

Ms M Kelsall
Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
MELBOURNE VIC 8007

15 December 2008

Dear Ms Kelsall

EXPOSURE DRAFT 21/08 PROPOSED AUDITING STANDARD ASA 580 WRITTEN REPRESENTATIONS (REVISED AND REDRAFTED) (RE-ISSUANCE OF ASA 580)

Members of the Australasian Council of Auditors-General (ACAG) have been canvassed and submit the attachment in 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

EXPOSURE DRAFT 21/08 PROPOSED AUDITING STANDARD ASA 580 WRITTEN REPRESENTATIONS (REVISED AND REDRAFTED) (RE-ISSUANCE OF ASA 580)

ACAG has reviewed the Exposure Draft (ED) and provides a comment on the main changes from the existing ASA 580 as requested, and responses to the five questions indicated in the ED.

Response to main changes from the existing ASA 580

The main changes to the requirements of this proposed Auditing Standard are supported.

ACAG particularly notes:

- the benefits of the new requirements to assess management's integrity based on their representations and other audit evidence, as detailed in par 17 - 19 of this proposed Auditing Standard, and
- Appendix 1 being a useful cross reference to other relevant standards.

Questions for comment

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

ACAG believes that applicable laws and regulations have been appropriately addressed within the Authority Statement and item Aus 0.1 under the heading "Application".

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

ACAG believes that item Aus 0.1(b) should 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 is not aware of any current laws or regulations that prevent or impede or are likely to 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?*

ACAG does not believe there will be any significant additional costs to auditors and the business community arising from compliance with the main changes to the Requirements of

the proposed Auditing Standard. The Requirements of the proposed standard are, we believe, consistent with those in the current ASA 580.

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 Matters

1) The first sentence in paragraph 4 should commence “Although written representations provide.....”

2) The last two lines in paragraph A22.1 may require rewording as the sentence does not appear to read well. Also it is not clear as to who the auditor should communicate their intentions to.