



# Board Meeting Summary Paper

**Subject:** Comfort Letters Project

**Date:** 10 February 2010

AUASB  
AGENDA  
ITEM NO.

**9(b)**

**Meeting Date:  
22 February**

**2010**

**Action Required**

**For Information Purposes Only**

## Agenda Item Objective

To update the Board on the project aimed at developing a pronouncement for Comfort Letters, known as the "Comfort Letters" Project.

## Update

At the second PAG meeting on 10 February 2010, the PAG agreed to recommend to the AUASB Board that the Comfort Letters pronouncement be developed as an Assurance Standard. This is primarily because of the following reasons:

1. Australia will be consistent with major foreign jurisdictions (U.S, Canada, U.K, Germany, Hong Kong) which all have an Assurance Standard for comfort letter engagements.
2. Currently, comfort letter engagements are performed based on requirements and principles contained in a number of standards and guidance (Australian and international). An Assurance Standard will establish requirements and provide guidance to auditors on their responsibilities relating to these engagements. It will therefore provide an authoritative basis and promote consistency in the way auditors perform and report on these engagements.

In addition, the PAG is currently reviewing the suggested detailed outline for the proposed pronouncement.

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