

Agenda Item 9(a).1  
AUASB Meeting 28 February 2011  
Marked up version

EXPOSURE DRAFT

**ED 01/11**

(May 2011)

**Proposed Auditing Standard**  
**ASA 2011-1**  
*Amendments to Australian*  
*Auditing Standards*

Issued for Comment by the **Auditing and Assurance Standards Board**



**Australian Government**

**Auditing and Assurance Standards Board**

## **Commenting on this Exposure Draft**

Comments on this Exposure Draft should be forwarded so as to arrive by no later than 30 April 2011. Comments should be addressed to:

The Chairman  
Auditing and Assurance Standards Board  
PO Box 204  
Collins Street West  
Melbourne Victoria 8007  
AUSTRALIA  
E-mail: [edcomments@auasb.gov.au](mailto:edcomments@auasb.gov.au)

A copy of all non-confidential submissions will be placed on public record on the AUASB website: [www.auasb.gov.au](http://www.auasb.gov.au)

## **Obtaining a Copy of this Exposure Draft**

This Exposure Draft is available on the AUASB website: [www.auasb.gov.au](http://www.auasb.gov.au)

## **Contact Details**

Auditing and Assurance Standards Board    Phone: (03) 8080 7400  
Level 7    Fax: (03) 8080 7450  
600 Bourke Street    E-mail: [enquiries@auasb.gov.au](mailto:enquiries@auasb.gov.au)  
Melbourne Victoria 3000  
AUSTRALIA

**Postal Address:**  
PO Box 204  
Collins Street West  
Melbourne Victoria 8007  
AUSTRALIA

## **COPYRIGHT**

© 2011 Auditing and Assurance Standards Board (AUASB). The text, graphics and layout of this Exposure Draft are protected by Australian copyright law and the comparable law of other countries. The Exposure Draft may be reproduced in print for the sole purpose of preparing a written submission to the AUASB in respect of the Exposure Draft. Otherwise, no part of the Exposure Draft may be reproduced, stored or transmitted in any form or by any means without the prior written permission of the AUASB except as permitted by law.

ISSN 1030-603X

## CONTENTS

PREFACE

AUTHORITY STATEMENT

	<i>Paragraphs</i>
<b>Application</b> .....	1-2
<b>Operative Date</b> .....	3
<b>Introduction</b>	
Scope of this Auditing Standard .....	4-6
<b>Objective</b> .....	7
<b>Definitions</b> .....	8
<b>Requirements</b>	
<b>CONSEQUENTIAL AMENDMENTS</b>	
Amendments to ASA 102 .....	9-10
<b>ADDITIONAL EXPLANATORY GUIDANCE</b>	
Amendment to ASA 570 .....	11
<b>EDITORIAL AMENDMENTS</b>	
Amendment to ASQC 1 .....	12
Amendment to ASA 101 .....	13
Amendment to ASA 210 .....	14-16
Amendments to ASA 220 .....	17-18
Amendment to ASA 240 .....	19
Amendments to ASA 260 .....	20-21
Amendment to ASA 300 .....	22
Amendments to ASA 315 .....	23-25
Amendment to ASA 320 .....	26
Amendment to ASA 501 .....	27
Amendments to ASA 502 .....	28-29
Amendment to ASA 540 .....	30
Amendments to ASA 550 .....	31-32

**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

Amendment to ASA 560.....	33
Amendments to ASA 570 .....	34-40
Amendments to ASA 580 .....	41-46
Amendments to ASA 700 .....	47-49
Amendment to ASA 705.....	50
Amendments to ASA 706 .....	51-54
Amendments to ASA 710 .....	55-57
Amendments to ASA 800 .....	58-63
Amendments to ASRE 2410.....	64-76

**Conformity with International Standards on Auditing**

## PREFACE

### **Reasons for Issuing ED 01/11**

The Auditing and Assurance Standards Board (AUASB) is proposing to issue Auditing Standard ASA 2011-1 *Amendments to Australian Auditing Standards* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory board of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, inter alia, to develop auditing standards that have a clear public interest focus and are of the highest quality.

