



Subject: Highlights of the 46th meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 26 July 2010

1. Presentation from Chairman of the Australian Accounting Standards Board (AASB)

Mr Kevin Stevenson (AASB Chairman) presented to the AUASB on “The Introduction of Reduced Disclosure Reporting (RDR) for Tier 2 Entities”. The new reporting requirements are defined in the following accounting standards released 30 June 2010:

- *AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*
- *AASB 1053 Application of Tiers of Australian Accounting Standards*

Mr Stevenson also provided an outline of the key items on the AASB’s work program over the next two to three years and the AASB’s participation in international accounting standard setting forums in the Asian region.

2. Recent Changes to AASB Accounting Standards and *Corporations Act 2001*

The Board considered a paper on recent changes to:

- Accounting Standards: AASB 2010-2 and AASB 1053
- *Corporations Act 2001* changes – *Group Financial Reports*

The AUASB will issue an information article on the AUASB website which will outline the impact of these changes on the Auditing Standards.

3. Going Concern

The Board considered feedback from practitioners indicating there may be differing interpretations of the decision tree diagram included as Appendix 1 in *ASA 570 Going Concern*.

The AUASB will provide additional guidance on the AUASB website.

4. Approval of Projects to Revise Guidance Statements

The Board approved projects to revise and reissue the following Guidance Statements:

- *AGS 1040 Franchising Code of Conduct* – to include new requirements to the Franchising Code of Conduct effective 1 July 2010.

- GS 002 *Special Considerations in the Audit of Risk Management Requirements for Registrable Superannuation Entities* – following reissue of the APRA Superannuation Guide SPG 200 *Risk Management*.

5. Future of Audit Report

The Board considered a draft paper with initial responses to issues relevant to the AUASB in the “Future of Audit” publication.

The responses will be further revised and a formal document will be prepared for the September AUASB meeting.

6. International Matters

- (a) The Board discussed an outline of a draft plan to monitor and report on the implementation of the “Clarity” auditing standards in Australia.
- (b) The Board received a report on recent IAASB activities and an update on other international auditing and assurance related matters.
- (c) The Board considered a draft response to IAASB exposure draft regarding ISAE 3420 *Assurance Reports on the Process to Compile Pro Forma Financial Information in a Prospectus*.

7. National Greenhouse and Energy Reporting Scheme (NGERS)

The Board received an update on the Department of Climate Change (DCC) programs involving auditing and assurance matters. The Board was informed that proposed NGERS Audit Determination Guidance is to be finalised and issued by the DCC in early August.

8. Other Matters

- (a) The Board received updates on the following projects:
 - Assurance Standards on Fundraisings and Comfort Letters
 - Agreed-upon Procedures
- (b) Academic Research

The Board discussed a research paper on “Development of a Scale to Measure Professional Scepticism” and application in audit practice.

***The next regular AUASB meeting will be held on 13 September 2010
at Level 7, 600 Bourke Street, Melbourne.***

The meeting will be open to the public.

Details of the meeting agenda are posted on the AUASB web site www.auasb.gov.au in the week prior to the meeting.

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