

15 December 2008

Ms M Kelsall  
Chairman  
Auditing & Assurance Standards Board  
PO Box 204  
Collins Street West  
Melbourne Victoria 8007

Dear Ms Kelsall

**ED 19/08 Proposed Auditing Standard ASA 510 *Initial Audit Engagements – Opening Balances* (Revised and Redrafted)**

Attached is the Australasian Council of Auditors-General (ACAG) response to the exposure draft referred to above.

The views expressed in this submission represent those of all Australian members of ACAG.

The opportunity to comment is appreciated and I trust you will find the attached comments useful.

Yours sincerely



Frank McGuinness  
Chairman  
ACAG Financial Reporting and Auditing Committee

**ED 19/08 Proposed Auditing Standard ASA 510 *Initial Audit Engagements – Opening Balances* (Revised and Redrafted)**

The views expressed below are those of the Australian members of the Australasian Council of Auditors-General (ACAG).

ACAG has reviewed the Exposure Draft and provides responses to the questions asked.

***1. Have applicable laws and regulations been appropriately addressed in the proposed standard?***

ACAG believes that applicable laws and regulations have been adequately addressed within the Exposure Draft.

***2. Are there any references to relevant laws or regulations that have been omitted?***

ACAG believes that the proposed audit standard will adequately capture any other legislative instruments that require the conduct of an audit.

***3. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?***

ACAG does not believe current laws or regulations will prevent or impede the application of the proposed standard, or may conflict with the proposed standard.

***4. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the Requirements of this proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of audit services?***

ASA 510 (Revised and Redrafted) mandates some issues previously discussed in the explanatory guidance. ACAG does not believe there will be any significant additional costs arising from compliance with the main changes to the Requirements of the proposed Auditing Standard to auditors, however, in relation to documentation it would depend upon current best practice of the individual firms or audit offices. Similarly, with regard to the business community, we do not believe there will be any significant additional costs.

ACAG considers that the amendments identified in this revised Auditing Standard provide increased clarity for the benefit of the audit process.

***5. Are there any other significant public interest matters that constituents wish to raise?***

There are no other significant public interest matters that ACAG wishes to raise.

***Other comments:***

We believe that the Explanatory Material specific to the public sector entities is useful guidance.