

Ms Merran Kelsall
Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne VIC 8007

14 October 2008

Dear Ms Kelsall

EXPOSURE DRAFT 09/08 PROPOSED AUDITING STANDARD ASA 230 *AUDIT DOCUMENTATION* (REVISED AND REDRAFTED) (RE-ISSUANCE OF ASA 230)

Members of the Australasian Council of Auditors-General (ACAG) have been canvassed and submit the attachment in response to the Exposure Draft referred to above.

The views expressed in this submission represent those of all Australian members of ACAG with the exception of the Auditor-General for South Australia, who reserves his right to respond separately to auditing and accounting Exposure Drafts, where he deems it appropriate, rather than as a member of ACAG.

The opportunity to comment is appreciated and I trust you will find the attached comments useful.

Yours sincerely



Frank McGuinness
Chairman
ACAG Financial Reporting and Auditing Committee

Exposure Draft 09/08 Proposed Auditing Standard ASA 230 Audit Documentation
(Revised and Redrafted) (Re-issuance of ASA 230)

ACAG has reviewed the Revised Exposure Draft and provides comments on the main changes from the existing ASA 230 and responses to the five questions indicated.

Response to main changes from the existing ASA 230

The main changes to the requirements of this proposed Auditing Standard are supported.

Questions for Comment

- 1. Have applicable laws and regulations been appropriately addressed in the proposed standard?**

All applicable laws and regulations have been appropriately addressed in the proposed standard that are relevant.

- 2. Are there any references to relevant laws or regulations which have been omitted?**

With regard to retention of engagement documentation in *A23*, there is a reference made to retention periods ordinarily being no shorter than seven years. Following on, there is also a reference in *Aus A23.1* to *section 307B* of the *Corporations Act* regarding requirements of the Auditing Standards. In Queensland, however, there will shortly be a requirement for that Audit Office to retain their working papers for a period of at least 10 years under state legislation. While it would be impractical for the standard to identify all applicable legislation, we suggest *Aus A23.1* be amended to acknowledge that legislation other than the *Corporations Act* may also exist, particularly in relation to audits that are not conducted under the *Corporations Act*.

We also suggest that the requirements in *Aus 16.1 Confidentiality, Safe Custody, Integrity, Accessibility and Retrievability of the Audit Documentation* include a reference to ensuring compliance with "applicable legal and regulatory requirements".

- 3. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?**

We are not aware of any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard.

- 4. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the Requirements of this proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of the audit services?**

There are no additional significant costs to auditors and the business community arising from compliance with the main changes to the Requirements of the proposed ASA 230. The requirements of the proposed standard are consistent with those in the current ASA 230.

We do wish to acknowledge, however, that some changes will assist in achieving a better balance between cost and benefits e.g. clarification around documentation of significant judgements, and documentation of small entity audits.

5. Are there any other significant public interest matters that constituents wish to raise?

There are no other significant public interest matters that we wish to raise.