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Consultation Paper

Exposure of the IAASB's Proposed ISA 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements; and Proposed Conforming and Consequential Amendments to Other ISAs

Issued by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

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Consultation Paper: Exposure of the IAASB’s *Proposed ISA 240 (Revised)*, *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*; and *Proposed Conforming and Consequential Amendments to Other ISAs*

Important Note and Disclaimer

This Consultation Paper is issued by the AUASB to provide information to auditors, assurance practitioners and other stakeholders about IAASB Exposure Draft *Proposed ISA 240 (Revised) The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*; and *Proposed Conforming and Consequential Amendments to Other ISAs*.

This Consultation Paper contains proposals to amend existing AUASB Standard(s) but the document itself does not establish or extend the requirements under an existing AUASB Standard(s) and is not intended to be a substitute for compliance with the relevant AUASB Standards with which auditors are required to comply when conducting an audit engagement. No responsibility is taken for the results of actions or omissions to act on the basis of any information contained in this document or for any errors or omissions in it.

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CONSULTATION PAPER

Exposure of the IAASB's Proposed ISA 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements; and Proposed Conforming and Consequential Amendments to Other ISAs

Introduction

1. The International Auditing and Assurance Standards Board (IAASB) has issued Exposure Draft, *Proposed ISA 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements; and Proposed Conforming and Consequential Amendments to Other ISAs (IAASB ED ISA 240)*.
2. The Australian Auditing and Assurance Standards Board (AUASB) is seeking feedback from stakeholders to inform us when responding to the IAASB on IAASB ED ISA 240, and to identify potential compelling reasons¹ to modify ISA 240 (Revised) for application in Australia.
3. This Consultation Paper provides an overview of how the AUASB is requesting feedback from Australian stakeholders on the proposed changes detailed in IAASB ED ISA 240, and their impact on the Australian assurance environment.

Overview

Purpose

4. The aim of this Consultation Paper is to:
 - (a) provide stakeholders with information about IAASB ED ISA 240;
 - (b) provide stakeholders with information as to how IAASB ED ISA 240 is being exposed by the AUASB; and
 - (c) seek stakeholder feedback.

Materials issued as part of this Consultation

5. The following materials have been issued to seek Australian stakeholder feedback:
 - (a) AUASB Consultation Paper to IAASB ED ISA 240 (this document);
 - (b) IAASB ED ISA 240.
6. IAASB ED ISA 240 includes the IAASB's Explanatory Memorandum (IAASB EM) which provides the full background to, and an explanation of, the IAASB's proposed amendments to ISA 240 (Revised).
7. IAASB ED ISA 240 and the related IAASB EM are included within this Australian Consultation Paper as an attachment – refer to Attachment 2.

Request for Comments

8. The AUASB requests comments on all matters relating to IAASB ED ISA 240, but specifically in relation to the questions included at Attachment 1 of this Consultation Paper.²

¹ Refer to paragraphs 19-20 of this Consultation Paper for an explanation of compelling reasons.

² IAASB EM, Section 2, *Questions for Respondents*.

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Stakeholders’ responses to these questions will be used to inform the AUASB in its formal response to the IAASB. Additionally, responses will be used in AUASB deliberations regarding the issuance of the final Australian standard, including assessing compelling reasons for any Australian-specific enhancements. Stakeholders may choose to address specific questions relevant to them or raise matters not specifically addressed by the questions.

- 9. Stakeholders are requested to clearly indicate whether they agree or do not agree with the proposed amendments. Comments will be most helpful when they refer to specific paragraphs, include the reasons for the comments and, when appropriate, make specific suggestions for any proposed changes to wording.

Background (Refer to IAASB EM at Attachment 2, paragraphs 2-4, for further details)

