

3 June 2008

Ms Merran Kelsall
Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne Victoria 8007
AUSTRALIA

By email: edcomments@auasb.gov.au

Dear Merran

Comments on Proposed Amendments to ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*

Thank you for the opportunity to comment on Proposed Amendments to ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*. The Institute of Chartered Accountants, CPA Australia Ltd and the National Institute of Accountants (the joint accounting bodies) have jointly considered the above exposure draft (ED) and our comments follow.

General Comments on Changes

The joint accounting bodies are supportive of the proposed amendments. We believe there to be merit in providing clarity on the application of the Standard to the review of a financial report other than for an interim period, where the engagement is performed by the auditor of the entity. Further, the additional explanatory guidance on financial reports is likely to be of benefit to practitioners.

Matters on Which Specific Comment Requested

1. *What are the additional significant costs, if any, to assurance service providers and the business community for compliance with the main changes proposed, and, if so, do they outweigh the benefits to the users of the assurance service?*

As the Auditing Standards currently exist, the auditor of an entity is required to comply with the requirements of AUS 902 *Review of Financial Reports* when reviewing a financial report comprising historical information (other than an interim financial report), since no other Standards apply to such a situation. Clarifying that ASRE 2410 is applicable is helpful. We believe that, while there may well be additional costs associated with complying with the more rigorous requirements of ASRE 2410, the benefits to users of a more robust review process outweighs any additional costs.

2. *Are there any significant public interest matters that respondents wish to raise?*

None noted.

Representatives of the Australian Accounting Profession



cpaaustralia.com.au



The Institute of
Chartered Accountants
in Australia

charteredaccountants.com.au



nia.org.au

The joint accounting bodies are committed to assisting where possible in the development and implementation of the highest quality Australian auditing and assurance standards. We hope that the comments provided are of assistance to the AUASB. If you have any questions regarding this submission, please do not hesitate to contact either Andrew Stringer (Institute) at 02 9290 5566, Dr Mark Shying (CPA Australia) at 03 9606 3903, or Tom Ravlic (NIA) at 03 8665 3143.

Yours sincerely



Geoff Rankin
Chief Executive Officer
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Graham Meyer
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Roger Cotton
Chief Executive Officer
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