**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

## **Main Proposals**

This proposed Auditing Standard makes amendments to other Australian Auditing Standards. Principally, the amendments comprise:

- (a) Consequential changes necessary to acknowledge issuance, by the Accounting Professional and Ethical Standards Board, of APES 110 *Code of Ethics for Professional Accountants*, in December 2010;
- (b) Additional explanatory guidance material supplementing the schematic in [Aus] Appendix 1 of ASA 570 *Going Concern*; and
- (c) Editorial corrections made by the AUASB.

The amendments do not have an impact on the requirements of the amended Auditing Standards.

<p><u>Note:</u> Amendments to example letters and example auditor's reports contained within the appendices of the relevant Auditing Standards, are identified in this Exposure Draft by a right-hand side border.</p>
--

## **Proposed Operative Date**

It is intended that the Auditing Standard will be operative for financial reporting periods commencing on or after 1 July 2011. Early adoption is permitted.

## **New Auditing Standard**

The Auditing Standard will be a new pronouncement of the AUASB and accordingly does not supersede a pre-existing Auditing Standard.

## **Request for Comments**

Comments are invited on this Exposure Draft of the proposed issuance of ASA 2011-1 *Amendments to Australian Auditing Standards* by no later than 30 April 2011.

The AUASB prefers that respondents express a clear opinion on whether the proposed Auditing Standard, as a whole, is supported and that this opinion be supplemented by detailed comments, whether supportive or critical. The

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

AUASB regards both supportive and critical comments as essential to a balanced review of the Auditing Standard and will consider all submissions.

**Specific Matters for Comment**

In particular, the AUASB is seeking comments from respondents on the following questions:

1. Are there any additional editorial amendments to any of the Australian Auditing Standards (“clarity” versions) that should be included in this amending standard?
2. Have applicable laws and regulations been appropriately addressed in the proposed standard?
3. Are there any references to relevant laws or regulations that have been omitted?
4. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?
5. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the Requirements of this proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of audit services?
6. Are there any other significant public interest matters that constituents wish to raise?

**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

**AUTHORITY STATEMENT**

The Auditing and Assurance Standards Board (AUASB) makes this Auditing Standard ASA 2011-1 *Amendments to Australian Auditing Standards* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*.

Dated: <TypeHere>

M H Kelsall  
Chairman - AUASB



## **AUDITING STANDARD ASA 2011-1**

### ***Amendments to Australian Auditing Standards***

#### **Application**

1. This Auditing Standard applies to:
  - (a) an audit of a financial report for a financial year, or an audit or review of a financial report for a half-year, in accordance with the *Corporations Act 2001*;
  - (b) an audit of a financial report, or a complete set of financial statements, for any other purpose; and
  - (c) a review, by the independent auditor of the entity, of a financial report, or a complete set of financial statements, comprising historical financial information, for any other purpose.
2. This Auditing Standard also applies, as appropriate, to an audit of other historical financial information.

#### **Operative Date**

3. This Auditing Standard is operative for financial reporting periods commencing on or after 1 July 2011. Early adoption is permitted.

#### **Introduction**

##### **Scope of this Auditing Standard**

4. This Auditing Standard makes amendments to the Australian Auditing Standards. The amendments arise principally from editorial corrections and have no impact on the requirements of the amended Auditing Standards.
5. In addition, amendments are made to ASA 102<sup>1</sup> in recognition of revised *APES 110 Code of Ethics for Professional Accountants*, issued in December 2010 by the Accounting Professional & Ethical Standards Board.

---

<sup>1</sup> See ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

6. The AUASB publishes compiled Auditing Standards, in clarity format, on the AUASB website. These compiled standards incorporate the amendments in this Auditing Standard.

**Objective**

7. The objective of this Auditing Standard is to make amendments to the following 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 101 Preamble to Australian Auditing Standards*
  - (c) *ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*
  - (d) *ASA 200 Objective and General Principles Governing an Audit of a Financial Report*
  - (e) *ASA 210 Agreeing the Terms of Audit Engagements*
  - (f) *ASA 220 Quality Control for an Audit of a Financial Report and Other Historical Financial Information*
  - (g) *ASA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*
  - (h) *ASA 260 Communication with Those Charged with Governance*
  - (i) *ASA 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*
  - (j) *ASA 501 Audit Evidence – Specific Considerations for Inventory and Segment Information*
  - (k) *ASA 502 Audit Evidence – Specific Considerations for Litigation and Claims*
  - (l) *ASA 540 Auditing Accounting Estimates, Including Fair Value Accounting estimates, and Related Disclosures*
  - (m) *ASA 550 Related Parties*

