



AUASB International Update

This Update summarises the significant news and activities of the IAASB and other national auditing standards-setting bodies for the month of *November 2009*.

International Auditing and Assurance Standards Board (IAASB)

1. Staff Practice Alert on Effective Use of External Confirmations

The IAASB has released a Staff Practice Alert entitled *Emerging Practice Issues Regarding the Use of External Confirmations in an Audit of Financial Statements*, which underscores the emerging issues that impact the reliability and relevance of audit evidence obtained by auditors from external confirmations. This Alert aims to assist auditors when deciding whether to request external confirmations, and when performing confirmation procedures, including evaluating the responses received.

2. Ongoing Projects

The IAASB will address the following projects at their December 2009 meeting:

- Proposed ISAE 3420 *Assurance Reports on the Proper Compilation of Pro Forma Financial Information Included in Prospectuses* – A draft for exposure will be considered.
- Research on Auditor's Report – The IAASB Auditor's Report Working Group's report on the results of their research regarding user perceptions of the unqualified auditor's report, including possible actions that the IAASB may consider regarding auditor's reporting and auditor communications in general.
- Review of status and authority of IAPs – Possible options as to whether to revise or withdraw extant International Auditing Practice Statements (IAPs) will be considered.
- XBRL – A proposed consultation plan will be considered, and an update on the development of an IAASB Q&A will be provided.
- ISA 720 – A proposal to revise ISA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements* will be considered.
- Revision of ISRS 4410 *Engagements to Compile Financial Statements* – Issues and the Task Force's preliminary views and recommendations on the issues will be discussed.

Further information regarding the above are found at the IAASB website at <http://www.ifac.org/IAASB>.

Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA)

1. Exposure Drafts under the Clarity Project

The ASB has released the exposure drafts of the following proposed Statements on Auditing Standards under its Clarity Project:

- *Reporting on Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country* – comments are due by 31 December 2009
- *Engagements to Report on Summary Financial Statements* – comments are due by 31 December 2009
- *Special Considerations—Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks* – comments are due by 31 December 2009
- *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement* – comments are due by 31 December 2009
- *Reporting on Compliance With Aspects of Contractual Agreements or Regulatory Requirements in Connection With Audited Financial Statements* – comments are due by 31 December 2009
- *Forming an Opinion and Reporting on Financial Statements* – comments are due by 31 December 2009
- *Modifications to the Opinion in the Independent Auditor's Report* – comments are due by 31 December 2009
- *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report* – comments are due by 31 December 2009
- *Terms of Engagement* – comments are due by 15 January 2010
- *Written Representations* – comments are due by 15 January 2010

Further details on the above are available at the AICPA website at <http://www.aicpa.org>.

Other Audit Standard-Setting Organisations

No relevant significant activities were reported by the following standard setters for the month of November:

- Professional Standards Board (New Zealand)
- Auditing and Assurance Standards Board (Canada)
- Auditing Practices Board (UK)
- Public Company Accounting Oversight Board (USA)

Disclaimer: 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.