



Subject: Highlights of the 41st meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 26-27 October 2009

1. ASA Redrafting (Clarity Format)

Approval of Revised and Redrafted Auditing Standards

The Board approved the final versions of 41 revised and redrafted Auditing Standards in "Clarity Format" and the *AUASB Glossary*. The Auditing Standards (other than ASQC 1) are operative for financial reporting periods commencing on or after 1 January 2010. ASQC 1¹ and the *AUASB Glossary* are operative on 1 January 2010.

The Chairman especially thanked the Board, and in particular, the AUASB Technical Group for the considerable effort and quality of work in completion of the ASA Redrafting Project.

2. International Matters

(a) The Board received an update on the recent activities of the International Auditing and Assurance Standards Board (IAASB) from Ms C Mc Cabe, IAASB Member. The update included a discussion of the status of current IAASB projects and forthcoming agenda items for the December 2009 IAASB meeting. The Board was also informed that the IAASB will be seeking comments on consultation papers on the following projects:

- Proposed ISAE 3410 *Assurance on a Greenhouse Gas Statement*; and
- Complex Financial Instruments.

(b) The Board also received updates from taskforce members on IAASB projects:

- Reviews and Compilations - Ms D Azoor Hughes
- Pro Forma Information in Prospectuses – Mr D Simmonds

3. National Greenhouse and Energy Reporting Scheme (NGERS) and Carbon Pollution Reduction Scheme (CPRS)

The Board received an update on the liaison between the Department of Climate Change and AUASB regarding matters raised by the AUASB relating to the draft audit requirements for NGERS, CPRS, the Emissions-intensive Trade-exposed (EITE) assistance program under CPRS and the Electricity Sector Adjustment Scheme (ESAS) under CPRS.

4. Specified Assurance Procedures

The Board discussed an issues paper on specified assurance procedures and approved the development of a pronouncement to highlight the differentiating factors between an assurance

¹ Under ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements*, systems of quality control in compliance with this Auditing Standard are required to be established by 1 January 2010.

engagement and a non-assurance engagement and to identify the standards relevant to conducting specified assurance procedures engagements.

5. Other Guidance Statements

(a) Auditing Implications of Accounting for Investments in Associates

The Board considered a draft Guidance Statement *Auditing Implications of Accounting for Investments in Associates* and will consider the final Guidance Statement for approval out-of-session.

(b) Auditing Revenue of Charitable Entities

The Board considered a project plan to revise and reissue AGS 1054 as a Guidance Statement, which will be further considered at the December meeting once additional issues identified are addressed.

***The next AUASB meeting will be held on 7 December 2009
at Level 7, 600 Bourke Street, Melbourne.***

The meeting will be open to the public.

Details of the meeting agenda are posted on the AUASB web site www.auasb.gov.au in the week prior to the meeting.

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List of Approved Auditing Standards in Clarity Format

Operative by 1 January 2010

1. ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements*

Operative for financial reporting periods commencing on or after 1 January 2010

2. ASA 101 *Preamble to Australian Auditing Standards*
3. ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*
4. ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*
5. ASA 210 *Agreeing the Terms of Audit Engagements*
6. ASA 220 *Quality Control for an Audit of a Financial Report and Other Historical Financial Information*
7. ASA 230 *Audit Documentation*
8. ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*
9. ASA 250 *Consideration of Laws and Regulations in an Audit of a Financial Report*
10. ASA 260 *Communication with Those Charged with Governance*
11. ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*
12. ASA 300 *Planning an Audit of a Financial Report*
13. ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment*
14. ASA 320 *Materiality in Planning and Performing an Audit*
15. ASA 330 *The Auditor's Responses to Assessed Risks*
16. ASA 402 *Audit Considerations Relating to an Entity Using a Service Organisation*
17. ASA 450 *Evaluation of Misstatements Identified during the Audit*
18. ASA 500 *Audit Evidence*
19. ASA 501 *Audit Evidence—Specific Considerations for Inventory and Segment Information*
20. ASA 502 *Audit Evidence—Specific Considerations for Litigation and Claims*

21. *ASA 505 External Confirmations*
22. *ASA 510 Initial Audit Engagements—Opening Balances*
23. *ASA 520 Analytical Procedures*
24. *ASA 530 Audit Sampling*
25. *ASA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*
26. *ASA 550 Related Parties*
27. *ASA 560 Subsequent Events*
28. *ASA 570 Going Concern*
29. *ASA 580 Written Representations*
30. *ASA 600 Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*
31. *ASA 610 Using the Work of Internal Auditors*
32. *ASA 620 Using the Work of an Auditor's Expert*
33. *ASA 700 Forming an Opinion and Reporting on a Financial Report*
34. *ASA 705 Modifications to the Opinion in the Independent Auditor's Report*
35. *ASA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*
36. *ASA 710 Comparative Information—Corresponding Figures and Comparative Financial Reports*
37. *ASA 720 The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report*
38. *ASA 800 Special Considerations—Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*
39. *ASA 805 Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*
40. *ASA 810 Engagements to Report on Summary Financial Statements*
41. *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*

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