



## AUASB International Update

This Update summarises the significant news of the IAASB, other national auditing standards-setting bodies and professional organisations for the period 14 June to 18 July 2011.

### International Auditing and Assurance Standards Board (IAASB)

#### 1. Memorandum on *Practical Experience Requirements: Proposed Redrafted International Education Standard*

The IAASB has issued a memorandum on *Practical Experience Requirements: Proposed Redrafted International Standard*. The memorandum provides background to, and an explanation of, the proposed International Education Standard (IES) 5, Practical Experience Requirements, approved for exposure by the International Accounting Education Standards Board (IAESB) at its May 2011 meeting. The current version of IES 5 was published in May 2004 and became effective on January 1, 2005. IES 5 prescribes the practical experience IFAC member bodies should require their members to obtain before qualification as professional accountants.

A copy of the m can be located on the AUASB website (<http://www.ifac.org/Guidance/EXD-Details.php?EDID=0165>).

#### 2. Memorandum on *Entry Requirements to Professional Accounting Education: Proposed Redrafted International Education Standard*

The IAASB has issued a memorandum on *Entry Requirements to Professional Accounting Education: Proposed Redrafted International Standard*. The memorandum provides background to, and an explanation of, the proposed International Education Standard (IES) 1, Entry Requirements, approved for exposure by the International Accounting Education Standards Board (IAESB) at its May 2011 meeting. The current version of IES 5 was published in May 2004 and became effective on January 1, 2005. IES 5 prescribes the entry requirements for an IFAC member body's program of professional accounting education and practical experience.

A copy of the m can be located on the AUASB website (<http://www.ifac.org/Guidance/EXD-Details.php?EDID=0164>).

## GERMANY

### Institut der Wirtschaftsprüfer (IDW)

#### 1. Comments on four IAASB's Exposure Drafts

The IDW commented on the following:

1. IPSASB's Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities;
2. IFRS Foundation's Report of the Trustees' Strategic Review: *IFRSs as the Global Standard: Setting a Strategy for the Foundation's Second Decade*; and
3. IAASB's Discussion Paper on *The Evolving Nature of Financial Reporting: Disclosure and its Audit Implications*.

## **NEW ZEALAND**

### **Professional Standards Board (PSB)**

#### **1. PSB Developments**

At its June 2011 meeting, the PSB considered the following:

(a) *Assurance Engagements on Greenhouse Gas Statements*

The PSB approved the submission to the IAASB on exposure draft International Standard on Assurance Engagements (ISAE) 3410. The PSB is supportive of the development of an assurance standard on this topic, and is supportive of the proposals outlined in the exposure draft which it believes will help in enhancing the quality and consistency of assurance over CHG information.

(b) *The Evolving Nature of Financial Reporting: Disclosure and its audit implications*

The PSB approved, by circular resolution, the submission on the IAASB Discussion Paper: *The Evolving Nature of Financial Reporting: Disclosure and its audit implications*. The PSB is supportive of this project.

## **SOUTH AFRICA**

### **Independent Regulatory Board For Auditors (IRBA)**

#### **1. Illustrative ISA 700 Auditor's Report on Statutory Financial Statements**

The revision of SAAPS 3 Illustrative Independent Auditors' Reports has been delayed and in order to assist auditors in the interim, an illustrative auditor's report on statutory financial statements was issued. The revised wording complies with the clarity format of ISA 700 *Forming an Opinion and Reporting on Financial Statements*. The report also incorporates the wording to be used when reporting on audited financial statements of pre-existing companies prepared in accordance with the Companies Act, 2008 and Regulations.

## **UNITED STATES**

### **American Institute of Certified Public Accountants (AICPA)**

#### **1. AICPA's Audit Risk Alert: Not-for-Profit Entities Industry Developments 2011**

The AICPA's Auditing Standards Board (ASB) released audit risk alert: *not-for-profit entities industry developments 2011*. This alert helps the auditor plan and perform audits of not-for profit entities (NFPs) and also can be used by an entity's internal management to address areas of audit concern. This alert provides information to assist the auditor in achieving a more robust understanding of the business, economic, and regulatory environments in which their clients operate. This alert is an important tool to help the auditor identify the significant risks that may result in the material misstatement of financial statements and delivers information about emerging practice issues and current accounting, auditing and regulatory environments.

A copy of the alert can be located on the AICPA website

[http://www.cpa2biz.com/AST/Main/CPA2BIZ\\_Primary/AuditAttest/IndustryspecificGuidance/NotforProfit/PRDOVR~PC-022286/PC-022286.jsp](http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/AuditAttest/IndustryspecificGuidance/NotforProfit/PRDOVR~PC-022286/PC-022286.jsp)

## **Public Company Accounting Oversight Board (PCAOB)**

### **1. Proposed Standards open for comment**

The following proposed standards are open for comment:

- (a) Proposed Auditing Standard on *Auditing Supplemental Information Accompanying Audited Financial Statements and Related Amendments to PCAOB Standards*; and
- (b) Proposed Standards for *Attestation Engagements Related to Broker and Dealer Compliance or Exemption Reports Required by the U.S. Securities and Exchange Commission and Related Amendments to PCAOB Standards*.