



Attachment to AUASB Board Meeting Summary Paper

AGENDA ITEM NO.	5(b).1
Meeting Date:	10 September 2012
Subject:	<i>ASAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus</i>
Date Prepared:	27 August 2012

Issue 1: Guidance to distinguish limited assurance from reasonable assurance

Background

The AUASB requested further clarification be made to the guidance that distinguishes limited and reasonable assurance procedures when providing assurance on the compilation of pro forma financial information. Such clarification was to be done in such a way that there would not be extensive additions of requirements or guidance made.

In response, the AUASB Technical Group has:

- removed the limited and reasonable assurance tables that were proposed in the 23 July meeting and re-instated the previous “paragraph style” format; and
- re-worded requirements and related guidance, where applicable, to clarify the additional procedures that are to be performed if limited assurance is required.

AUASB Technical Group recommendation

The AUASB Technical Group recommends that this amended format and content be approved.

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Information only

The following Key changes have also been made:

1. Internal quality assurance process changes.
2. At the 23 July meeting, the AUASB requested:
 - clarifying requirements regarding when the assurance practitioner cannot obtain sufficient appropriate evidence (refer paragraph Aus 19.1);
 - further refinement to the limited assurance references (refer paragraphs Aus 0.2, paragraph Aus 31.1 (previously Aus 31L.1/Aus 31R.1);
 - clarifying guidance re limited assurance, reasonable assurance and availability of evidence (refer paragraphs Aus A6.2-Aus A6.4); and
 - clarifying guidance re limited assurance and availability of evidence guidance [refer paragraphs Aus A28.1, Aus A30.1, A32, and A38 (previously Aus A28L.1/28R.1, Aus A30L.1/30R.1; Aus A32L.1/32R.1 and Aus A38L.1/A38R.1 respectively)].

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