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

- (n) ASA 560 *Subsequent Events*
- (o) ASA 570 *Going Concern*
- (p) ASA 580 *Written Representations*
- (q) ASA 700 *Forming an Opinion and Reporting on a Financial Report*
- (r) ASA 705 *Modifications to the Opinion in the Independent Auditor's Report*
- (s) ASA 706 *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*
- (t) ASA 710 *Comparative Information – Corresponding Figures and Comparative Financial Reports*
- (u) ASA 800 *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*
- (v) ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*

**Definitions**

8. For the purposes of this Auditing Standard, the meanings of terms are set out in each Auditing Standard and in the *AUASB Glossary*. This Auditing Standard does not introduce new definitions.

**Requirements**

CONSEQUENTIAL AMENDMENTS

**Amendments to ASA 102**

9. The second sentence of paragraph 4(e) is amended to read as follows:
- ...issued by the Accounting Professional and Ethical Standards Board (February 2008 and December 2010 as applicable), the applicable provisions of the *Corporations Act 2001* and...
10. The first sentence of paragraph A1 is amended to read as follows:

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

...issued by the Accounting Professional and Ethical Standards Board (February 2008 and December 2010 as applicable), which are to be taken...

ADDITIONAL EXPLANATORY GUIDANCE

**Amendment to ASA 570**

11. Additional explanatory guidance supplementing the schematic in [Aus] Appendix 1, is inserted directly before the diagram headed: **Linking Going Concern Considerations and Types of Audit Opinions**, as follows:

<INSERT HERE>

Pending outcome of AUASB deliberations on form and content of changes to the ASA 570 diagram.
---

EDITORIAL AMENDMENTS

**Amendment to ASQC 1**

12. The second sentence of paragraph Aus A63.1 is amended to read as follows:

...provided such disclosure does not undermine the validity of the work performed or the independence of the firm or its personnel.

**Amendment to ASA 101**

13. Paragraph 3 is amended to read as follows:

This Auditing Standard is operative for engagements with financial reporting periods commencing on or after 1 January 2010, and for firms required to establish systems of quality control in compliance with ASQC 1 by 1 January 2010.

**Amendment to ASA 210**

14. The last line of paragraph 4 in Appendix 2 is amended to read as follows:

...financial report that is misleading.

*Amendments to Example Audit Engagement Letter - Appendix 1*

15. The last sentence in the first paragraph is amended to read as follows:

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

Our audit will be conducted with the objective of expressing an opinion on the financial report.

16. The last sentence of the paragraph headed Annual General Meetings is amended to read as follows:

...regardless of whether you believe them to be irrelevant.  
[Applicable only to listed entities]

**Amendments to ASA 220**

17. Paragraph 7(j)(i) is amended to read as follows:

That is aimed at cooperation;

18. The second sentence in paragraph A23 is amended to read as follows:

In the case of an audit of a financial report of a listed entity...

**Amendment to ASA 240**

19. The second sentence in paragraph A30 is amended to read as follows:

... to revenue recognition in the case where there is...

**Amendments to ASA 260**

20. Paragraph Aus 0.1 (a) is amended to read as follows:

... in accordance with the *Corporations Act 2001*;

21. Footnote \* attached to paragraph Aus 17.1 is amended to read as follow:

See, for example, section 292 of the *Corporations Act 2001*...

**Amendment to ASA 300**

22. The last sub-heading in Appendix 1 is amended to read as follows:

**Nature, Timing and Extent of Resources**

**Amendments to ASA 315**

23. The first sentence in paragraph A26 is amended to read as follows:

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

...or securitisation of financial assets,...

24. The first sentence of paragraph 3 in Appendix 1 is amended to read as follows:

...relevant to the preparation of the financial report...

25. The sub-heading immediately above paragraph 5 in Appendix 1 is amended to read as follows:

Information System, Including the Related Business Processes,  
Relevant to Financial Reporting, and Communication

**Amendment to ASA 320**

26. The title page of the standard is amended to read as follows:

Auditing Standard ASA 320  
*Materiality in Planning and Performing an Audit*

**Amendment to ASA 501**

27. Paragraph Aus 0.1 (a) is amended to read as follows:

... in accordance with the *Corporations Act 2001*;

**Amendments to ASA 502**

28. The second sentence of the fourth paragraph in the Preface is amended to read as follows:

Preface ASA 508 contains requirements...

