



**Attachment to Board Meeting Summary Paper**

Subject: *AUASB Glossary* (Revised and Redrafted)  
 Prepared by: AUASB Technical Group  
 Date: 18 May 2009

**Issues**

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

Item #	Issues	Approve? Y/N								
1	<p><i>Issue:</i> It is proposed that the <i>Glossary of Terms</i> issued by the IAASB as part of the Clarity Project be used as the underlying document, to create a new <i>AUASB Glossary</i> (Revised and Redrafted).</p> <p>The definitions in the IAASB Glossary will be amended, as necessary, for any changes made during the Clarity (ASA Redrafting) process. In addition, any uniquely Australian terms will be added to the <i>AUASB Glossary</i>.</p> <p><i>Recommendation:</i> Yes, the approach is appropriate.</p>									
2	<p><i>Issue:</i> It is proposed that the <i>AUASB Glossary</i> (Revised and Redrafted) include terms defined or used in AUASB Standards, i.e. terms from the ASAs, ASQC 1, ASREs, ASAEs, AUAS 804, AUS 810 and AUS 904. This approach is the same as the extant <i>AUASB Glossary</i> (notwithstanding that it is not up to date). Similarly the proposed IAASB <i>Glossary of Terms</i> covers defined terms and terms included in explanatory guidance in the ISAs and other standards.</p> <p>The alternative is to have one Glossary for the “clarity” ASAs and another one for other pronouncements, or none at all for other pronouncements. There does not appear to be any reason to adopt either of these alternative approaches.</p> <p><i>Recommendation:</i> Yes, the approach is appropriate</p>									
3	<p><i>Issue:</i> It is proposed that the following revised and new definitions be adopted by the Board and included in the proposed <i>AUASB Glossary</i>:</p> <p>[Revised] <i>AUASB Standards</i> means standards issued by the Auditing and Assurance Standards Board (AUASB), comprising:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Description</th> <th style="text-align: left;">Prefix</th> </tr> </thead> <tbody> <tr> <td>Standards made under the <i>Corporations Act 2001</i></td> <td>ASA ASRE <sup>(a)</sup> ASQC</td> </tr> <tr> <td>Standards on review engagements</td> <td>ASRE</td> </tr> <tr> <td>Standards on auditing and assurance engagements</td> <td>ASAE ASA <sup>(b)</sup> AUS <sup>(c)</sup></td> </tr> </tbody> </table> <p><sup>(a)</sup> Standard ASRE 2410 only</p>	Description	Prefix	Standards made under the <i>Corporations Act 2001</i>	ASA ASRE <sup>(a)</sup> ASQC	Standards on review engagements	ASRE	Standards on auditing and assurance engagements	ASAE ASA <sup>(b)</sup> AUS <sup>(c)</sup>	
Description	Prefix									
Standards made under the <i>Corporations Act 2001</i>	ASA ASRE <sup>(a)</sup> ASQC									
Standards on review engagements	ASRE									
Standards on auditing and assurance engagements	ASAE ASA <sup>(b)</sup> AUS <sup>(c)</sup>									

*This document contains preliminary views and/or staff recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.*

Item #	Issues	Approve? Y/N
	<p><sup>(b)</sup> Standards ASA 805 and ASA 810 only  <sup>(c)</sup> Standards AUS 804, AUS 810 and AUS 904 only</p> <p>[New] <i>Auditing Standard</i> means a single standard made by the AUASB under the <i>Corporations Act 2001</i>. (see <i>AUASB Standards</i> and <i>Australian Auditing Standards</i>)</p> <p>[New] <i>Australian Auditing Standards</i> or <i>Auditing Standard(s)</i> means standards made by the AUASB under the <i>Corporations Act 2001</i>. (see <i>AUASB Standards</i> and <i>Auditing Standard</i>)</p> <p>If the Board adopts these definitions, a thorough QA of all revised and redrafted ASAs will be undertaken to ensure correct and consistent usage.</p> <p><i>Recommendation:</i> Yes, the proposed definitions are adopted.</p>	
4	<p><i>Issue:</i> It is proposed that the extant <i>AUASB Glossary</i> be withdrawn from 1 January 2010, when the <i>AUASB Glossary</i> (Revised and Redrafted) comes into effect.</p> <p>The extant <i>AUASB Glossary</i>, which was issued in April 2006, sets out terms defined or used in the AUASB Standards (i.e. the ASAs and other standards) operative from 1 July 2006. While the existing ASAs will continue for a period after 1 January 2010, when the “clarity” ASAs become operative, it is proposed that the extant <i>AUASB Glossary</i> be withdrawn from 1 January 2010, for the following reasons:</p> <ul style="list-style-type: none"> <li>(i) The <i>AUASB Glossary</i> is not a legislative instrument. It is simply a collection, in one place, of terms defined or used in the AUASB Standards. It is provided for the convenience of users only. Therefore, while it may be inconvenient to some users if the extant <i>AUASB Glossary</i> is withdrawn from 1 January 2010, they will still have access to the definitions within the existing ASAs. The “inconvenience” will be for a limited time only, i.e. the extant <i>AUASB Glossary</i> will have no relevance after engagements relating to financial reporting periods commencing before 1 January 2010 have been completed.</li> <li>(ii) The extant <i>AUASB Glossary</i> has not been updated for terms used or defined in AUASB Standards issued after 1 July 2006, including ASRE 2400, ASRE 2405, ASRE 2410 (amended), ASAE 3000, ASAE 3100 and ASAE 3500.</li> <li>(iii) There is the potential to create confusion if two Glossaries are in effect at the same time, given that: <ul style="list-style-type: none"> <li>• Definitions for some terms in the extant Glossary may have amended in the new Glossary;</li> <li>• Certain terms in the extant Glossary are redundant in the “clarity” standards.</li> </ul> </li> </ul> <p>Does the Board agree to withdraw the extant <i>AUASB Glossary</i> from 1 January 2010?</p> <p><i>Recommendation:</i> Yes, the approach is appropriate</p>	

## **Information**

The following matters are brought to the Board's attention for information purposes only:

<b>Item #</b>	<b>Information only Matters</b>	<b>Ref.</b>
1	The marked-up version of the <i>AUASB Glossary</i> shows the source of the terms in text boxes beside each definition. This information has been helpful during the process of compiling the <i>AUASB Glossary</i> (Revised and Redrafted), but will be removed in the final document.	Agenda Item 10.3
2	<p>The proposed <i>AUASB Glossary</i> (Revised and Redrafted) has been compiled using the IAASB's <i>Glossary of Terms</i> and the Definitions sections of the ASAs (Revised and Redrafted), ASQC 1 (Revised and Redrafted), ASRE 2400, ASRE 2405, ASAE 2410, ASAE 3000, ASAE 3100, ASAE 3500, AUS 804, AUS 810 and AUS 904. While largely complete, there is some final work required in terms of reviewing these standards for terms used in other sections, apart from the Definitions section, that may appropriately be included in the <i>AUASB Glossary</i> (Revised and Redrafted).</p> <p>The completed <i>AUASB Glossary</i> (Revised and Redrafted) will be presented to the Board for approval in July/September 2009.</p>	NA
3	A table of <i>Conforming and Other Amendments Identified While Compiling the AUASB Glossary</i> has been included in electronic format for information only, at this stage. This table will be submitted with the final <i>AUASB Glossary</i> (Revised and Redrafted) in July/September 2009, to support the decisions made.	Agenda Item 10.6

*This document contains preliminary views and/or staff recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.*