IAASB’s Project and Key Proposals on Fraud

- 10. In 2020, the IAASB issued an [IAASB Discussion Paper](#) seeking perspectives from all of its stakeholders across the financial reporting ecosystem on whether the International Standards on Auditing (ISAs) related to fraud and going concern need to be updated to reflect the rapidly evolving external reporting landscape and, if so, in what areas. See Appendix 1 of this Consultation Paper for a summary of the AUASB’s input and feedback to the IAASB and how the AUASB’s feedback has been incorporated into the proposed revisions to ISA 240.
- 11. Following the Discussion Paper, the IAASB at its December 2021 meeting approved a project proposal for the revision of ISA 240 and conforming and consequential amendments to other relevant ISAs. The project objectives included the following:
 - (a) Clarify the role and responsibilities of the auditor relating to fraud in an audit of financial statements;
 - (b) Promote consistent behaviour and facilitate effective responses to identified risks of material misstatement due to fraud through strengthening ISA 240 to establish more robust requirements and enhance and clarify application material where necessary;
 - (c) Enhance ISA 240 to reinforce the importance, throughout the audit, of the appropriate exercise of professional scepticism in fraud-related audit procedures; and
 - (d) Enhance transparency on fraud-related procedures where appropriate, including strengthening communications with those charged with governance (TCWG) and the reporting requirements in ISA 240 and other relevant ISAs.
- 12. The diagram below depicts and describes the seven most important proposed changes addressing the key issues identified in the project proposal, which is expected to drive consistency in practice and change in auditor behaviour (references in this diagram are to the Explanatory Memorandum). Paragraph 13 below describes some of the more substantive enhancements in these sections.



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13. The paragraphs below summarise at a high-level what the AUASB considers to be the more substantive enhancements in proposed ISA 240 compared to the extant ISA 240. For further information on these enhancements, refer to the IAASB EM in Attachment 2 - Section 1, paragraphs 9-119.
- (a) Clarification and emphasis of auditor's responsibilities
 - (i) Focusing on the auditor's responsibilities in the introduction to the standard [paragraph 2].
 - (ii) A separate section on inherent limitations from the auditor's responsibilities so as not to be seen to diminish the auditor's responsibilities [paragraphs 9-11].
 - (b) Professional Scepticism

Changes to reinforce the need for professional scepticism in gathering evidence, challenging assumptions, and developing conclusions in audit areas related to fraud:

 - (i) Auditor to investigate if the auditor identifies conditions that cause the auditor to believe a record or document may not be authentic or may have been altered [paragraph 20].
 - (ii) Auditor to remain alert to fraud throughout engagement regardless of past experience [paragraphs 12, 21].
 - (iii) Addressing considerations of auditor bias [throughout standard and in paragraph 43].
 - (c) Ongoing communications throughout the audit with those charged with governance (TCWG)
 - (i) Requirement to communicate throughout audit engagement [paragraph 25] and application material highlighting the importance of robust two-way communications.
 - (ii) Enhanced inquiries when obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control [paragraph 34(d)].
 - (iii) If fraud/suspected fraud, make inquiries with at least one level of management/TCWG (where appropriate) above those involved [paragraph 55(a)].
 - (d) Applying a fraud lens – risk assessment

Changes to improve identification of risk of fraud are:

 - (i) Considering fraud in understanding the entity and its environment, the applicable financial reporting framework and the entity's system of internal control under ISA 315 [paragraphs 33-39].
 - (ii) Emphasising engagement team discussions and providing greater specificity on matters to be covered [paragraph 29].
 - (iii) Risk assessment to include a focus on incentives/pressures, opportunities and attitudes, tone at the top and performance measures.
 - (iv) Considering inclusion of forensic experts in the team [paragraphs A34, A35, A37, A49, A140, A146].

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- (e) Robust work effort when fraud or suspected fraud is identified (directly or indirectly)

The engagement partner must obtain an understanding of any identified or suspected fraud before determining whether or not to perform additional risk assessment procedures or audit procedures [paragraphs 55-59/A146-A153].

- (f) Transparency on Key Audit Matters (KAMs) related to fraud in the auditor's report

Changes are:

- (i) Each KAM would include fraud related matters under an appropriate sub-heading [paragraph 63]

- (ii) Three areas to consider [paragraph 61]:

- a. Identified and assessed risks of material misstatement due to fraud;
- b. The identification of fraud or suspected fraud; and
- c. The identification of significant deficiencies in internal control that are relevant to the prevention and detection of fraud.

- (iii) If there are no fraud related KAMs – include statement [paragraph 64].

- (g) Documentation

Proposed ISA 240 contains enhanced and new documentation requirements relating to fraud, including new requirements to document:

- (i) Key elements of the auditor's understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control;
- (ii) The results of audit procedures performed to address the risk of management override of controls, the significant professional judgements made, and the conclusions reached; and
- (iii) Fraud or suspected fraud identified, the results of audit procedures performed, the significant professional judgements made, and the conclusions reached.

