



Subject: Highlights of the 37th meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 6-7 April 2009

1. Going Concern Issues

The Board considered and approved an AUASB Bulletin on Going Concern issues relevant to auditors during periods of economic uncertainty. The Bulletin will be finalised and released in the following week.

The AUASB is also working with the Australian Institute of Company Directors to develop a joint publication focussing on the responsibilities of directors in relation to going concern issues. The publication is expected to be finalised by next month.

2. ASA Redrafting (Clarity Format)

Project Update:

The Board noted a progress report on the “Clarity” project and noted that the project is on-track for completion, as planned, for October this year.

Approval of Group 4 Redrafted Auditing Standards:

The Board considered final draft versions in “Clarity” format of the following proposed Auditing Standards:

- (a) *ASA 530 Audit Sampling*
- (b) *ASA 610 Using the Work of Internal Auditors*

The Board cleared these proposed Standards for final approval later this year.

Approval of Release of Group 6 Exposure Drafts:

The Board considered final draft versions, in “Clarity” format, of the following exposure drafts (EDs) of proposed revised Auditing Standards:

- (a) *ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information and Other Assurance Engagements*
- (b) *ASA 210 Terms of Audit Engagements*
- (c) *ASA 220 Quality Control for Audits of a Financial Report and Other Historical Financial Information*
- (d) *ASA 265 Communication of Deficiencies in Internal Control*
- (e) *ASA 402 Audit Considerations Relating to Entities Using Service Organisations*
- (f) *ASA 505 External Confirmations*

(g) *ASA 508 Enquiries Regarding Litigations and Claims*

(h) *ASA 620 Using the Work of an Expert*

(i) *ASA 710 Comparatives*

The Board approved the issue of the above EDs, which will be released next week with a comment period ending 18 May 2009.

3. **Approval of Guidance Statement - GS 011 Access to Audit Working Papers**

The Board considered a proposed revision of AGS 1038 *Access to Audit Working Papers*, and approved the revised Guidance Statement GS 011 for release in the following week.

4. **Approval of Project Plans**

Comfort Letters and Privity Letters

The Board considered and approved a project for the development and issue of an assurance standard based on US SAS 72 *Letters to Underwriters and Certain Other Requesting Parties* and agreed that this project be undertaken in conjunction with the Fundraising project. The Board also considered and approved a project plan to revise and reissue AGS 1014 Privity Letter Requests.

5. **Other Projects**

(a) ***National Greenhouse and Energy Reporting Scheme (NGERS) and Carbon Pollution Reduction Scheme (CPRS)***

Representatives from the Department of Climate Change provided an update on the development of auditing and assurance requirements under the NGERS and CPRS. The Department is working in liaison with the AUASB towards one assurance framework for both schemes and an exposure draft on the audit framework is anticipated for release in June this year.

(b) **Authorised Deposit Taking Institutions**

The Board considered a first draft of a proposed revision of AGS 1008 *Prudential Reporting Requirements of Authorised Deposit Taking Institutions*. It was noted that APRA Prudential Standard APS 310 (issued in December 2008) applies to reporting periods commencing 1 January 2009. Finalisation of the revised Guidance Statement is planned for June this year.

(c) **Agreed-upon procedures Engagements**

The Board received an update on the project to revise AUS 904 *Engagements to Perform Agreed-upon Procedures*, and noted that the Project Advisory Group will meet again later this month.

(d) **Prospective Information and Fundraising**

The Board received an update on the project to revise AUS 804 *The Audit of Prospective Financial Information* and AGS 1062 *Reporting in Connection with Proposed Fundraising* and issue as an assurance standard.

6. **International Matters**

IAASB and National Auditing Standards Setters Meeting

The Board discussed agenda items for the 2009 IAASB and National Auditing Standards-Setters Meeting to be held in Vancouver, Canada on 23-24 April 2009.

International Update

The Board received an update on the activities of the IAASB and other national standards setters for the period February – March 2009.

7. Corporate Planning

The Board held a preliminary discussion (in closed session) regarding its Corporate Plan for 2009-12 and Business Plan for 2009-10.

***The next AUASB meeting will be held on 1 and 2 June 2009
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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