



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5**

Meeting Date: 12 September 2011

Subject: Auditing Standard ASA 2011-2
Amendments to Australian Auditing Standards

Date: 31 August 2011

Action Required

For Information Purposes Only

Agenda Item Objectives

To reconsider proposed amendments to ASA 510 *Initial Audit Engagements – Opening Balances* and ASA 705 *Modifications to the Opinion in the Independent Auditor's Report*, as discussed at the previous AUASB meeting and as circulated to the Board out-of-session after that meeting.

Background

After further consideration by the Chairman of the proposed changes to ASA 510 and ASA 705 as circulated on 10 August and after subsequent discussions with ASIC, it was considered that the Board needs to have a further discussion at the 12 September meeting about the nature and extent of the proposed changes to these Auditing Standards.

After subsequent specific enquiry by the Executive Director, ASIC has expressed the view that “split opinions” would prima facie not be permissible for audit reports of entities subject to the *Corporations Act 2001*. Accordingly, this matter requires further deliberation by the Board.

Matters to Consider

To agree on whether or not to proceed with the amendments to ASA 510 and ASA 705, as previously proposed.

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Material Presented

Agenda Item 5	Board Meeting Summary Paper
Agenda Item 5.1	Auditing Standard ASA 2011-2 <i>Amendments to Australian Auditing Standards</i>
Agenda Item 5.2	ASA 2011-2 Explanatory Statement
Agenda Item 5.3	Compiled Auditing Standard ASA 510
Agenda Item 5.4	Compiled Auditing Standard ASA 705
Agenda Item 5.5	Email to the AUASB re Amending Standard ASA 2011-2

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