



**Subject:** Highlights of the 52<sup>nd</sup> meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** Ken Spencer Room, AUASB offices  
Level 7, 600 Bourke St, Melbourne  
**Date:** 25 July 2011

**1. New AUASB Member**

The Chairman welcomed new AUASB Member, Mr Neil Cherry, to his first AUASB meeting. Mr Cherry is the Chairman of the New Zealand Auditing and Assurance Standards Board. In a cross appointment arrangement between the two boards, Ms Merran Kelsall (AUASB Chairman) has been appointed to the NZ board from 1 July 2011.

**2. Discussion with Financial Reporting Council (FRC) Chairman**

Ms Lynn Wood (FRC Chairman) and Mr Michael Lim (FRC Secretary) attended the meeting and presented the FRC Strategic Plan for 2011-2014. Key issues of mutual interest that may impact on the work of the AUASB were discussed.

**3. Corporate Fundraisings and Prospective Financial Information**

The Board approved, subject to minor amendments, release of an exposure draft on the proposed assurance standard on Corporate Fundraisings and/or Prospective Financial Information. The ED will be released in early August with an exposure period closing 30 September 2011.

**4. GS 009 Auditing Self-Managed Superannuation Funds**

The Board approved, subject to minor amendments, a revised Guidance Statement GS 009 *Auditing Self-Managed Superannuation Funds* for release in August.

**5. Service Organisations**

The AUASB is in the process of revising Guidance Statement GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services* and will consider a further revision at the September AUASB meeting. Practitioners should be aware that the requirements of ASA 402 *Audit Considerations Relating to an Entity Using a Service Organisation* and ASAE 3402 *Assurance Reports on Controls at a Service Organisation* need to be adhered to for current engagements.

*Details of the meeting agenda are posted on the AUASB website [www.auasb.gov.au](http://www.auasb.gov.au) in the week prior to the meeting.*

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**6. ASA 510 Initial Audit Engagements – Opening Balances**

The Board agreed to reinstate guidance on separate opinions regarding financial performance and financial position in respect of opening balances in initial audit engagements.

**7. Assurance on Water Accounting Reports**

The AUASB approved, subject to minor amendments, release of a consultation paper – *Assurance Engagements on General Purpose Water Accounting Reports*. The paper has been prepared jointly with the Water Accounting Standards Board and will be released in August with a 60 day response period.

**8. Comfort Letters Project**

The Board received a report on the comfort letters project and agreed that the pronouncement will be issued as a standard on related services (ASRS); and that US SAS72 standard issued in May 2011 will be considered in drafting the Australian standard.

**9. International Matters**

- (a) The Board received a report on the IAASB meeting held 20-24 June 2011.
- (b) The Board received reports on taskforce meetings of the IAASB comprising: *Audit Quality; ISA Implementation Monitoring; Reviews and Compilations; and Compilation of Pro-forma Financial Information* projects.
- (c) The Board received reports on roundtable discussions with constituents which will be considered in developing the AUASB submissions on the following IAASB exposure draft and consultation paper:
  - (i) ED: ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (due 1 September 2011); and
  - (ii) Consultation Paper: *Enhancing the Value of Auditor Reporting: Exploring Options for Change* (due 16 September 2011).
- (d) The Board noted the latest International Update being a report on recent activities of the IAASB and other national standard setters.

**10. Other AUASB Matters**

The Board approved its business plan for 2011-12. The business plan and work program will be made available on the AUASB website.

***The next general meeting of the AUASB will be held on 12 September 2011  
at Level 7, 600 Bourke Street, Melbourne***

***The meeting will be open to the public.***

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