- (h) Information technology

Proposed ISA 240 introduces considerations on how technology used by the entity could give rise to fraud risk factors or fraud risks and how automated tools and techniques may be used by the auditor to perform fraud related audit procedures.

- (i) Non-compliance with laws and regulations

Proposed ISA 240 clarifies the inter-relationship between ISA 240 and ISA 250³, including that fraud constitutes an instance of non-compliance with laws and regulations.

³ ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

Proposed Application Date

14. It is proposed that the revised ISA 240 will be applicable for audits of financial reporting periods **beginning on or after approximately 18 months after approval of the final ISA**. The equivalent ASA would have the same application date.
15. The IAASB anticipates that the final pronouncement will be approved in March 2025. Recognising the need to coordinate effective dates with the IAASB's Going Concern project and the Listed Entity and PIE – Track 2 project that are also considering actions that may result in changes to the auditor's report, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning at least 18 months after approval of the final pronouncement. The IAASB is of the view that this timeframe is adequate to allow jurisdictions sufficient time for translation of the final text of the standard, for national adoption processes to occur, and for practitioners to update templates and associated internal materials.

The AUASB's Approach in Seeking Stakeholder Feedback

16. Further to paragraph 10 of this Consultation Paper, Appendix 1 highlights to stakeholders that matters raised in Australia at the time of the IAASB Discussion Paper on Going Concern and Fraud, have been addressed in some manner by the IAASB through the IAASB ED ISA 240. The AUASB's preliminary position is that there are no compelling reasons for Australian specific modifications to the IAASB proposals. Accordingly, the IAASB ED ISA 240 is issued for comment in Australia by the AUASB without modification.
17. The AUASB has a strategic objective to develop, issue and maintain high quality Australian Auditing and Assurance Standards. In accordance with its mandate under section 227B(1) of the ASIC Act 2001 and the Financial Reporting Council's (FRC) Strategic Direction, the AUASB's policy is to adopt the IAASB's auditing and assurance standards, unless there are compelling reasons not to do so; and to amend the international standards only when there are compelling reasons to do so.⁴
18. The AUASB's approach, in accordance with the [AUASB International Strategy](#), is to actively influence the international standard setting process to produce international standards that serves as the most effective base possible from which to develop equivalent Australian Auditing and Assurance Standards. As part of this strategy, the AUASB actively monitors the development of new IAASB Standards and revisions to IAASB Standards and provides continual feedback to raise issues with the IAASB throughout the international standard's development process.
19. The AUASB makes formal submissions on Exposure Drafts issued by the IAASB to contribute to the setting of international standards. Stakeholders' feedback in response to this Consultation Paper will be used to inform the AUASB in its formal response to the IAASB. Additionally, responses will be used in AUASB deliberations regarding the issuance of the final Australian standard, including assessing compelling reasons for any Australian-specific enhancements.
20. In accordance with the [AUASB Policy and Process for International Conformance and Harmonisation of Standards](#), international standards should only be modified if there are compelling reasons to do so. The Compelling Reason Test⁵ for modification of an international standard is triggered when the international standard does not reflect, or is not consistent with, Australian legal and regulatory arrangements, or principles and practices that

⁴ The AUASB's principles of convergence with international auditing and assurance standards can be found in [AUASB Policy and Process for International Conformance and Harmonisation of Standards](#). For further background on the AUASB's mandate and strategic directive, and the principles and process adopted by the AUASB to develop Australian Standards based on equivalent international standards, refer to the AUASB's [Due Process Framework for Developing, Issuing and Maintaining AUASB Pronouncements and Other Publications](#).

⁵ Refer to [AUASB Policy and Process for International Conformance and Harmonisation of Standards](#), for an explanation of the compelling reasons for modification of international standards and application of the Compelling Reasons Test.

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are considered appropriate in maintaining or improving audit or assurance quality in Australia. Compelling reasons are further guided by the AUASB’s policy of harmonisation with the standards of the New Zealand Auditing and Assurance Standards Board (NZAuASB). Any such changes must not result in a requirement that is lesser than or in conflict with the requirements of the equivalent international standard.

21. Any addition or modification from the international standard will be clearly marked as an Australian paragraph (“Aus” prefix). However, minor wording and spelling changes (as opposed to significant terminology changes) need not be reflected in the Australian standard as a modification to the international standard where the intent remains unchanged.

