



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **11**

Meeting Date: 25 July 2011

Subject: Revision of GS 009 *Auditing Self-Managed Superannuation Funds*

Date: 11 July 2011

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider the update of the revised draft of GS 009 *Auditing Self-Managed Superannuation Funds* following feedback received from the PAG in June / July 2011.

Background

The PAG met to discuss the latest draft and related issues paper at a meeting in June 2011. The PAG provided detailed feedback in June / July 2011.

Revisions to GS 009 were made to accommodate:

1. AUASB Clarity Auditing Standards operative for reporting periods that commenced on or after 1 January 2010, and are now applicable to SMSF audits.
2. Australian Taxation Office (ATO) requirements applicable in 2010/11 including changes to the SMSF audit report, changes to the Auditor Contravention Report, and new draft ATO rulings and interpretative decisions.
3. Concurrent changes made in GS 007 Audit Implications of the use of Service Organisations for Investment Management Services (e.g.: additional service areas, reference to IDPS schemes).
4. SISA and SISR (legislative) updates.

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Key Changes since last draft

Key changes made to the draft since the last version presented to the AUASB include:

1. Updates to reference links and minor terminology and consistency changes;
2. References to ASQC 1 and ASA 700;
3. Safeguards to independence issues;
4. Definition of performance materiality;
5. Concurrent changes made in GS 007;
6. Use of reserves;
7. Investment returns;
8. Audit procedures re Reg. 5.03 & Reg. 1.06(9A);
9. Investments in limited recourse borrowing arrangements (instalment warrants).

Outstanding Issues:

The following outstanding issues still need to be resolved:

1. Concurrent changes made in GS 007;
2. Assertions (duplication issue);
3. Communication of deficiencies in internal controls.

AUASB Technical Group Recommendation

The AUASB Technical Group requests the Board to:

- (a) consider the key changes since the last draft; and
- (b) provide feedback on the outstanding issues.

The PAG will also be consulted on the outstanding issues. The AUASB Technical Group intends to circulate a final updated draft to the Board for out-of-session approval after the issues have been resolved.

For a copy of the outstanding issues, refer to Agenda Item 11.1.

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Material Presented

- Agenda Item 11 Board Meeting Summary Paper
 - Agenda Item 11.1 Issues Paper
 - Agenda Item 11.2 GS 009 revised draft (Marked Up Version) (from the June 2011 version)
 - Agenda Item 11.3 GS 009 revised (Clean Version) [electronic copy only]
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