



Subject: Highlights of the 31st meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 2-3 June 2008

1. Approval of Pronouncements

- **Standard on Compliance Engagements**

The AUASB considered a revision of the proposed standard – ASAE 3100 *Compliance Engagements*, following consideration of comments received in respect of exposure draft ED 5/07 and regulatory impact statement requirements.

The Board agreed to change the application date to reporting periods or engagements commencing on or after 1 October 2008, with early adoption permitted. The standard will be released in late June.

- **Standards on Review Engagements**

The Board received an update on comments received in respect of exposure drafts of the following proposed standards on Review Engagements:

- (a) ASRE 2400 *Review of Financial Reports*
- (b) ASRE 2405 *Review of Other Historical Financial Information*.
- (c) ASA 2008-1 *Amendments to Australian Auditing Standards (Amendments to ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity)*

Comments received to date are generally supportive and the AUASB Technical Group is presently considering all comments and proposed amendments.

Final revisions of the proposed standards will be considered for out of session approval later this month and it is anticipated that the standard will be released in late June.

2. Proposed Guidance Statement - Reporting on Remuneration Disclosures

The AUASB considered a draft Guidance Statement on the auditor's reporting responsibilities regarding the Remuneration Report required under section 300A of the *Corporations Act 2001*. The Guidance Statement will replace the pre-existing AUASB guidance which has become redundant with the introduction of new reporting requirements under section 308 (3C).

The main objective of the Guidance Statement is to provide an example auditor's report which practitioners will be able to use for the upcoming financial year-end reporting. The Guidance Statement will be approved out of session and is expected to be issued soon after the changes to AASB 124 have been approved by the Accounting Standards Board.

3. ASA Redrafting (Clarity Format)

The AUASB considered supporting papers and draft versions, in clarity format, of the following proposed auditing standards:

- (a) ASA 230 *Audit Documentation*
- (b) ASA 240 *The Auditor's Responsibilities relating to Fraud in an Audit of a Financial Report*
- (c) ASA 260 *Communicating with Those Charged with Governance*
- (d) ASA 300 *Planning an Audit of a Financial Report*
- (e) ASA 315 *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment*
- (f) ASA 600 *Special Considerations in Audits of Group Financial Statement Reports (Including the Work of Component Auditors)*

Final redrafts of the standards listed above together with six other redrafted standards will be considered at the 21-22 July AUASB meeting, for approval to release as exposure drafts.

4. Other Projects

- **Guidance Statement GS 009 *Financial and Compliance Audits of Self Managed Superannuation Funds***

The Board received an update on the project and resolved that the Guidance Statement will be finalised when the Australian Taxation Office issues the approved form of Auditor's Report for self managed superannuation funds and other related documents.

- **ASIC Regulatory Guide 69 *Debentures – Improving Disclosures for Retail Investors***

The Board was briefed that ASIC is in the process of redrafting the Guide to establish the requirement to audit against each of the eight benchmarks outlined in the Guide.

The AUASB will liaise with and advise ASIC on the new audit requirements.

5. AUASB 2008-2009 Business Plan

In a closed session, the Board approved the 2008 – 2009 Business Plan for submission to the Financial Reporting Council at its meeting on 11 June 2008.

***The next AUASB meeting will be held on 21 and 22 July 2008 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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