Comment Closing Date

22. This Consultation Paper will be open to stakeholders for a 90-day comment period closing on Tuesday 21 May 2024. This is to allow stakeholders time to respond to the AUASB on the IAASB ED ISA 240, and for the AUASB to conduct further outreach and to collate all feedback into our submission to the IAASB due on 5 June 2024.
23. At the completion of the exposure period and consultation process, the AUASB will consider stakeholders’ submissions:
 - (a) to inform us when developing our response to the IAASB on their ED; and
 - (b) where the AUASB determines that a compelling reason exists, to inform us as to whether modifications may be required when we are adopting the final standard.

Outreach Activities

24. Through the public exposure process, from February to May 2024, the AUASB will share any IAASB produced materials. Furthermore, the AUASB recognises the public interest significance of the IAASB proposals and, accordingly, the AUASB will host several roundtable consultative meetings to obtain Australian stakeholder feedback on the IAASB ED ISA 240. Additionally, the AUASB will release an educative pre-recorded webcast. The AUASB invites all interested stakeholders, including government bodies, users, preparers, regulators, standard setters, practitioners, professional bodies and academics, to partake in outreach activities.

Additional Website Resources

25. The AUASB welcomes stakeholders’ input to the development of Australian Auditing and Assurance Standards and regards both supportive and critical comments as essential to a balanced review of the proposed standards. Stakeholders are encouraged to access the websites of the [AUASB](#) and the [IAASB](#) to obtain further information.

APPENDIX 1 - Summary of AUASB input and feedback to the IAASB Discussion Paper

The table below provides a summary of [AUASB feedback to the IAASB](#) on the IAASB Discussion Paper *Fraud and Going Concern in an Audit of Financial Statements* and how IAASB ED ISA 240 addresses this feedback.

Informing the AUASB’s response on the Discussion Paper, the Office of the AUASB held two virtual roundtables in November 2020 with stakeholders representing assurance providers from the private and public sectors, academics, regulators and the professional accounting bodies across Australia. The Office of the AUASB also attended forums held by other parties on the Discussion Paper, and the AUASB members considered the Discussion Paper at public board meetings.

No.	Summary of AUASB feedback	IAASB responses through the proposed draft standard IAASB ED ISA 240
1.	Importance of senior team members and knowledge share and greater supervision and involvement of more senior team members in this area.	<ul style="list-style-type: none"> • Robust engagement team discussions and knowledge share for auditor’s considerations around fraud through additional requirements and application material (paragraph 29). • Linking IAASB ED ISA 240 back to the requirements of ISA 220⁶ in relation to collective competence and capabilities including sufficient time and appropriate specialised skills or knowledge (paragraph 22).
2.	Not strong support to include forensic specialists as a requirement, but support to use as part of engagement team discussions and ultimately based on circumstances of the engagement.	Drawing in the requirements of ISA 220 in relation to collective competence and capabilities including sufficient time and appropriate specialised skills or knowledge with application material focusing on consideration of need for specialist forensic skills influenced by the nature and circumstances of the audit engagement (paragraph 22 and associated application material).
3.	Closer links to ISA 540 <i>Auditing Accounting Estimates and Disclosures</i> and management bias for complex accounting estimates.	<ul style="list-style-type: none"> • Enhancements to requirements and application material to closer link to ISA 540 in the exercise of professional scepticism (question/challenge/management biases) (Paragraphs 51-52 and associated application material). • Robust requirement in relation to retrospective review of the outcome of previous significant accounting estimates (paragraph 28).

