



Board Meeting Summary Paper

Subject: GS 019 *Auditing Fundraising Revenue of Not-for-Profit Entities*

Date: 4 April 2011

AUASB AGENDA ITEM NO. 5
Meeting Date: 18-19 April 2011

Action Required

For Information Purposes Only

Agenda Item Objectives

From further discussion and consideration of the comments made by stakeholders regarding the use of Emphasis of matter paragraphs in the audit report a decision was reached to re table the final draft GS 019. This draft includes paragraph 22 on Emphasis of Matter and Appendix 3: Example Auditor's Report – Unmodified Opinion, Emphasis of Matter.

Subject to a final discussion with the AUASB on this matter, we will seek the Board's approval of the amended final draft GS 019 to be released on 18 April 2011.

Background

AGS 1054 was last updated and reissued by the former AuASB in July 2002. Currently, the Australian Accounting Standards Board (AASB) is undertaking a number of projects in the area of Not-for-Profit entities which will need to be considered as part of the revision to AGS 1054 *Auditing Revenue of Charitable Entities*.

The project plan for the revised AGS 1054 *Auditing Revenue of Charitable Entities* was first presented to the AUASB in October 2009. Since then, further research and discussions with various Board members and practitioners have been conducted, about the issue of completeness of fundraising revenue and its application to the broader NFP industry. From these discussions it would appear that similar audit issues are occurring in the NFP sector as well and as such AGS 1054 *Auditing Revenue of Charitable Entities* has been revised accordingly to broaden the scope to include NFP entities.

Since the November Board meeting, the proposed draft GS 019 was distributed to interested stakeholders for comment by 4 February 2011. Comments were received from five stakeholders (refer item 7.2) and these have been considered by the AUASB in preparing the final draft GS 019 (refer item 7.3) and were discussed at the 28 February 2011 meeting.

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At that meeting, the Board agreed to remove the paragraph including the Emphasis of matter discussion and subject to further edits on the wording around when control of the revenue passes to the Not-for-profit entity. However, the Chairman has requested that the amended final draft be brought back to the Board at the 18-19 April 2011 meeting for further consideration and approval.

Matters to Consider

Refer to the attachment to Board Meeting Summary Paper for matters to consider.

AUASB Technical Group Recommendations

The AUASB to approve the final amended draft of GS 019 including the Emphasis of Matter discussion and example report at Appendix 3.

Material Presented

Agenda Item 5	Board Meeting Summary Paper
Agenda Item 5.1	Board Meeting Attachment Paper
Agenda Item 5.2	Diagram: Use of Emphasis of Matter – Fundraising Revenue Completeness
Agenda Item 5.3	Revised and Redrafted GS 019 <i>Auditing Fundraising Revenue of Not for Profit Entities</i> (Marked Up)
Agenda Item 5.4	Revised and Redrafted GS 019 <i>Auditing Fundraising Revenue of Not for Profit Entities</i> (Clean)

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	AUASB to review and approve the final GS 019 for release on 18 April 2011.	Approval of final GS 019	AUASB	18-19 April	

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