



# Board Meeting Summary Paper

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**Subject:** ASA Redrafting  
**Date:** 8 February 2008

AUASB  
AGENDA  
ITEM NO.

12

Meeting Date:  
25-26 February

2008

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**Action Required**

**For Information Purposes Only**

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## Agenda Item Objectives

- To Consider the ASA Redrafting Project Plan
- To: Resolve preliminary issues
- To: Approve the Drafting Policies and Rules
- To: Approve the “ASA Redrafting Pack”

## Background

Key points from the Media Release dated 26 October 2007:

- The AUASB announced that the ASAs will be revised and reissued based on the new Clarity format versions of the International Standards on Auditing (ISAs).
- The revised ASAs will be operative in Australia for audits of financial reports for periods beginning on or after 1 January 2010.
- The AUASB will release the proposed revised Australian standards as exposure drafts during the course of 2008 and early 2009.

## Matters to Consider

The AUASB is requested to:

- Consider and comment on the work-in-progress project plan with a view to final Board approval of the plan at the 14 April 2008 Board meeting;

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- Consider and resolve the issues detailed in Attachment A to this Board Meeting Summary Paper;
- Approve the Drafting Policies and Rules to enable implementation of the proposed plan to commence; and
- Consider and approve the proposed “ASA Redrafting Pack” (see notes below).

### **Staff Recommendations**

The AUASB approve the Drafting Policies and Rules and the “ASA Redrafting Pack”.

### **Material Presented**

Agenda Item 12	Board Meeting Summary Paper
Agenda Item 12.1	Attachment A—Issues Paper
Agenda Item 12.2	Project Plan  [with attachments (documents to be tabled)—Agenda Items 12.2A and 12.2B]
Agenda Item 12.3	Proposed Drafting Policies and Rules
Agenda Item 12.4	Proposed “ASA Redrafting Pack”  [with supporting documents (preliminary redraft of ASA 240 and related attachments)—Agenda Items 12.4A, 12.4C, 12.4D, 12.4E and 12.4F]
Agenda Item 12.5	Proposed agenda format for future Board meetings

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### **Action Required**

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Consider project plan	Provide comments and requests	AUASB	25-26 Feb	
2	Issues	Resolution of identified issues	AUASB	25-26 Feb	
3	Drafting Policies and Rules	Approval	AUASB	25-26 Feb	
4	“ASA Redrafting Pack”	Approval	AUASB	25-26 Feb	

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## Notes

### 1. *Drafting Policies and Rules*

The drafting policies and rules reflect the following two-step approach:

- The redrafted ISA is used as the base standard
- The base standard is amended only where necessary to address:
  - ◇ Australian legislation and regulation
  - ◇ Requirements due to ASAs being legislative instruments
  - ◇ Matters clearly in the public interest

The objective of the drafting policies and rules is to redraft the ASA auditing standards in accordance with pre-approved amendments that apply universally and will therefore not require repetitive debate as to the underlying reasons for the amendments. The intention is that debate will be focussed on the substance of the amendments, significant issues and any “unusual” changes. This approach is considered a key component to the efficiency of the project.

### 2. *ASA Redrafting Pack*

The “ASA Redrafting Pack” (the Pack) is the suggested suite of supporting documentation to be presented to the Board with *every* redrafted ASA. The Pack is designed to bring to the Board’s attention: major differences between the extant ASA and the redrafted ASA (ISA), all significant issues and conforming amendments (to/from other redrafted standards). The pack will enable the Board to concentrate on the important aspects of each redrafted ASA and it is considered another key component to the efficiency of the project.

The Pack comprises:

- A Board Meeting Summary Paper
- An issues paper
- Tables of differences
- Marked up and clean versions of the proposed redrafted standard
- Copies of the extant ASA and the redrafted ISA

In considering the proposed “ASA Redrafting Pack”, it is suggested that the Board uses the preliminary redraft of ASA 240 *The Auditor’s Responsibilities Relating to Fraud in an Audit of a Financial Report* which uses the redrafted ISA 240 *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*, as the base.

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