29. The reference in the sub-heading immediately above paragraph A4 is amended to read as follows:

(Ref: Para. 4(c))

**Amendment to ASA 540**

30. The second paragraph under the heading “Conformity with International Standards on Auditing” is amended to read as follows:

... are identified with the prefix “Aus”.

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

**Amendments to ASA 550**

31. Footnote 7 attached to paragraph 11 is amended to read as follow:  
See ASA 315, paragraph 5; and ASA 240, paragraph 16.
32. The last sentence in paragraph A22 is amended to read as follows:  
...or undisclosed related party relationships or transactions.

**Amendment to ASA 560**

33. Paragraph 10(b) is amended to read as follows:  
Determine whether the financial report needs amendment; and if so...

**Amendments to ASA 570**

34. The last sentence in paragraph A8 is amended to read as follows:  
... if the auditor's other audit procedures...
35. The third sentence in paragraph A12 is amended to read as follows:  
... or the owner-manager supporting a loan for the entity by providing a guarantee with the owner-manager's personal assets as collateral.

***Amendments to Example Auditor's Reports – [Aus] Appendices 2 and 3***

36. The first bullet point text in the box describing [Aus] Illustration 2 in [Aus] Appendix 2 is amended to read as follows:  
Audit of a single company financial report.
37. [Aus] Appendix 2, [Aus] Illustration 1 and [Aus] Illustration 2; and [Aus] Appendix 3, [Aus] Illustration 1 - the third sentences of the second paragraphs describing the *Auditor's Responsibility* are amended to read as follows:  
...relevant to the company's preparation of the financial report that gives a true and fair view in order to design...
38. [Aus] Appendix 2, [Aus] Illustration 3; and [Aus] Appendix 3 [Aus] Illustration 1 – the paragraphs describing the

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

*Directors' Responsibility for the Financial Report* are amended to read as follows:

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control...

39. [Aus] Appendix 3, [Aus] Illustration 1- the first sentence of the *Emphasis of Matter* paragraph is amended to read as follows:

Without modifying our opinion,...

40. [Aus] Appendix 2, [Aus] Illustrations 1, 2 & 3; and [Aus] Appendix 3, [Aus] Illustrations 1- the headings and subheadings of the reports are amended to read as follows:

**INDEPENDENT AUDITOR'S REPORT**

[Appropriate Addressee]

**Report on the Financial Report**

**Amendments to ASA 580**

*Amendments to Example Representation Letter –Appendix 2*

41. The second sentence in the first paragraph in Appendix 2 is amended to read as follows:

...the requirements of ASA 570<sup>10</sup> and ASA 710<sup>#</sup> to obtain written representations are not relevant; and...

42. A new footnote is introduced following footnote 10:

*# See ASA 710 Comparative Information – Corresponding Figures and Comparative Financial Reports*

43. The second paragraph in Appendix 2 is amended to read as follows:

...whether the financial report gives a true and fair view in all material respects...

44. The fourth paragraph in Appendix 2 is amended to read as follows:

...in particular the financial report gives a true and fair view in accordance therewith.



**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

45. Under the subheading “**Information Provided**” in Appendix 2, new information is introduced as the third bullet point:

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;

46. Under the subheading “**Information Provided**” in Appendix 2, new information is introduced as the eighth bullet point:

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with [the applicable financial reporting framework].

**Amendments to ASA 700**

*Amendments to Example Auditor’s Reports – Appendix 1*

47. Illustration 2 - the sub-headings relating to management and auditor responsibilities are amended to read as follows:

*Management’s Responsibility for the Financial Statements*  
*Auditor’s Responsibility*

48. [Aus] Illustration 1A – the third sentence of the second paragraph describing the *Auditor’s Responsibility* is amended to read as follows:

...relevant to the company’s preparation of the financial report that gives a true and fair view in order to design...

49. [Aus] Illustration 3A - the third sentence of the second paragraph under the subheading *Auditor’s Responsibility* is amended to read as follows:

...the entity’s preparation of the financial report that gives a true and fair view in order to design...

