



Board Meeting Summary Paper

Subject: ASA 508 (Revised and Redrafted)
Litigation and Claims

Date: 18 March 2009

AUASB AGENDA ITEM NO. 8(e)
Meeting Date: 6-7 April
2009

Action Required

For Information Purposes Only

Agenda Item Objectives

Review proposed Auditing Standard ASA 508 (Revised and Redrafted) *Litigation and Claims* for final approval to issue as an exposure draft.

Background

ASA 508 (Revised and Redrafted) is presented to the Board for the first time as a separate standard. At the February 2009 Board meeting, the AUASB considered proposed ASA 501 (Revised and Redrafted) *Audit Evidence—Specific Considerations for Selected Items*, a composite standard containing sections on inventory, litigation and claims and segment information. The AUASB decided that *Litigation and Claims* should be issued as a separate standard, rather than as part of ASA 501 (Revised and Redrafted).

The proposed new standard, ASA 508 (Revised and Redrafted) *Litigation and Claims*, incorporates the Requirements and guidance relating to litigation and claims from ISA 501 (Redrafted), as well as any additional Requirements and guidance from extant ASA 508 *Enquiry Regarding Litigation and Claims*. These additional paragraphs are identified with the prefix “Aus”. Changes are shown as mark-ups (Agenda Item 8(e).3).

Proposed ASA 508 (Revised and Redrafted) also includes standardised changes in accordance with the AUASB Drafting Rules.

The underlying standard is ISA 501 (Redrafted) which has not undergone revision by the IAASB, but has been redrafted in Clarity format.

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.

Matters to Consider

The Board is requested to consider and resolve the matters listed under the heading “Issues” in Attachment A (Agenda Item 8(e).1).

The Board is requested to consider the matters listed under the heading “Information” in Attachment A (Agenda Item 8(e).1)

The Board is requested to consider the Tables of Differences (Agenda Item 8(e).4) and approve the proposed treatment of each difference.

Clean versions of proposed the proposed ED, extant ASA 508 and ISA 501 (Redrafted) are included for the Board’s information in electronic form only.

Staff Recommendations

AUASB Technical Group recommends proposed ASA 508 (Revised and Redrafted) be approved for issue as an ED.

Material Presented

Agenda Item 8(e)	Board Meeting Summary Paper
Agenda Item 8(e).1	Attachment to Board Meeting Summary Paper
Agenda Item 8(e).2	Proposed Exposure Draft (Clean Version) [electronic copy only]
Agenda Item 8(e).3	Proposed Exposure Draft (Marked Up Version)
Agenda Item 8(e).4	Tables of Differences
Agenda Item 8(e).5	Extant ASA 508 <i>Enquiry Regarding Litigation and Claims</i> [electronic copy only]
Agenda Item 8(e).6	ISA 501 (Redrafted) <i>Audit Evidence—Specific Considerations for Selected Items</i> [electronic copy only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Approve draft for exposure	Board approval	AUASB	6-7 April 09	o/s

Notes

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