⁶ ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

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No.	Summary of AUASB feedback	IAASB responses through the proposed draft standard IAASB ED ISA 240
4.	Improvements to identify fraud risk factors and where fraud could occur and not just in the areas of revenue and journal entries.	<ul style="list-style-type: none"> • Consideration of other areas that should have increased focus, importance of risk assessment procedures to identify and assess fraud risks (strengthening links to ISA 315 and the risk assessment process). • Enhancements to make journal entry testing more robust (paragraphs 34-35, 49-50, Appendix 4⁷). • New requirement to obtain an understanding of other controls that prevent or detect fraud (besides controls over journal entries) (paragraph 35). • Enhancements to application material in relation to the presumption of the risk of material misstatement due to fraud in revenue recognition (paragraph 41/A107-A112).
5.	More guidance on how unpredictable audit procedures address fraud risk	Enhancements to application material in relation to unpredictability in the selection of audit procedures (paragraphs A114 – A115).
6.	Additional guidance as to what is required when fraud is detected and understanding the links between fraud (ISA 240) and non-compliance with laws and regulations (ISA 250)	<ul style="list-style-type: none"> • Clarifying the relationships between ISA 240 and ISA 250 (paragraph 14). • Enhanced linkages with ISA 260 (communications with those charged with governance) including on-going nature of communications (throughout standard including paragraph 25). • Robust requirements and application material to provide clarity on procedures are required when fraud or suspected fraud is identified (paragraphs 55-59).
7.	Considerations of use of emerging technologies and encouragement to consider how auditors can better employ emerging technologies to enhance auditor performance regarding fraud	The IAASB introduced considerations about the use of technology in application material paragraphs A5, A9, A28, A35, A51, A60, A64, A85, A97, A116, A117, A135, A139, A143, and in Appendices 2 and 4. Those paragraphs describe how technology used by the entity could give rise to fraud risk factors or fraud risks and how automated tools and techniques may be used by the auditor to perform fraud-related audit procedures.

⁷ **Appendix 4** includes additional considerations when selecting journal entries and other adjustments for testing, including matters that the required understanding provides the auditor knowledge about

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No.	Summary of AUASB feedback	IAASB responses through the proposed draft standard IAASB ED ISA 240
8.	Importance of corporate culture/ executive incentives/knowledge of entity/internal control environment	<ul style="list-style-type: none"> • Consideration of culture and executive incentives as part of engagement team discussions (paragraph 29). • In applying ISA 315, understanding the entity’s culture and management’s commitment to integrity and ethical values (paragraph 34). • Strengthened understanding the components of the Entity’s System of Internal Controls and risk assessment process (paragraphs 33-39)
9.	Mixed views about further transparency with reference to the auditor’s report and management/those charged with governance.	<p><i>Auditor’s Report changes:</i></p> <ul style="list-style-type: none"> • KAM now to include fraud related – appropriate signage [paragraph 63] • KAM filter same as ISA 701 [paragraph 61-62], with 3 areas to consider [paragraph 61]: <ul style="list-style-type: none"> ○ Identified and assessed risks of material misstatement due to fraud; ○ The identification of fraud or suspected fraud; and ○ The identification of significant deficiencies in internal control that are relevant to the prevention and detection of fraud. • If there are no fraud related KAM – include statement [paragraph 64] <p><i>Communications with management and those charged with governance</i></p> <ul style="list-style-type: none"> • Overarching requirement to communicate throughout audit engagement [paragraph 25] and application material highlighting the importance of robust two-way communications. • Enhancements of inquiries when obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity’s system of internal control [paragraph 34(d)]. • If fraud/suspected fraud: make inquiries with at least one level of management/TCWG (where appropriate) above those involved [paragraph 55(a)].

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No.	Summary of AUASB feedback	IAASB responses through the proposed draft standard IAASB ED ISA 240
10	Apply professional scepticism and encourage sceptical behaviour in the right circumstances but no support for requiring a ‘suspicious mindset’	<ul style="list-style-type: none"> • Conditional requirement focusing on authenticity of documentation – link to ISA 500 and reliability and attribute of authenticity [paragraph 20] while not intended to increase the work effort as it pertains to considering the authenticity of records and documents obtained during the audit. • Reinforce importance of the auditor remaining alert throughout engagement regardless of past experience [paragraph 12, 21]. • Addresses considerations of auditor bias [throughout standard and in paragraph 43].

ATTACHMENT 1 - Consultation Paper Questions

Overall Questions from International Explanatory Memorandum:		
Overall Questions	Reference to Sections or Paragraphs in the IAASB EM (refer Attachment 2 of this Consultation Paper)	Reference to Requirements in IAASB ED-240 (refer Attachment 2 of this Consultation Paper)
<i>Responsibilities of the Auditor</i>		
1. Does IAASB ED-240 clearly set out the auditor’s responsibilities relating to fraud in an audit of financial statements, including those relating to non-material fraud and third-party fraud?	Section 1-C , paragraphs 13–18 Section 1-J , paragraphs 91–92	Paragraphs 1–11 and 14
<i>Professional Scepticism</i>		
2. Does IAASB ED-240 reinforce the exercise of professional scepticism about matters relating to fraud in an audit of financial statements?	Section 1-D , paragraphs 19–28	Paragraphs 12–13 and 19–21
<i>Risk Identification and Assessment</i>		
3. Does IAASB ED-240 appropriately build on the foundational requirements in ISA 315 (Revised 2019) and other ISAs to support a more robust risk identification and assessment as it relates to fraud in an audit of financial statements?	Section 1-F , paragraphs 36–46	Paragraphs 26–42
<i>Fraud or Suspected Fraud</i>		
4. Does IAASB ED-240 establish robust work effort requirements and application material to address circumstances when instances of fraud or suspected fraud are identified in the audit?	Section 1-G , paragraphs 47–57 Section 1-E , paragraph 35	Paragraphs 55–59 and 66–69
<i>Transparency on Fraud-Related Responsibilities and Procedures in the Auditor’s Report</i>		
5. Does IAASB ED-240 appropriately enhance transparency about matters related to fraud in the auditor’s report?	Section 1-H , paragraphs 58–78	Paragraphs 61–64

