



Subject: Highlights of the 49th meeting of the AUASB
Venue: ANZIIF Meeting Rooms, Level 8, 600 Bourke Street, Melbourne
Date: 28 February 2011

1. New AUASB Members

The Chairman welcomed new AUASB Members Ms Kristen Wydell and Mr Bernie Szentirmay to their first meeting.

2. Auditing Fundraising Revenue of Not-For-Profit Entities

The Board approved, subject to further amendments to be cleared by the Chairman and Executive Director, GS 019 *Auditing Fundraising Revenue of Not-For-Profit Entities* (revision to AGS 1054 *Auditing Revenue of Charitable Entities*). The Guidance Statement will be released later in March 2011.

3. Fundraisings and Comfort Letters

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

- (a) The Board considered a revised draft of the proposed ASAE on *Fundraisings* which will apply to assurance engagements related to corporate fundraising and prospective financial information. The Board requested further drafting amendments in light of the length of the draft document. A revised draft will be considered for approval as an exposure draft at the 18-19 April 2011 AUASB meeting.
- (b) The Project Advisory Group (PAG) on the *Comfort Letters* project is meeting next month to further consider the draft document. A draft exposure draft will be considered at the April 2011 AUASB meeting.

4. Agreed-Upon Procedures to Report Factual Findings

The Board received a detailed report on respondents' comments received on exposure draft ED 3/10. The Board agreed that the proposed standard be retitled as a Standard on Related Services ASRS 4400 *Agreed-Upon Procedures to Report Factual Findings*, and that the definition of agreed-upon procedures be amended to refer to procedures of an assurance nature.

The Board also took the view that ASRS 4400 presume that agreed-upon procedures engagements are undertaken by an assurance practitioner who is independent. If that were not the case, the standard would require the practitioner to state in their engagement letter and report that they were not independent. A revised draft of the proposed standard is to be considered at the 18-19 April 2011 AUASB meeting.



5. Amendments to Clarity Auditing Standards

The Board considered staff recommendations for amendments to the Clarity Auditing Standards, which are to be drafted as an amending standard. The proposed amendments include 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 corrections to the Standards. The proposed amending standard will be approved out-of-session as an exposure draft in late March with an exposure period of 30 days. It is intended that the changes will be effective for financial periods commencing on or after 1 July 2011.

6. International Matters

(a) The Board noted progress towards the preparation of submissions in respect of the following IAASB consultation papers and EDs:

- (i) *Proposed IAASB Strategy and Work Program for 2012-2014* (due 4 April 2011);
- (ii) *ISRE 2400 (Revised) Engagements to Review Historical Financial Statements* (due 20 May 2011);
- (iii) *The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications* (due 1 June 2011); and
- (iv) *ISAE 3410 Assurance Engagements on Greenhouse Gas Statements* (due 10 June 2011)

The AUASB has scheduled roundtable discussions with stakeholders to take place on 29 March 2011 in respect of (ii), (iii) and (iv) above.

(b) The Board noted highlights of the December 2010 IAASB meeting and received verbal reports on recent taskforce meetings of the IAASB *Reviews* and *Compilation of Pro-forma Financial Information* Taskforces.

7. Other AUASB Projects

The Board received updates on the following projects:

(a) Assurance on Water Accounting Reports

Project to jointly develop with the Water Accounting Standards Board (WASB) of the Bureau of Meteorology, a *Standard for Assurance Engagements on General Purpose Water Accounting Reports*. A joint Steering Committee and Project Advisory Group have been established and meetings scheduled. A consultation paper is planned for release later in 2011.

(b) GS 007 Service Organisations

The Board considered a preliminary analysis of comments received arising from consultation on GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*. A draft revised GS 007 will be considered at the 18-19 April 2011 AUASB meeting.

(c) GS 009 *Auditing Self Managed Superannuation Funds*

The Board approved a project plan for the revision of GS 009 to incorporate references to the Clarity Auditing Standards. A draft will be tabled at the 18-19 April 2011 AUASB meeting.



(d) APRA update

The Board considered a staff paper which provided a summary of proposed regulatory changes which APRA will be undertaking over the next 12 months and the likely need for amendment, where required, to relevant AUASB Guidance Statements.

(e) Withdrawal of AGS 1036 *The Consideration of Environmental Matters in the Audit of a Financial Report*

The AUASB approved withdrawal of AGS 1036 in light of the impending withdrawal of IAPS 1010 by the IAASB.

***The next general meeting of the AUASB meeting will be held on 18-19 April 2011
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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