



# Board Meeting Summary Paper

**Subject:** Proposed ISAE 3420 *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*

**Date:** 7 April 2010

AUASB  
AGENDA  
ITEM NO.

**15(b)**

**Meeting Date:  
19 April**

**2010**

**Action Required**

**For Information Purposes Only**

## Agenda Item Objective

To update the Board on the IAASB project to develop an Assurance Standard (ISAE 3420) on the process to compile pro-forma information included in a prospectus.

## Update

The IAASB has, at its March meeting, approved for the issuance of the ISAE 3420 exposure draft (ED). At date of writing, the ED has not been issued and the IAASB expects to release it for comment by the end of April, with the comment period likely to be to the end of September this year. For your information, refer Agenda Item 15(b).1 for the final approved marked up version of the ED. The AUASB Technical Group intends to comment on the ED when it is officially issued.

The proposed ISAE applies only to reasonable assurance engagements where the assurance practitioners report on the process to compile pro-forma financial information included in a prospectus. It does not apply to the provision of assurance on the underlying pro forma financial information included in the Prospectus (as applicable in the AUASB's proposed Fundraisings ASAE).

Given this limited expected interaction with the AUASB's proposed Fundraisings ASAE, the subject matter content of the two standards will differ significantly, particularly in the application, objectives, assurance procedures required, type of assurance required, and resultant reporting. Where there are relevant principles and procedures between the two standards (for example, "Definitions"), the AUASB Technical Group will, for conformity purposes, look to incorporate these into the proposed Fundraising ASAE.

Proposed ISAE 3420 in its current form is not expected to have wide application in Australia given that the current Australian legislative environment (*Corporations Act 2001*) does not require this type of reporting, nor is it generally accepted Australian practice for firms providing assurance services on a fundraisings transaction to provide this type of reporting.

The AUASB Technical Group will continue to monitor the development of this Standard and update the Board on key developments.

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## **Material Presented**

Agenda Item 15(b) Board Meeting Summary Paper

Agenda Item 15(b).1 IAASB final approved ISAE 3420 Exposure Draft (Marked Up Version)

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