

The Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne Victoria 8007

7 February 2013

Dear Ms Kelsall

Re: Exposure Draft ED 02/12 Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity and Exposure Draft ED 03/12 Review of a Financial Report – Company Limited by Guarantee

We appreciate the opportunity to comment on Exposure Draft ED 02/12 Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity (“ED 02/12”) and Exposure Draft ED 03/12 Review of a Financial Report – Company Limited by Guarantee (“ED 03/12”) as developed by the Australian Auditing and Assurance Standards Board (“AUASB”).

Overall Comments

We are supportive of the proposed Auditing Standards as a whole however the following matters may require further consideration by the AUASB:

1. Exposure Draft ED 02/12 Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity

a. Removal of Engagement Letter, Written Representation Letter and Example Procedures

ED 02/12 proposes to remove the example engagement letter, written representation letter and detailed procedures. We recommend that the AUSAB re-consider the removal of the example engagement letter and written representation letter as these provide a useful tool for practitioners in performing these types of engagements.

An assurance practitioner is required to apply their professional judgement when determining the nature and scope of procedures to be performed. We are supportive of the principles based approach adopted by ED 02/12 and understand that the removal of the example procedures supports this. We are also aware that these example procedures are frequently used by assurance practitioners and their existence encourages a consistent application of the standard. For these reasons we encourage the AUSAB to seek a way to keep the example procedures in the public domain, albeit not within an auditing pronouncement.

b. Understanding the level of internal control required in performing the review of a financial report

ED 02/12 provides limited guidance on the level of understanding of internal control to be obtained sufficient to perform a review of the financial report. Additional application material regarding the five components of internal control would be useful to an assurance practitioner especially one who is not an auditor. Paragraph

25L and guidance paragraphs A52- A53 and A69-A70 of ASAE 3410 Assurance Engagements on Greenhouse Gas Statements may provide a good starting point to providing this guidance.

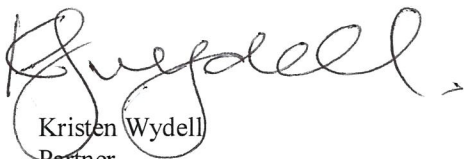
2. Exposure Draft ED 03/12 Review of a Financial Report – Company Limited by Guarantee

a. Need to consider not for profit entities

The scope of ED 03/12 is limited to companies limited by guarantee. We understand that the new reporting framework being proposed by the Australian Charities and Not-for-profits Commission ("the ACNC") will follow a revenue tiered approach to determine whether an audit or review is required. This is similar to that required by the Corporations Law for companies limited by guarantee. We recommend that the AUASB consider including provision for entities registered with the ACNC within ED03/12.

We would be pleased to discuss our comments with Members of the Board or its staff. If you wish to do so, please do not hesitate to contact me on (02) 9322 5060.

Yours sincerely



Kristen Wydell
Partner

Deloitte Touche Tohmatsu