



Board Meeting Summary Paper

AUASB
AGENDA
ITEM NO.

6(b)

Meeting Date:
6-7 April

2009

Subject: ASA 101
Preamble to Auditing Standards
(Revised and Redrafted)

Date: 25 March 2009

Action Required

For Information Purposes Only

Agenda Item Objective(s)

Discuss the interpretative working document (*Preamble*) and provide further input to developing the Standard.

Background

This working document was first discussed at the September 2008 meeting and read as “version 1” at the October 2008 meeting. It is now being presented to the Board for the fifth time (as v-4).

At the June 2008 AUASB meeting, the Board agreed initially for this interpretive document to be “stand-alone” as opposed to an additional section in the extant *Preamble*. Accordingly, the working document was developed as a new Standard.

The first working document was drafted by updating extant paragraphs that have relevance to the clarity versions of the ASAs only and, as agreed by the Board in September 2008, it was loaded onto the AUASB website (15 September 2008) to assist interested parties in developing their responses to the exposure drafts now progressively being published.

At the 26-27 October 2008 meeting, the Board considered the working document (v-1) and requested that it be developed in the clarity format.

At the 1 December 2008 meeting, the Board considered the clarity format version [2nd version, (v-2)] and, having regard to the contents of ASA 200 (Revised and Redrafted) [*Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*], requested an alternative approach be taken – i.e. that the extant *Preamble* be updated as an alternative to a stand-alone document. V-2 was not posted on the AUASB website.

This document contains preliminary views and/or staff recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

At the February 2009 meeting the Board considered an updated version of extant ASA 100 (v-3) and concluded that a stand-alone document would be preferable. Version 3 was not posted on the AUASB website.

Agenda Item 6(b).1 is submitted as version 4. The document has been given a proposed name: *ASA 101 Preamble to Australian Auditing Standards*.

Notes:

1. The extant *Preamble* will need to remain intact, in one form or another, for a period after the 1 January 2010 while the extant ASAs remain operative. The extant *Preamble* relates to all AUASB Standards, not just the Australian Auditing Standards.
2. The intention is for the revised *Foreword* to set out:
 - The powers, functions, composition and operating procedures of the AUASB;
 - Descriptions of the range of pronouncements, including the Australian Auditing Standards, issued by the AUASB; and
 - The framework within which the AUASB issues pronouncements on auditing and assurance services (including a revised diagram of the framework).
3. For the Board's information, the extant *Foreword to AUASB Pronouncements* and (proposed) *ASA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards (Revised and Redrafted)* are included in electronic form only.

Matters to Consider

The Board is requested to consider version 4 (Agenda Item 6(b).1) and approve posting it on the AUASB website as a draft working document (v-4).

Important Note:

The last group of exposure drafts (Group 7) will be submitted to the 1-2 June Board meeting. The "Preamble" is scheduled for inclusion as an exposure draft in Group 7.

Staff Recommendations

That the Board resolves any outstanding issues with the document enabling:

- a copy to be loaded on the AUASB website (as a working version only); and
- an Exposure Draft to be prepared for approval at the June meeting.

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Material Presented

- Agenda Item 6(b) Board Meeting Summary Paper
- Agenda Item 6(b).1 Working Document, Version 4—ASA 101
- Agenda Item 6(b).2 Extant *Foreword to AUASB Pronouncements* [electronic copy only]
- Agenda Item 6(b).3 (Proposed) *ASA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards* (Revised and Redrafted) [electronic copy only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Consider version 4 of the Working Document and approve posting on website	Board input	AUASB	6 April 09	Discussion stage only.

Notes

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