**Amendment to ASA 705**

50. Paragraph A24 is amended to read as follows:

Illustrations 3 and 3A in Appendix 1 contain...

**Amendments to ASA 706**

51. Paragraph Aus A1.1 is amended to read as follows:

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

Ordinarily, an uncertainty, the resolution of which...

52. The first bullet point text in the box describing [Aus] Illustration 1A in Appendix 3 is amended to read as follows:

- Audit of a single company financial report.

*Amendments to Example Auditor's Reports – Appendix 3*

53. [Aus] Illustration 1A - the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows:

...relevant to the company's preparation of the financial report that gives a true and fair view in order to design...

54. Illustration 1 and [Aus] Illustration 1A - the second sentences of the *Emphasis of Matter* paragraphs are amended to read as follows:

Our opinion is not modified in respect of this matter.

**Amendments to ASA 710**

*Amendments to Example Auditor's Reports – Appendix 1*

55. [Aus] Illustration 1A - the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows:

...relevant to the company's preparation of the financial report that gives a true and fair view in order to design...

56. [Aus] Illustration 2A - the paragraph describing the *Directors' Responsibility for the Financial Report* is amended to read as follows:

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control...

57. [Aus] Illustration 2A - the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows:

...relevant to the company's preparation of the financial report that gives a true and fair view in order to design...

**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

**Amendments to ASA 800**

*Amendments to Example Auditor's Reports – Appendix 1*

58. Illustration 3 - the paragraph describing *Management's Responsibility for the Financial Report* is amended to read as follows:

Management is responsible for the preparation and fair presentation of the financial report...

59. [Aus] Illustration 4 - the paragraph describing *The Directors' Responsibility for the Financial Report* is amended to read as follows:

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined...

60. [Aus] Illustration 5 - the first paragraph of the example auditor's report is amended to read as follows:

...the statement of comprehensive income and statement of cash flows for the year then ended...

61. [Aus] Illustration 5 - the sub-heading to the last paragraph is amended to read as follows:

**Basis of Accounting**

62. [Aus] Illustration 5 - the third sentence of the second paragraph under the sub-heading "Auditor's Responsibility" is amended to read as follows:

...relevant to the association's preparation and fair presentation of the financial report in order to design...

63. The sub-headings in the example auditor's reports are amended to read as follows:

[Illustrations 1, 2 and 3]

*Management's Responsibility for the Financial Report*  
*Auditor's Responsibility*  
*Opinion*

**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

[Illustrations 1]

*Basis of Accounting and Restriction on Distribution and Use*

[Illustrations 2]

*Basis of Accounting and Restriction on Distribution*

[Illustrations 3]

*Basis of Accounting  
Other Matter*

[[Aus] Illustrations 4]

*Directors' Responsibility for the Financial Report  
Auditor's Responsibility  
Independence  
Opinion  
Basis of Accounting*

[[Aus] Illustrations 5]

*Officers' Responsibility for the Financial Report  
Auditor's Responsibility  
Opinion  
Basis of Accounting and Restriction on Distribution*

**Amendments to ASRE 2410**

64. Paragraph 39 is amended to read as follows:

The auditor shall express a qualified conclusion when, in rare...

*Amendments to Example Engagement Letter – Appendix 1*

65. The first sentence of the second last paragraph under the sub-heading “**Scope**”, is amended to read as follows:

... are responsible for the preparation of the half-year financial report that...

66. The first sentence of the second last paragraph under the sub-heading “**Scope**”, is amended to read as follows:

... and for such control as the directors [those charged with governance] determine is necessary to...

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

67. Appendix 1 is amended to include a new paragraph directly before the last paragraph under the sub-heading “**Scope**”, the amendment reads as follows:

The directors [those charged with governance] of the [company/registered scheme/disclosing entity] acknowledge and understand they have responsibility to provide us with:

- (i) access to information relevant to the preparation of the financial report;
- (ii) additional information that we may request for the purposes of the review engagement; and
- (iii) unrestricted access to persons from whom we determine it is necessary to obtain evidence.

*Amendments to Example Representation Letter – Appendix 1*

68. Sub-heading (a) Exceptions – the second bullet point is amended to read as follows:

...assets and liabilities, Item 5 (above) could be...  
...as disclosed in note Y in the financial report, which...

