



Board Meeting Summary Paper

AUASB AGENDA ITEM NO. 7(e)
Meeting Date: 9 September 2008

Subject: ASA Redrafting
ASA 600 *Special Considerations – Audits of a Group Financial Report (Including the Work of Component Auditors)* (Revised and Redrafted)

Date: 27 August 2008

Action Required

For Information Purposes Only

Agenda Item Objectives

To review proposed Auditing Standard ASA 600 (Revised and Redrafted) and approve issue as an Exposure Draft.

Background

ASA 600 (Revised and Redrafted) is presented to the Board for the second time.

Extant ASA 600 *Using the Work of Another Auditor* - the conformity paragraph points to 2 mandatory requirements that are not included in extant ISA 600. One requirement, regarding the issuance of a modified opinion, is an (ASA) elevation of material included as guidance in the extant ISA. The other requirement, regarding reference to another auditor in the auditor's report, is not mentioned in extant ISA 600.

The proposed standard is based on ISA 600 (Revised and Redrafted) which has been subject to a major IAASB revision in addition to redrafting under the Clarity project. In its revision, the IAASB has consulted widely on its proposals—it has issued 3 exposure drafts (Dec 2003, March 2005 and March 2006).

The IAASB revision has resulted in a significantly more comprehensive standard with new objectives and definitions as well as new material on the overall audit strategy and audit plan, understanding the group and its components, understanding the component auditors, materiality, responding to risk, the consolidation process and subsequent events. The revised and redrafted ISA contains 40 Requirements paragraphs compared to 9 Requirements paragraphs in the ASA extant.

The proposed standard, ASA 600 (Revised and Redrafted), includes standardised changes to the base standard in accordance with the AUASB Drafting Rules. No other changes are proposed. Changes are shown as mark-ups (Agenda Item 7(e).3).

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.

Matters to Consider

The Board is requested to consider and resolve the issues detailed in the attachment to this Board Meeting Summary Paper (Agenda Item 7(e).1).

The Board is requested to consider the *Tables of Differences* (Agenda Item 7(e).4) and approve the proposed treatment of each difference.

Extant ASA 600 and ISA 600 (Revised and Redrafted) are included, for the Board's information, in electronic form only.

Staff Recommendations

Proposed ASA 600 (Revised and Redrafted) is approved for issue as an exposure draft.

Material Presented

Agenda Item 7(e)	Board Meeting Summary Paper
Agenda Item 7(e).1	Attachment A to Board Meeting Summary Paper – Issues Paper
Agenda Item 7(e).2	Proposed Exposure Draft (Clean Version)
Agenda Item 7(e).3	Proposed Exposure Draft (Marked Up Version)
Agenda Item 7(e).4	Tables of Differences
Agenda Item 7(e).5	Extant ASA 600 <i>Using the Work of Another Auditor [electronic version only]</i>
Agenda Item 7(e).6	ISA 600 (Revised and Redrafted) <i>Special Consideration – Audits of Group Financial Statements (Including the Work of Component Auditors) [electronic version only]</i>

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Review & approve ASA 600 (revised and redrafted) for issue as an ED	Board approval	AUASB	9 September 2008	Pending

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