



**Subject:** Highlights of the 510<sup>th</sup> meeting of the AUASB  
**Venue:** AUASB, Level 7, 600 Bourke Street, Melbourne  
**Date:** 14-19 April 2011

## 1. Auditing Fundraising Revenue of Not-For-Profit Entities

The Board considered a revised draft of the proposed Guidance Statement GS-019 *Auditing Fundraising Revenue of Not-for-Profit Entities* (revision to AGS-1054 *Auditing Revenue of Charitable Entities*). Subject to some further editorial amendments, the Guidance Statement was approved for release this month.

## 2. Agreed-Upon Procedures to Report Factual Findings

The Board considered a revised draft of the proposed Auditing Standard on Related Services ASRS-4400 *Agreed-upon Procedures to Report Factual Findings*. The Board approved the document subject to final editorial amendments, which would be considered by the Board out-of-session. The revised standard will be released next month, with an operative date for engagements commencing on or after 1 October 2011.

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### 3.1. Amendments to Clarity Auditing Standards

The Board approved ED-01/11 *ASA 2011-1 Amendments to Australian Auditing Standards for release*. The auditing proposed standard includes consequential amendments to ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* (following revision of APES 110 by the APESB), and various miscellaneous editorial amendments to the Australian Auditing Standards. ~~The exposure draft will be issued with a comment period ending 23 May 2011.~~ The changes introduced by the amending auditing standard will be effective for financial periods commencing on or after 1 July 2011.

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### 4.2. Fundraisings and Comfort Letters

The AUASB received updates on the *Fundraisings* and *Comfort Letters* projects, as follows:

- (a) The Board considered a further draft of the proposed exposure of ASAE *Assurance Engagements Involving Corporate Fundraisings and Prospective Financial Information* which was structured with three separate sections - Historical Financial Information, Pro Forma Financial Information and Prospective Financial Information. The Board requested further amendments and a revised version will be considered for approval to release as an exposure draft at the 14 June 2011 AUASB meeting.
- (b) The Board received an update on the Comfort Letters project. A further draft of the proposed ASAE will be considered at the 14 June 2011 AUASB meeting.

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### 5.3. Service Organisations

Details of the meeting agenda are posted on the AUASB web site [www.auasb.gov.au](http://www.auasb.gov.au) in the week prior to the meeting.

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The Board considered in detail comments received arising from consultation on the implementation of the initial GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*. The Board agreed on recommendations for amendments to GS 007 and a draft revised Guidance Statement will be considered at the 14 June 2011 AUASB meeting.

#### 6.4. International Matters

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(a) The Board received a report on the IAASB National Standard Setters meeting held 28-29 April 2011.

(b) The Board received reports on taskforce meetings of the IAASB comprising: *Audit Quality, ISA Implementation Monitoring, Reviews and Compilations*; and *Compilation of Pro-forma Financial Information* projects.

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(c) The Board considered submissions on the following IAASB exposure draft and discussion papers:

(i) ~~ED: ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.~~

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(ii) ~~Consultation Paper: Enhancing the Value of Auditor reporting: Exploring Options for Change.~~

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~~(a)(d) The Board received a report on the AUASB's roundtable discussions with stakeholders held on 29 March 2011 in respect of noted AUASB submissions in respect of the following IAASB exposure drafts:~~

~~(iii) ISRE 2400 (Revised) *Engagements to Review Historical Financial Statements* (issued due 20 May 2011);~~

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~~(iv) *The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications* (issued due 1 June 2011); and~~

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~~(v) ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (issued due 10 June 2011)~~

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~~(b) The Board received a report on the March 2011 IAASB meeting and received reports on recent taskforce meetings of the IAASB comprising: *Audit Quality, ISA Implementation Monitoring, Reviews and Compilations*; and *Compilation of Pro-forma Financial Information* projects.~~

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~~(e) The Board noted the latest *International Update* being a report on recent activities of the IAASB and other national standard setters.~~

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~~(f) The Board considered agenda items for the annual IAASB National Standard Setters meeting to be held 28-29 April 2011. The Board considered agenda items for the IAASB meeting to be held 20-24 June 2011.~~

#### 7.5. Other AUASB projects and other matters

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(a) The Board received updates on the following projects and liaison activities:

i. Proposed assurance standard on engagements involving corporate fundraisings and prospective financial information

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ii. Proposed assurance standard on comfort letter engagements

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iii. Revision of Guidance statement on Service Organisations

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ii. Assurance on Water Accounting Reports

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ii. iv. NGERS

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~~iii. Application issues pertaining to *ISA 600 Special Considerations – Audit of a Group Financial Report (Including the Work of Component Auditors)*.~~

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(b) The Board considered a first revised draft of its business plan for 2011-12. A final draft will be considered out-of-session. Once finalised, the business plan will be made available on the AUASB website.

The next general meeting of the AUASB meeting will be held on 25-27 July 2011 at Level 7, 600 Bourke Street, Melbourne.

The meeting will be open to the public.

1. WORKING WITH THE NZ AUDITING AND ASSURANCE STANDARDS BOARD

Update on New Zealand developments.

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2. AUASB BUSINESS PLAN AND WORK PROGRAM FOR 2011-2012

Consider revised AUASB business plan for 2011-12.

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M

3. AMENDMENTS TO AUSTRALIAN AUDITING STANDARDS

Consider ASA 2011/01 Amendments to Australian Auditing Standards for approval to release

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4. AUDITING SELF MANAGED SUPERANNUATION FUNDS

Consider revision of GS 009 Auditing Self Managed Superannuation Funds for approval to release

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5. INTERNATIONAL MATTERS

(a) IAASB-NSS Meeting held 28-29 April 2011 – report from the Chairman and Executive Director

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(b) Reports from IAASB taskforce members on:

• Audit Quality

MK

• ISA Implementation Monitoring

MK

• Assurance on Pro-Forma Information

DS

• Review Engagements

DAH

(c) Consideration of papers for the June 2011 IAASB meeting.

9. INTERNATIONAL MATTERS

(d) Commenting on IAASB exposure drafts:

(i) ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

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(ii) Consultation Paper Enhancing the Value of Auditor reporting: Exploring Options for Change

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(e) AUASB Responses to previous IAASB EDs and consultation papers

(i) ISRE 2400

(ii) IAASB Discussion Paper on Disclosure

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(iii) ISAE 3410

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(f) EC Report on Audit Policy

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(g) International Update

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10. ASSURANCE ON WATER ACCOUNTING REPORTS

Project update and discussion

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11. FUNDRAISINGS PROJECT

Update on Fundraisings project.

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12. COMFORT LETTERS PROJECT

Update on Comfort Letters project.

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13. OTHER BUSINESS

(a) Review of meeting.