



Subject: Highlights of the 48th meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 29 November 2010

1. Fundraisings and Comfort Letters

The Board received updates on the Fundraisings and Comfort Letters projects and considered interim drafts of the proposed ASAEs.

The Board requested that further amendments be made to the two draft standards made and that they be discussed with the relevant Project Advisory Groups. Revised drafts will be considered at the 28 February 2011 AUASB meeting.

2. Agreed-Upon Assurance Procedures to Report Factual Findings

The Board (in a majority decision) approved for release, subject to final edits, an exposure draft of the proposed ASAE on *Agreed-Upon Assurance Procedures to Report Factual Findings* (Revision of AUS 904) as an exposure draft. The ED will be released in early December with an exposure period of 60 days.

3. Auditing Revenue of Charitable Entities

The Board considered a preliminary draft of a revision to AGS 1054. AUASB Technical Group staff were requested to consult further with practitioners and other stakeholders and to bring a revised draft to the 28 February 2011 AUASB meeting for further consideration by the Board.

4. New Zealand Professional Standards Board

Mr Neil Cherry, Chairman of the New Zealand Professional Standards Board (PSB) met with the Board and discussed matters of mutual interest between the New Zealand PSB and the AUASB including imminent structural changes to auditing standards setting in New Zealand which are expected to take place from 1 July 2011.

5. Discussion with FRC Chairman

Mr Jeffrey Lucy, Chairman of the Financial Reporting Council (FRC) met with the Board and discussed various matters of mutual interest between the FRC and the AUASB, including global developments in audit regulation.

6. International Matters

- (a) (i) The Board noted a report on recent activities of the IAASB and other national standard setters and also a European Commission Green Paper titled *Audit Policy – Lessons from the Financial Crisis*.
- (ii) The Board noted AUASB submissions to the IAASB, issued 15 November, in respect of exposure drafts on revised ISA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*; and ISA 610 *Using the Work of Internal Auditors*.
- (iii) The Board approved with some amendments the AUASB submission on the IAASB exposure draft of an IAPS dealing with Complex Financial Instruments.
- (b) The Board received reports on the September 2010 IAASB meeting and on recent taskforce meetings of the IAASB Reviews and Compilations Taskforce.

- (c) Ms Caithlin Mc Cabe (IAASB Member) discussed with the Board the key agenda topics for the forthcoming December 2010 IAASB meeting.

7. Assurance on Water Accounting Reports

The AUASB approved a project plan to jointly develop with the Water Accounting Standards Board (WASB), an Assurance Standard for assurance engagements on General Purpose Water Accounting Reports.

8. Revision of Guidance Statements

The Board approved the project plan for the revision of GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*.

9. Internal Audit

The Board discussed and agreed on a way forward for ongoing liaison between the AUASB and the Institute of Internal Auditors - Australia.

10. Other Business

- (a) The Board agreed to amend ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* in light of the APESB's impending release of a revised APES 110 in February 2011. The draft amendments to ASA 102 will be considered at the 28 February 2011 AUASB meeting.
- (b) The Board noted that Regulatory Guide RG 69 dealing with Debenture Issuers has been revised by ASIC and reissued on 26 October this year.
- (c) The Board noted that the Victorian Local Government Audit Committees Guide has been finalised by Local Government Victoria and is awaiting approval and release by the new Minister for Local Government.

***The next AUASB meeting will be held on 28 February 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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