



Subject: Highlights of the 40th meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 7-8 September 2009

1. ASA Redrafting (Clarity Format)

Clearance of Revised and Redrafted Auditing Standards

The Board considered and cleared (with minor amendments) the penultimate draft versions of 40 proposed Auditing Standards in Clarity Format. The cleared proposed Auditing Standards, as listed in the Appendix, will return to the Board for final approval on 26-27 October 2009.

ED 21/09 Proposed Auditing Standard ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

The Board considered and approved for exposure ED 21/09 Proposed Auditing Standard 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*. This Proposed Auditing Standard provides a mechanism for enabling references to relevant ethical requirements in other AUASB Standards to remain current as they will be explicitly linked to proposed ASA 102, and refers specifically to APES 110 *Code of Ethics for Professional Accountants*. Comments on ED 21/09 are due by **no later** than 7 October 2009.

Others

The Board also considered and made minor amendments to the latest draft version of the revised *AUASB Glossary*. It has been approved for publication, pending final approval of the revised and redrafted Auditing Standards in Clarity format.

The Board also considered and cleared the Regulation Impact Statement (RIS) on *Redrafting Auditing Standards in Clarity Format*. The RIS will be submitted to the Office of Best Practice Regulation for review and approval.

2. International Matters

(a) The Board received an update on the recent activities of the International Auditing and Assurance Standards Board (IAASB) from Ms Caithlin Mc Cabe, IAASB Member. The update included a discussion of the latest IAASB projects, such as the:

- Revision of ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*;
- Revision of ISRE 2400 *Engagements to Review Financial Statements*;
- Proposed ISRE 3402 *Assurance Reports on Controls at a Service Organisation*;
- Proposed ISAE 3410 *Assurance on a Greenhouse Gas Statement*;

- Proposed ISAE 34XX *Assurance Reports on the Proper Compilation of Pro Forma Financial Information Included in Prospectuses*; and
- XBRL.

(b) The Board also received updates from taskforce members on IAASB projects:

- Review and Compilations - Ms Azoor Hughes
- Pro Forma Information in Prospectuses – Mr Simmonds

3. **National Greenhouse and Energy Reporting Scheme (NGERS) and Carbon Pollution Reduction Scheme (CPRS)**

The Board received an update on the draft proposed NGER *Audit Determination* and NGER *Audit Regulations*, and the liaison between the Department of Climate Change and AUASB regarding matters raised by the AUASB relating to the draft proposed NGERS.

4. **New Zealand Professional Standards Board (NZ PSB) and New Zealand Institute of Chartered Accountants (NZICA)**

(a) The Board received an update from Mr Neil Cherry, NZ PSB Chairman, on recent activities and projects of the PSB, and discussed with him matters of mutual interest to the AUASB and PSB.

(b) The Board met with Mr Graham Crombie, NZICA Chairman, and Mr Terry McLaughlin, NZICA CEO, regarding impending developments affecting auditors and the accounting profession in New Zealand.

5. **Other Matters**

(a) Chairman's Update

The Board received a report from the Chairman on recent significant meetings, in particular:

- a Financial Reporting Workshop under the auspices of the FRC; and
- a meeting of the Trans-Tasman Accounting and Auditing Standards Advisory Group, which particularly acknowledged the Joint Statement of Intent: *Single Economic Market Outcomes Framework* from the Prime Ministers of Australia and New Zealand.

(b) APRA Reporting Standards

The Board noted the recent release of APRA reporting standards for general insurance groups. The AUASB Technical Group will liaise further with APRA, and will report to the Board at the October meeting about the audit implications of the new APRA reporting standards.

***The next AUASB meeting will be held on 26 and 27 October 2009
at Level 7, 600 Bourke Street, Melbourne.***

The meeting will be open to the public.

Details of the meeting agenda are posted on the AUASB web site www.auasb.gov.au in the week prior to the meeting.

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List of Cleared Proposed Auditing Standards in Clarity Format

1. ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements*
2. ASA 101 *Preamble to Australian Auditing Standards*
3. ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*
4. ASA 210 *Agreeing the Terms of Audit Engagements*
5. ASA 220 *Quality Control for an Audit of a Financial Report and Other Historical Financial Information*
6. ASA 230 *Documentation*
7. ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*
8. ASA 250 *Consideration of Laws and Regulations in an Audit of a Financial Report*
9. ASA 260 *Communication with Those Charged with Governance*
10. ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*
11. ASA 300 *Planning an Audit of a Financial Report*
12. ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment*
13. ASA 320 *Materiality in Planning and Performing an Audit*
14. ASA 330 *The Auditor's Responses to Assessed Risks*
15. ASA 402 *Audit Considerations Relating to an Entity Using a Service Organisation*
16. ASA 450 *Evaluation of Misstatements Identified during the Audit*
17. ASA 500 *Audit Evidence*
18. ASA 501 *Audit Evidence—Specific Considerations for Inventory and Segment Information*
19. ASA 502 *Audit Evidence—Specific Considerations for Litigation and Claims*
20. ASA 505 *External Confirmations*
21. ASA 510 *Initial Audit Engagements—Opening Balances*
22. ASA 520 *Analytical Procedures*

23. *ASA 530 Audit Sampling*
24. *ASA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*
25. *ASA 550 Related Parties*
26. *ASA 560 Subsequent Events*
27. *ASA 570 Going Concern*
28. *ASA 580 Written Representations*
29. *ASA 600 Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*
30. *ASA 610 Using the Work of Internal Auditors*
31. *ASA 620 Using the Work of an Auditor's Expert*
32. *ASA 700 Forming an Opinion and Reporting on a Financial Report*
33. *ASA 705 Modifications to the Opinion in the Independent Auditor's Report*
34. *ASA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*
35. *ASA 710 Comparative Information—Corresponding Figures and Comparative Financial Reports*
36. *ASA 720 The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report*
37. *ASA 800 Special Considerations—Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*
38. *ASA 805 Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*
39. *ASA 810 Engagements to Report on Summary Financial Statements*
40. *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*

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