



Board Meeting Summary Paper

AUASB
AGENDA
ITEM NO.

6(j)

Meeting Date:
27-28 October

2008

Subject: ASA 450 (Revised and Redrafted)
Evaluation of Misstatements Identified during the Audit

Date: 9 October 2008

Action Required

For Information Purposes Only

Agenda Item Objectives

To review proposed Auditing Standard ASA 450 (Revised and Redrafted) for final approval to issue as an exposure draft.

Background

ASA 450 (Revised and Redrafted) is presented to the Board for the first time. The proposed standard is based on ISA 450 (Revised and Redrafted). The ISA was "Revised and Redrafted" under the IAASB Clarity project.

Although ISA 450 is a new Standard, it contains Requirements and related Application and Other Explanatory Material related to evaluating misstatements using planning materiality, previously contained in extant ISA 320 *Audit Materiality*. Requirements and related Application and Other Explanatory Material related to planning materiality are contained in related standard, ISA 320 *Materiality in Planning and Performing an Audit* (Revised and Redrafted).

ASA 450 (Revised and Redrafted) includes standardised changes in accordance with the AUASB Drafting Rules. No other changes are proposed. Changes are shown as mark-ups (Agenda Item 6(j).3).

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 6(j).1).

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The Board is requested to consider the Table of Differences (Agenda Item 6(j).4) and approve the proposed treatment of each difference.

Extant ASA 450 and ISA 450 (Revised and Redrafted) are included, in electronic form only, for the Board's information.

Staff Recommendations

ATG recommends proposed ASA 450 (Revised and Redrafted) be approved for issue as an ED.

Material Presented

Agenda Item 6(j)	Board Meeting Summary Paper
Agenda Item 6(j).1	Attachment to Board Meeting Summary Paper
Agenda Item 6(j).2	Proposed Exposure Draft (Clean Version)
Agenda Item 6(j).3	Proposed Exposure Draft (Marked Up Version)
Agenda Item 6(j).4	Tables of Differences
Agenda Item 6(j).5	Extant ASA 320 <i>Materiality and Audit Adjustments</i> [electronic copy only]
Agenda Item 6(j).6	ISA 450 (Revised and Redrafted) <i>Evaluation of Misstatements Identified during the Audit</i> [electronic copy only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Approve the proposed standard for exposure	Board approval	AUASB	27-28 October 2008	O/S

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