

The Chairman
Auditing and Assurance Standards Board
Level 4
530 Collins Street
Melbourne VIC 3000

18 May 2009

Dear Ms Kelsall

Comments on Exposure Drafts 09/09 – 17/09:

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

We appreciate the opportunity to comment on the above mentioned Exposure Drafts and to contribute to the continued improvement of the Australian Auditing Standards. We have some minor comments on the changes to the Requirements of these proposed standards below and are pleased to support their introduction.

Specific comments on Proposed Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements*

As was noted in our recent submission to the Accounting Professional & Ethical Standards Board (APESB) on APES 320 *Quality Control for Firms*, we strongly support the proposition that systems of quality control are required for all firms that perform these engagements. However, in our view, it is generally unhelpful for firms to need to deal with different wording in different standards applying to identical circumstances. Accordingly we believe that any differences in wording between ASQC1 and APES 320 should be eliminated or be kept to an absolute minimum. With this in mind we strongly encourage the AUASB to continue to work with the APESB to ensure that any differences between these two proposed standards are either removed or eliminated.

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Suggested changes to ED 17/09 Proposed Auditing Standard ASA 710 *Comparative Information - Corresponding Figures and Comparative Financial Reports*

We support the fact this Proposed Auditing Standard seeks to conform with International Standard on Auditing ISA 710 with the inclusion of requirements and application material relating to both corresponding figures and comparative financial reports in the 'Definitions' section. However, it would be useful to highlight in the 'Definitions' section (potentially by expanding paragraph Aus 6.1(b)) the fact that the Australian financial reporting framework uses corresponding figures. There is a risk that some confusion may arise, especially as the extant ASA 710 uses the word "comparatives" to refer to corresponding figures.

We continue to support the approach taken by the Auditing and Assurance Standards Board to this latest group of proposed "Clarity" format Australian Auditing Standards and commend the AUASB on the progress made to date.

We would be pleased to discuss our comments with you. Please contact Avril Trent on (02) 8266 8097, Matthew Zappulla on (03) 8603 3220 or myself on (03) 8603 3649 should you require any further information.

Yours sincerely



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