



**Attachment to Board Meeting Summary Paper**

Subject: ASA Redrafting Project – ASQC 1 - *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, and other Assurance and Related Services Engagements* (Revised and Redrafted)

Prepared by: AUASB Technical Group

Date: 24 March 2009

**Issue**

The AUASB is requested to consider and resolve the following issues:

Item #	Issues	Approve? Y/N
1	<p><b>Issue:</b> The Application paragraphs have been amended from the current ASA (Revised and Redrafted) format to be consistent with ISQC 1 (Refer <i>Scope</i> paragraphs (Para’s 1-3), <i>Authority</i> paragraph (paras 4) and <i>Objective</i> paragraph (para 11)).</p> <p>The IAASB definition of ‘professional standards’ at par 12 (o) “means “IAASB Engagement Standards, as defined in the IAASB’s <i>Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services</i>, and relevant ethical requirements.” In turn, the Preface, at paragraph 8, states – “ISA, ISREs, ISAEs, and ISRS are collectively referred to as the IAASB’s Engagement Standards”. Hence, ISQC 1 applies to all these pronouncements.</p> <p><b>Proposed Format - Application Paragraph in ASQC 1</b> (changes <u>underlined</u> for emphasis)</p> <p>Aus 0.1 This Auditing Standard applies to <u>a firm that performs</u>:</p> <p>(a) an audit <u>or review</u> of a financial report for a financial year, or an audit <u>or review</u> of a financial report for a half-year, in accordance with the <i>Corporations Act 2001</i>; and</p> <p>(b) an audit <u>or review</u> of a financial report, or a complete set of financial statements, <u>for any other purpose.</u></p> <p>Aus 0.2 This Auditing Standard also applies <del>to a firm that performs as appropriate, to:</del></p> <p><u>(a) -an audit or review of other historical financial information;</u></p> <p><u>(b) an audit or review of other than historical financial information; and</u></p> <p><u>(c) related service engagements.-</u></p> <p><b>Current Format - ASA (Revised and Redrafted) Application Paragraphs</b></p> <p>Aus 0.1 This Auditing Standard applies to:</p> <p>(a) an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with the <i>Corporations Act 2001</i>; and</p> <p>(b) an audit of a financial report, or a complete set of financial statements, for any other purpose.</p> <p>Aus 0.2 This Auditing Standard also applies, as appropriate, to an audit of other historical financial information.</p>	

Item #	Issues	Approve? Y/N
	Does the Board agree with this approach?	
2	<p><b>Issue:</b> Effective Date. In line with ISQC 1, suggest a change to the wording of Aus 0.3 as follows (changes <u>underlined</u> for emphasis):</p> <p>Aus 0.3 <del>This Auditing Standard is operative for financial reporting periods commencing on or after 1 January 2010.</del> Systems of quality control in compliance with this Auditing Standard are required to be established by 1 January 2010.</p> <p>Does the Board agree with this approach?</p>	

### **Information**

The following matters are brought to the Board's attention for information purposes only:

Item #	Information only Matters	Para. #
1	"Aus" paragraph insertions in Requirements - definition of "firm" per the Corporations Act 2001 included	Aus 12.1 (Definitions)
2	"Aus" paragraph insertions made in Application and Other Explanatory Material	None

*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.*