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Overall Questions	Reference to Sections or Paragraphs in the IAASB EM (refer Attachment 2 of this Consultation Paper)	Reference to Requirements in IAASB ED-240 (refer Attachment 2 of this Consultation Paper)
6. In your view, should transparency in the auditor’s report about matters related to fraud introduced in IAASB ED-240 be applicable to audits of financial statements of entities other than listed entities, such as PIEs?	Section 1-H , paragraphs 76–77	Paragraphs 61–64
<i>Considering a Separate Stand-back Requirement in IAASB ED-240</i>		
7. Do you agree with the IAASB’s decision not to include a separate stand-back requirement in IAASB ED-240 (i.e., to evaluate all relevant audit evidence obtained, whether corroborative or contradictory, and whether sufficient appropriate audit evidence has been obtained in responding to the assessed risks of material misstatement due to fraud)?	Section 1-J , paragraphs 107–109	–
<i>Scalability</i>		
8. Do you believe that the IAASB has appropriately integrated scalability considerations in IAASB ED-240 (i.e., scalable to entities of different sizes and complexities, given that matters related to fraud in an audit of financial statements are relevant to audits of all entities, regardless of size or complexity)?	Section 1-J , paragraph 113	–
<i>Linkages to Other ISAs</i>		
9. Does IAASB ED-240 have appropriate linkages to other ISAs (e.g., ISA 200, ISA 220 (Revised), ISA 315 (Revised 2019), ISA 330, ISA 500, ISA 520, ⁸ ISA 540 (Revised) and ISA 701) to promote the application of the ISAs in an integrated manner?	Section 1-J , paragraphs 81–84	–

⁸ ISA 520, *Analytical Procedures*

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Overall Questions	Reference to Sections or Paragraphs in the IAASB EM (refer Attachment 2 of this Consultation Paper)	Reference to Requirements in IAASB ED-240 (refer Attachment 2 of this Consultation Paper)
<i>Other Matters</i>		
10. Are there any other matters you would like to raise in relation to IAASB ED-240? If so, please clearly indicate the requirement(s) or application material, or the theme or topic, to which your comment(s) relate.	–	–
<i>Translations</i>		
11. Recognising that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the IAASB ED-240.	–	–
<i>Effective Date</i>		
12. Given the need for national due process and translation, as applicable, and the need to coordinate effective dates with the Going Concern project and the Listed Entity and PIE – Track 2 project, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning approximately 18 months after approval of the final standard. Earlier application would be permitted and encouraged. Would this provide a sufficient period to support effective implementation of the ISA?	Section 1-J , paragraphs 115–116	Paragraph 16

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Australian Specific Questions:

For all Australian Stakeholders:

- Aus 1 Have applicable laws and regulations been appropriately addressed in the proposed standard and related conforming amendments?
- Aus 2 Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard and related conforming amendments, or may conflict with the proposed standard and related conforming amendments?
- Aus 3 Are there any principles and practices considered appropriate in maintaining or improving audit quality in Australia that may, or do, prevent or impede the application of the proposed standard and related conforming amendments, or may conflict with the proposed standard and related conforming amendments?
- Aus 4 What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the requirements of this proposed standard and related conforming amendments? If significant costs are expected, the AUASB would like to understand:
- (i) Where those costs are likely to occur;
 - (ii) The estimated extent of costs, in percentage terms (relative to audit fees); and
 - (iii) Whether expected costs outweigh the benefits to the users of audit services?
- Aus 5 Are there any other significant public interest matters that stakeholders wish to raise?