



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **7**
Meeting Date: 26 November 2012
Subject: Proposed Exposure Drafts – ASRE 2400 and ASRE 2415
Date Prepared: 26 October 2012

Action Required

For Information Purposes Only

Agenda Item Objectives

To: approve issuance of exposure drafts **03/12** (ASRE 2400) and **04/12** (ASRE 2415).

Background

In June 2012, the IAASB approved the revised standard, ISRE 2400 *Engagements to Review Historical Financial Statements*.

At its 10 September 2012 meeting, the AUASB considered a detailed suite of papers that proposed the revised ISRE 2400 should be adopted in Australia; and supersede the existing ASRE 2400. The papers provided background information to the history and current status of review standards used in Australia and New Zealand. [See AUASB Meeting Papers for 10 September 2012 - Agenda Item 9]

Also proposed, and accepted by the AUASB, were a minimum number of recommended amendments to the revised ISRE 2400. The proposed amendments met the Board's "compelling reasons" test and were considered to add value to the standard, namely:

- To point assurance practitioners to ASRE 2405 when reviewing historical financial information other than a financial report.
- For the standard to be effective for financial reporting periods commencing on or after 1 July 2013.
- In understanding the entity, the assurance practitioner should obtain an understanding of internal control as it relates to the preparation of the financial report.
- An Emphasis of Matter paragraph should be included in a review report to highlight a material uncertainty disclosed in the financial report, including one relating to an event or condition that may cast significant doubt on the entity's ability to continue as a going concern.

This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

- Editorial/format changes in accordance with AUASB policies and practice.

In addition, the Board requested further additions to the standard to require the assurance practitioner to review management’s going concern assessment for the period from the date of the review report to the expected date of the next review report (as opposed to year-end to year-end). This change to requirements brings the standard into line with the existing equivalent Australian Auditing Standard (ASA 570).

Matters to Consider

The Board is requested to consider and decide on all the matters detailed in the attachment to this BMSP (Agenda Item 7.1).

AUASB Technical Group Recommendations

Exposure Drafts **03/12** and **04/12** should be approved for issuance subject to any Board-requested changes and final AUASB quality control procedures.

Material Presented

Agenda Item 7	AUASB Board Meeting Summary Paper
Agenda Item 7.1	Attachment to BMSP
Agenda Item 7.2	Proposed ED – ASRE 2400 (Clean Version)
Agenda Item 7.3	Proposed ED – ASRE 2400 (Marked Up Version)
Agenda Item 7.4	Proposed ED – ASRE 2415 (Clean Version)
Agenda Item 7.5	Proposed ED – ASRE 2415 (Marked Up Version)

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approve ED 03/12	Board approval	AUASB	26 Nov 2012	o/s
2.	Approve ED 04/12	Board approval	AUASB	26 Nov 2012	o/s