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The Chairman
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Our ref AUASB submission May 09 -
DRAFT_7109895_1(Admin).DOC
Contact Julian Bishop (02) 9335 8749

via email: edcomments@auasb.gov.au

18 May 2009



Dear Ms Kelsall

Exposure Drafts 09/09, 10/09, 11/09, 12/09, 13/09, 14/09, 15/09, 16/09 & 17/09

We are pleased to have the opportunity to comment on the following Exposure Drafts:

- 09/09 Proposed Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements*
- 10/09 Proposed Auditing Standard ASA 220 *Quality Control for an Audit of a Financial Report and Other Historical Financial Information*
- 11/09 Proposed Auditing Standard ASA 210 *Agreeing the Terms of Audit Engagements*
- 12/09 Proposed Auditing Standard ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*
- 13/09 Proposed Auditing Standard ASA 402 *Audit Considerations Relating to an Entity Using a Service Organisation*
- 14/09 Proposed Auditing Standard ASA 505 *External Confirmations*
- 15/09 Proposed Auditing Standard ASA 508 *Litigation and Claims*
- 16/09 Proposed Auditing Standard ASA 620 *Using the Work of an Auditor's Expert*
- 17/09 Proposed Auditing Standard ASA 710 *Comparative Information – Corresponding Figures and Comparative Financial Reports*

We are supportive of the overall content of these proposed standards and have a number of specific comments we would like to bring to the Board's attention as noted below.



ED 09/09 ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements

No specific comment on the proposed standard, however, we would like to emphasise the importance of the AUASB working closely with the APESB to ensure that ASQC 1 is consistent at all times with APES 320: *Quality Control for Firms*.

ED 10/09 (ASA 220) Quality Control for an Audit of a Financial Report and Other Historical Financial Information

Paragraph 1

Remove the letters ASA from the first line.

Paragraph A18

Insert the word **engagement** before partner in the last but one line.

ED 11/09 (ASA 210) Agreeing the Terms of Audit Engagements

No specific comments.

ED 13/09 (ASA 402) Audit Considerations Relating to an Entity Using a Service Organisation

We note that GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services* links very closely with this exposure draft, therefore GS 007 should be reviewed to ensure consistent guidance between this auditing standard and the guidance statement.

ED 14/09 (ASA 505) External Confirmations

We note that in paragraph 44 of the extant standard additional information is provided regarding external confirmations prior to the year-end. We suggest this information also be included in the application and other explanatory material in the proposed standard.

Paragraph 2

~~This paragraph includes generalisations applicable to audit evidence similar to ASA 500 paragraph A31. We suggest this paragraph also include the fifth dot point in ASA 500~~



paragraph A31 relating to evidence provided by original documents being more reliable than photocopies or facsimiles. This is particularly relevant for external confirmations.

ED 15/09 (ASA 508) Litigation and Claims

As stated in our submission on proposed ASA 501, we believe the content of this standard should be included within ASA 501 for consistency with international standards.

Paragraph 1

“a” missing from last line “audit of a financial report”

Paragraph A8.10

The words “for example” should be at the start of the first dot point or deleted.

ED 17/09 (ASA 710) Comparative Information – Corresponding Figures and Comparative Financial Reports

The inclusion in the proposed standard of requirements and explanatory guidance for the two different concepts of corresponding figures and comparative financial reports is potentially very confusing.

AASB 101 requires the use of the corresponding figures concept as it is defined by proposed ASA 710. We recommend that, consistent with extant ASA 710, the paragraphs that relate to comparative financial reports be deleted from the proposed standard to avoid confusion and the inappropriate application of the standard.

We would be pleased to discuss our submission with members of the AUASB or its staff. If you wish to do so, please contact me on (02) 9335 8749.

Yours sincerely

Julian Bishop
Partner

