



Subject: Highlights of the 59th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Ken Spencer Room, AUASB offices
Level 7, 600 Bourke St, Melbourne
Date: 10 September 2012

1. Fundraisings

The AUASB received an update on ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*.

The Board considered the Issues Papers and updated drafts of the Proposed Standards incorporating changes requested at the 23 July 2012 meeting. The Board discussed whether the drafts needed to be re-exposed and agreed that re-exposure would not be required as the underlying principles and procedures contained in both drafts did not change significantly from the Exposure Draft.

The proposed final standards, with further amendments and editorials will be approved on an out-of-session basis later this month and issued shortly thereafter.

2. AUASB Functions and Processes

The Board approved, subject to final editorial amendments, a draft paper on the *AUASB Functions and Processes*. The paper provides information about the AUASB's mandates, its operations and processes for the development of pronouncements and other publications. The paper will be issued in the next fortnight.

3. Auditor Reporting

The AUASB considered the proposed approach to responding to the IAASB's invitation to comment (ITC) on *Improving the Auditor's Report* and provided initial comments to assist in the preparation of the AUASB's response to the IAASB on the ITC. It was noted that Auditor Reporting Forums will be held on 11 and 13 September, and further roundtables involving the IAASB Chairman, will be held on 1 and 3 October 2012. Submissions to the IAASB are due by 8 October 2012.

4. Integrated Reporting Presentation

Mr Michael Bray (Member, Business Reporting Leaders Forum) presented to the Board on the latest developments in Integrated Reporting.

5. Review Engagements – ISRE 2400

The Board considered the implications of ISRE 2400 *Engagements to Review Historical Financial Statements*, approved by the IAASB at its June 2012 meeting, which is awaiting formal release by the IAASB. The Board suggested amendments, and approved the project plan to replace ASRE 2400 with ISRE 2400 and update ASRE 2410 and ASRE 2415 with consequential editorial amendments only. It was also agreed that ASRE 2405 will in due course, be revised and recast in "clarity format".



6. NGER and Clean Energy Schemes Assurance

The Board received an update on developments at DCCEE and Clean Energy Regulator and considered the first draft of the Guidance Statement on National Greenhouse and Energy Reporting Scheme (NGERS), Clean Energy Scheme (CES) and Related Schemes Assurance.

7. GS 004 Audit Implications of Prudential Reporting Requirements for General Insurers

The Board received an update on the progress of the APRA LAGIC Capital Standards project. The Board approved the project plan to revise GS 004 *Audit Implications of Prudential Reporting Requirements for General Insurers* in line with the new suite of general insurance prudential standards being issued by APRA.

8. International Matters

- (a) The Board received reports on the IAASB projects: *Auditor Reporting*, *Audit Quality* and *ISA Implementation Monitoring*.
- (b) The AUASB discussed key agenda items for the IAASB meeting to be held on 17-21 September in New York, USA.
- (c) The AUASB noted the latest International Update being a report on recent activities of the IAASB and other national standard setters.

9. Other Matters

(a) ACNC

The Board received an update on recent discussions with Treasury about the third draft of the ACNC Bill 2012 and implications for audit and assurance matters, and an update on the House of Representative Committee recommendations into the ACNC legislation released on 17 August 2012.

(b) ASIC Managed Investments

The Board received an update on the action currently being undertaken by ASIC on Managed Investments Schemes, following the collapse of Trio Capital, as well as a summary of the impact on GS 013 *Special Considerations in the Audit of Compliance Plans of Managed Investment Schemes*. The Board approved the project plan to revise GS 013 as appropriate.

(c) Assurance on Water Accounting Reports

The AUASB received a further project update on the development of a standard for assurance engagements on general purpose water accounting reports, including a copy of a preliminary draft of the proposed exposure draft, for information only.

(d) SBR / XBRL update

The Board received an update on recent developments with respect to the Australian version of the IFRS Taxonomy, used for financial reporting in Australia.



(e) Audit Committees Best Practice Guide

The Board noted that the *Audit Committees a Guide to Good Practice* – a joint publication with the Australian Institute of Company Directors (AICD) and The Institute of Internal Auditors-Australia (IIA-A), was released on 28 August 2012. Details for the purchase of the Audit Committees Guide are available on the AUASB website (<http://www.auasb.gov.au/News/New-guide-provides-clarity-for-boards-and-audit-committees>)

***The next meeting of the AUASB will be held on 26 November 2012
at Level 7, 600 Bourke Street, Melbourne***

The meeting will be open to the public