



Attachment to Board Meeting Summary Paper

Subject: Update of AGS 1038 Access to Audit Working Papers
Prepared by: AUASB Technical Group
Date: 3 February 2009

Issues

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

Item #	Issues	Approve? Y/N
1	<p>Issue: Example Letter B1 in Appendix 1 (para. 11) has been updated as a result of a constituent feedback. Its effect is to narrow the indemnity liability of a reviewing firm/adviser of a third party in a proposed transaction with the auditor's client to situations listed in para. 8 and 10 of the same example letter. The current para. 11 of Example Letter B1 contemplates broad indemnities being given by a reviewing firm/adviser to the auditor for access of its audit working papers. Does the Board agree with the suggested change?</p> <p>Recommendation: Adopt recommended change.</p>	Y
2	<p>Issue: Considering the recent Australian High Court decision on the Westpac/PwC case, is it appropriate to retain "correspondence between the auditor and the client's legal counsel" [refer para. 28 (c)], as one of the documents that may attract legal professional privilege? Does the Board agree to retaining this note?</p> <p>Recommendation: Yes, it is appropriate.</p>	Y

Information

The following changes have been made to the format and content of the Guidance Statement and are brought to the Board's attention for information purposes:

Item #	Information only Matters	Para. #
1	Updates to all references to Australian Auditing Standards and ASIC Regulatory Guides for current titles and paragraph references	Throughout the Guidance Statement
2	Streamlining of paragraphs and rearrangement of some sections other editorial changes to further enhance readability	Throughout the Guidance Statement
3	Inclusion of additional definitions to assist auditors in understanding the Guidance	6

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