



Board Meeting Summary Paper

Subject: Review Engagements

Date: 10 July 2008

AUASB
AGENDA
ITEM NO.

5

Meeting Date:
21-22 July

2008

Action Required

For Information Purposes Only

Agenda Item Objectives

To: Consider respondents' comments on EDs 2/08, 3/08 and 4/08 and suggested disposition of issues raised.

To: Consider and approve the following standards for issue:

- ASRE 2400;
- ASRE 2405;
- ASA 2008-1; and
- Compiled Standard ASRE 2410

To: Approve withdrawal of AUS 902 with effect from 1 October 2008.

Background

The proposed standards, listed above, were initially developed during 2007. A single exposure draft was issued in September 2007 and closed 31 October 2007. The ED (4/07) related to reviews of both financial reports and financial information. The majority of respondents to the ED argued, among other things, for 2 separate standards instead of a composite. The AUASB agreed with respondents on this point and accordingly, 2 separate standards [ASRE 2400 (reports) and ASRE 2405 (financial information)] were drafted. They included other suggestions made by respondents and changes requested by the Board.

At its December 2007 meeting, the IAASB approved changes to ISRE 2400 and ISRE 2410. These changes required conforming amendments to the pre-existing ASRE 2410 and to the 2 proposed standards (ASRE 2400 and ASRE 2405).

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.

At the February 2008 AUASB meeting, the Board considered the 2 proposed standards which included the Board's requests from its December 2007 meeting and the proposed conforming amendments resulting from the IAASB changes to the ISREs. At that meeting, the Board requested further changes to the proposed ASREs.

At the April 2008 AUASB meeting, the Board approved the proposed standards for release as Exposure Drafts together with the *Explanatory Guide to Review Engagements*.

Exposure was for approximately 45 days to 30 May 2008. Comments on the EDs were received from the Professional Accounting Bodies (joint submission), 2 of the large firms and 1 mid-sized firm. The proposed operative date for all standards was from 1 July 2008.

The exposure drafts have been converted into draft Standards and changes have been made in response to suggestions by respondents and ATG's QA process. Agenda Items 5.3, 5.5 and 5.6 show these changes as mark-ups. Agenda Item 5.7 is the first draft of the compiled version of ASRE 2410 (i.e. incorporating the amending standard ASA 2008-1).

Matters to Consider

The Board is requested to:

- consider the attachments, particularly respondents' comments and marked up changes; and
- consider and approve the approach taken with the issues detailed in the attachment to this Board Meeting Summary Paper (Agenda Item 5.1).

Staff Recommendations

ATG recommends ASRE 2400, ASRE 2405, ASA 2008-1 and Compiled ASRE 2410 be approved for issue as Standards subject to final QA procedures.

Material Presented

Agenda Item 5	Board Meeting Summary Paper		
Agenda Item 5.1	Attachment to Board Meeting Summary Paper		
Agenda Item 5.2	ASRE 2400	[Reports]	(Clean Version)
Agenda Item 5.3	ASRE 2400	[Reports]	(Marked Up Version)
Agenda Item 5.4	ASRE 2405	[Financial Info]	(Clean Version)
Agenda Item 5.5	ASRE 2405	[Financial Info]	(Marked Up Version)

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Agenda Item 5.6 ASA 2008-1 [Amending Standard] (Marked Up Version)
Agenda Item 5.7 ASRE 2410 [Compilation Standard] (Marked Up Version)
Agenda Item 5.8 Tables of ED Comments and Proposed Disposition

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Consider and approve standards	Approval	AUASB	22 July 2008	Pending
2	Approve withdrawal of AUS 902	Approval	AUASB	22 July 2008	Pending

Notes

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