



Subject: Highlights of the 50th meeting of the AUASB
Venue: AUASB, Level 7, 600 Bourke Street, Melbourne
Date: 18-19 April 2011

1. Auditing Fundraising Revenue of Not-For-Profit Entities

The Board considered a revised draft of the proposed Guidance Statement GS 019 *Auditing Fundraising Revenue of Not-for-Profit Entities* (revision to AGS 1054 *Auditing Revenue of Charitable Entities*). Subject to some further editorial amendments, the Guidance Statement was approved for release this month.

2. Agreed-Upon Procedures to Report Factual Findings

The Board considered a revised draft of the proposed Auditing Standard on Related Services ASRS 4400 *Agreed-upon Procedures to Report Factual Findings*. The Board approved the document subject to final editorial amendments, which would be considered by the Board out-of-session. The revised standard will be released next month, with an operative date for engagements commencing on or after 1 October 2011.

3. Amendments to Clarity Auditing Standards

The Board approved ED 01/11 ASA 2011-1 *Amendments to Australian Auditing Standards*. The proposed standard includes consequential amendments to ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* (following revision of APES 110 by the APESB), and various miscellaneous editorial amendments to the Australian Auditing Standards. The exposure draft will be issued with a comment period ending 23 May 2011. The changes introduced by the amending auditing standard will be effective for financial periods commencing on or after 1 July 2011.

4. Fundraisings and Comfort Letters

The AUASB received updates on the *Fundraisings* and *Comfort Letters* projects, as follows:

- (a) The Board considered a further draft of the proposed exposure of ASAE *Assurance Engagements Involving Corporate Fundraisings and Prospective Financial Information* which was structured with three separate sections - Historical Financial Information, Pro Forma Financial Information and Prospective Financial Information. The Board requested further amendments and a revised version will be considered for approval to release as an exposure draft at the 14 June 2011 AUASB meeting.
- (b) The Board received an update on the Comfort Letters project. A further draft of the proposed ASAE will be considered at the 14 June 2011 AUASB meeting.

Details of the meeting agenda are posted on the AUASB web site www.auasb.gov.au in the week prior to the meeting.

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5. Service Organisations

The Board considered in detail comments received arising from consultation on the implementation of the initial GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*. The Board agreed on recommendations for amendments to GS 007 and a draft revised Guidance Statement will be considered at the 14 June 2011 AUASB meeting.

6. International Matters

- (a) The Board received a report on the AUASB's roundtable discussions with stakeholders held on 29 March 2011 in respect of submissions in respect of the following IAASB exposure drafts:
 - (i) ISRE 2400 (Revised) *Engagements to Review Historical Financial Statements* (due 20 May 2011);
 - (ii) *The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications* (due 1 June 2011); and
 - (iii) ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (due 10 June 2011)
- (b) The Board received a report on the March 2011 IAASB meeting and received reports on recent taskforce meetings of the IAASB comprising: *Audit Quality*; *ISA Implementation Monitoring*; *Reviews and Compilations*; and *Compilation of Pro-forma Financial Information* projects.
- (c) The Board noted the latest *International Update* being a report on recent activities of the IAASB and other national standard setters.
- (d) The Board considered agenda items for the annual IAASB-National Standard Setters meeting to be held 28-29 April 2011.

7. Other AUASB projects and other matters

- (a) The Board received updates on the following projects and liaison activities:
 - i. Assurance on Water Accounting Reports
 - ii. NGRS
 - iii. Application issues pertaining to ASA 600 *Special Considerations – Audit of a Group Financial Report (Including the Work of Component Auditors)*.
- (b) The Board considered a first draft of its business plan for 2011-12. A further draft will be considered out-of-session. Once finalised, the business plan will be made available on the AUASB website.

***The next general meeting of the AUASB meeting will be held on 14 June 2011
at Level 7, 600 Bourke Street, Melbourne.***

The meeting will be open to the public.