*Amendments to Example Auditor’s Report – Appendix 3*

69. The sub-headings in the example auditor’s report are amended to read as follows:

*Directors’ Responsibility for the Half-Year Financial Report*  
*Auditor’s Responsibility*  
*Independence*  
*Conclusion*

70. The second sentence of the paragraph describing the *Auditor’s Responsibility* is amended to read as follows:

...we have become aware of any matter that makes us believe that the half-year financial report...

*Amendments to Example Auditor’s Reports – Appendix 4*

71. The sub-headings in the example auditor’s reports are amended to read as follows:

**Proposed Auditing Standard ASA 2011-1**  
***Amendments to Australian Auditing Standards***

---

[Example of an Unmodified Auditor's Review Report on a Financial Report]

*[Title of Those Charged with Governance] Responsibility for the  
[period] Financial Report  
Auditor's Responsibility  
[Independence  
Conclusion*

[Example of an Auditor's Review Report with a Qualified Conclusion (Except for) for a Departure from the Applicable Financial Reporting Framework]

*[Title of Those Charged with Governance] Responsibility for the  
[period] Financial Report  
Auditor's Responsibility  
[Independence  
Basis for Qualified Conclusion  
Qualified Conclusion*

[Example of an Auditor's Review Report with a Qualified Conclusion for a Limitation on Scope Not Imposed by Management]

*[Title of Those Charged with Governance] Responsibility for the  
[period] Financial Report  
Auditor's Responsibility  
[Independence  
Basis for Qualified Conclusion  
Qualified Conclusion*

[Example of an Auditor's Review Report with an Adverse Conclusion for a Departure from the Applicable Financial Reporting Framework]

*[Title of Those Charged with Governance] Responsibility for the  
[period] Financial Report  
Auditor's Responsibility  
[Independence  
Basis for Adverse Conclusion  
Adverse Conclusion*

[Example of an Auditor's Review Report with a Qualified Conclusion (Except for) on the Basis that Comparatives have not been Reviewed or Audited]

*[Title of Those Charged with Governance] Responsibility for the  
[period] Financial Report*

**Proposed Auditing Standard ASA 2011-1**  
**Amendments to Australian Auditing Standards**

---

*Auditor's Responsibility*  
*[Independence*  
*Basis for Qualified Conclusion*  
*Qualified Conclusion*

72. Example of an Unmodified Auditor's Review Report on a Financial Report, sub-heading: *[Title of Those Charged with Governance] Responsibility for the [period] Financial Report* – the paragraph is amended to read as follows:
- ...are responsible for the preparation and fair presentation of the...
73. Example of an Auditor's Review Report with a Qualified Conclusion (Except For) for a Departure from the Applicable Financial Reporting Framework, sub-heading: *[Title of Those Charged with Governance] Responsibility for the [period] Financial Report* – the paragraph is amended to read as follows:
- ...are responsible for the preparation and fair presentation of the [period] financial report in accordance with the [applicable financial reporting framework] and for such control as the directors...
74. Example of an Auditor's Review Report with a Qualified Conclusion for a Limitation on Scope Not Imposed by Management, sub-heading: *[Title of Those Charged with Governance] Responsibility for the [period] Financial Report* – the paragraph is amended to read as follows:
- ...are responsible for the preparation and fair presentation of the [period] financial report...
75. Example of an Auditor's Review Report with an Adverse Conclusion for a Departure from the Applicable Financial Reporting Framework, sub-heading: *[Title of Those Charged with Governance] Responsibility for the [period] Financial Report* – the paragraph is amended to read as follows:
- ...are responsible for the preparation and fair presentation of the [period] financial report...
76. Example of an Auditor's Review Report with a Qualified Conclusion (Except for) on the Basis that Comparatives have not been Reviewed or Audited, sub-heading: *[Title of Those Charged with Governance] Responsibility for the [period] Financial Report* – the paragraph is amended to read as follows:

**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

...are responsible for the preparation and fair presentation of the  
[period] financial report...

\* \* \*

Draft



**Proposed Auditing Standard ASA 2011-1**  
*Amendments to Australian Auditing Standards*

---

**Conformity with International Standards on Auditing**

This Auditing Standard has been made for Australian legislative purposes and accordingly there is no equivalent International Standard on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

Compliance with this Auditing Standard does not affect compliance with the ISAs.

Draft