



Attachment to Board Meeting Summary Paper

Subject: Consider revision to GS 002 *Special Considerations in the Audit of Risk Management Requirements for Registrable Superannuation Entities and Licensees*

Prepared by: AUASB Technical Group

Date: 12 July 2010

ATTACHMENT 1

Matters to Consider

From an initial review of GS 002 *Special Considerations in the Audit of Risk Management Requirements for Registrable Superannuation Entities and Licensees* we note the following:

- No key legislative changes to the risk management provisions of the SIS Act since June 2007.
- APRA Superannuation Guidance Note (SGN) 120.1 Risk Management to be superseded by SPG 200 Risk Management when issued formally by APRA (end of July 2010) post consideration of the Cooper review recommendations. APRA have noted a key change in SPG 200 as follows:
 - Requirement for a Derivatives Risk Statement (DRS under 13.15A of SIS Regulations) has been essentially subsumed into the Risk Management Plan requirements for APRA purposes.
- The drafting of GS 002 has allowed for the yearly changes to the APRA Approved Audit Forms and the structure of the guidance still appears relevant and appropriate.
- Some minor changes required from the issuance of the ASA clarity suite in October 2009.

Staff Recommendation

The AUASB Technical Group recommends that GS 002 be updated to align to SPG 200 Risk Management once formally issued by APRA and any changes from the ASA clarity suite.