



Subject: Highlights of the 33rd meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 9 September 2008

1. Approval of Amendments to Assurance Standard on Compliance Engagements

The Board considered various amendments to ASAE 3100 comprising:

- Clarification that the assurance practitioner cannot claim compliance with ASAE 3100 when the practitioner is unable to comply with fundamental ethical principles, including those relating to independence.
- Inclusion of a definition of the term “compliance framework” as used in the context of ASAE 3100.
- Clarification that ASAE 3100 does not apply to audits or reviews of historical financial reports.

The Board approved the amended standard for issue. The Standard will be operative for reporting periods commencing on or after 1 October 2008, and early adoption is permitted.

2. ASA Redrafting (Clarity Format)

Project Update:

The Board noted that the project is on track for completion of the redrafting of the Australian Auditing Standards (ASAs) by October 2009, and that the AUASB’s present intention is that the revised ASAs will be operative for reporting periods commencing on or after 1 January 2010.

Approval of Exposure Drafts:

The Board considered draft versions, in “Clarity” format, of the following exposure drafts (EDs) of proposed revised Auditing Standards:

- (a) ASA 230 *Audit Documentation*
- (b) ASA 300 *Panning an Audit of a Financial Report*
- (c) ASA 540 *Audit of Accounting Estimates*
- (d) ASA 560 *Subsequent Events*
- (e) ASA 570 *Going Concern*
- (f) ASA 600 *Group Audits*

The Board approved the issue of these EDs, which will be released mid September with a 30 day comment period.

The Board also discussed a working document based on ASA 100 *Preamble to AUASB Pronouncements*. This interpretive document will be revised progressively as other standards are redrafted. Progressive versions will be available on the AUASB website to assist constituents in responding to the EDs.

3. Proposed Guidance Statement – Self-Managed Superannuation Funds

The Board considered a further draft of the proposed Guidance Statement GS 009 *Financial and Compliance Audits of Self-Managed Superannuation Funds*. The Board approved the Guidance Statement for release subject to a number of amendments.

Release of the Guidance Statement is anticipated in October 2008.

4. Other Projects

Authorised Deposit Taking Institutions

The Board approved a project plan to revise and reissue AGS 1008 *Audit Implications of Prudential Reporting Requirements for Authorised Deposit Taking Institutions*.

The revised Guidance Statement will follow the release by APRA of its revised Prudential Standard APS 310 *Audit and Related Arrangements for Prudential Reporting*, anticipated in November 2008.

5. Other Matters

Standard Business Reporting and XBRL

Mr Paul Madden (Program Director - Standard Business Reporting, Australian Treasury) presented to the AUASB on the progress of the Australian Government's Standard Business Reporting program. The AUASB is considering auditing related issues.

6. International matters

The Board discussed:

- Papers on key issues to be considered at the 15-19 September 2008, IAASB meeting.
- ISQCI *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements* and ISA 220 *Quality Control for Audits of Historical Financial Information*. The Board considered the proposed final drafts of the two Clarity standards which would be considered by the IAASB at its meeting in the following week. The Board also discussed at length the issues relating to its adoption of a Clarity version of ISQC1 with ISA 220 (with effect from 1 January 2010), and noted that a working group of the Financial Reporting Council is to advise on the desirability of the AUASB issuing both standards.

***The next AUASB meeting will be held on 27-28 October 2008
at Level 7, 600 Bourke Street, Melbourne.***

The meeting will be open to the public.

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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