of the new and revised Auditor Reporting standards.

In this regard, the AOB has no objection to the proposals outlined in the exposure draft for the following:

- Proposed ISA 800 (Revised), *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*
- Proposed 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

However, the AOB is concerned that the illustrative Other Matter paragraph in Illustration 3 in Appendix 2 of the proposed ISA 805 (Revised) may not create the intended level of communicative value. It is noted that whilst Para A23 of the proposed ISA 805 (Revised) provides guidance that consideration may be given to the relevance of communicating that key audit matters ("KAM") disclosures have been included in the auditor's report on the complete set of financial statements, a generic reference as illustrated may not be sufficient to allow users' understanding of the thought process behind such communication as well as the true relevance and significance of the KAM disclosures to the auditor's report to the single financial statement or on a specific element of a financial statement.

Audit Oversight Board

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In light of the above, the AOB recommends instead that in the event that communication of KAM disclosures in the auditor's report of the complete set of financial statements are considered relevant, the relevance should be clearly articulated in the auditor's report to the single financial statement or on a specific element of a financial statement to facilitate users' understanding of the matter.

In addition, the AOB is in support of the performance of a detailed technical review of the extant ISA 810 *Engagements to Report on Summary Financial Statements*, and strongly recommends that the IAASB prioritise the alignment of the requirements of ISA 810 with the new and revised Auditor Reporting standards to ensure its continued relevance and applicability.

Should you require any further clarification, please do not hesitate to contact Lim Fen Nee at +603 2091 0608 or at her email FNlim@seccom.com.my.

Thank you.

Yours sincerely



NIK MOHD HASYUDEEN YUSOFF
Executive Chairman
Audit Oversight Board

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