



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **17(d)**
Meeting Date: 28 November 2011
Subject: ASA 570 Appendix 1 Diagram
Date Prepared: 15 November 2011

Action Required

For Information Purposes Only

Agenda Item Objectives

To propose amendments to the ASA 570 [Aus] Appendix 1 Diagram “Linking Going Concern Considerations and Types of Audit Opinions”.

Background

The AUASB Board and Technical Group have been previously advised that some practitioners found the Diagram to be confusing. On review of the diagram, the AUASB Technical Group considered the current Appendix 1 diagram to be technically correct and consistent with the requirements and related application and other explanatory material in *Clarity* ASA 570.

Matters to Consider

The AUASB Technical Group suggests the Appendix 1 diagram may be simplified to illustrate only specific going concern circumstances that give rise to differing types of audit opinions. This is considered more useful than a diagram summarising the key process and procedural requirements of the standard. Refer Agenda Item 17(d).1 for the proposed diagram (Note: for ease of reference, Agenda Item 17(d).2 contains the extant diagram).

This document contains preliminary views and/or AUASB Technical Group 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.

AUASB Technical Group Recommendations

The AUASB Technical Group recommends the AUASB approve the propose amendments to the [Aus] Appendix 1 diagram.

If the AUASB Board is supportive of these amendments, the AUASB Technical Group proposes to draft the proposed Exposure Draft (Amending Standard) to present to the February 2012 board meeting for approval to issue for comment.

Material Presented

Agenda Item 17(d)	AUASB Board Meeting Summary Paper
Agenda Item 17(d).1	Proposed [Aus] Appendix 1 Diagram (simplified)
Agenda Item 17(d).2	Clarity Extant [Aus] Appendix 1 Diagram
Agenda Item 17(d).3	Clarity ASA 570 <i>Going Concern</i> (June 2011) [electronic only]
Agenda Item 17(d).4	ASA 570 <i>Going Concern</i> (Compiled June 2007) [electronic only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	AUASB to consider proposed amendment to ASA 570 [Aus] Appendix 1	AUASB feedback and decision	AUASB	28 November 2011	o/s

This document contains preliminary views and/or AUASB Technical Group 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.