



International Update

Subject: AUASB International Update

Introduction

This edition of the AUASB International Update summarises the significant news and activities for the period May 2010 to mid-June 2010 of the following standards-setting bodies and professional organisations:

- International Auditing and Assurance Standards Board (IAASB)
- Auditing Practices Board (APB) (UK)
- Canadian Auditing and Assurance Standards Board (AASB)
- Public Company Accounting Oversight Board (PCAOB) (USA)
- Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA)
- Professional Standards Board (PSB) (New Zealand)

We would like to know what you think about the content being provided in the AUASB International Updates; please send your feedback to enquiries@auasb.gov.au.

International Auditing and Assurance Standards Board (IAASB)

1. IAASB Projects in Projects

The June 2010 IAASB [meeting](#) included discussion and consideration of the following proposed pronouncements:

- Draft of revised IAPS 1012 *Auditing Complex Financial Instruments*
- Exposure draft of revised ISA 610 *Using the Work of Internal Auditors*
- Exposure draft of revised ISA 315 *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment*
- Draft of new ISAE 3410 *Assurance on a Greenhouse Gas Statement*
- Draft of revised ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*
- Draft of revised *International Framework for Assurance Engagements*
- Draft of revised ISRE 2400 *Engagements to Review Historical Financial Statements*

For more information, please click [here](#).

Auditing Practices Board (APB) (UK)

1. Exposure Draft on Practice Note 20 (Revised) *The Audit of Insurers in the United Kingdom*

The UK APB has issued an Exposure Draft on the Revised Practice Note [\(PN\) 20](#) *The Audit of Insurers in the United Kingdom*. The revised PN incorporates updates on Clarity ISAs (UK and Ireland), and changes in the legislative and regulatory framework. The comment period ends on 16 August 2010.

For more information, please click [here](#).

Auditing and Assurance Standards Board (AASB) (Canada)

1. Invitation to Comment on the Exposure Draft of ISAE 3420

The Canadian AASB invites its stakeholders to comment on the IAASB's proposed ISAE [3420](#) *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*. The AASB, however, does not intend to adopt ISAE 3420 in Canada at this time, due to its significant concerns about the proposed Standard.

Public Company Accounting Oversight Board (PCAOB) (USA)

1. PCAOB's Investor Advisory Group and Standing Advisory Group

Investor Advisory Group

The PCAOB's Investor Advisory Group ([IAG](#)) held its first public meeting on 4 May 2010. The IAG was formed to provide the PCAOB with a forum to obtain views from the broad investor community regarding matters relating to auditor oversight and their impact on investors.

Standing Advisory Group

The PCAOB is seeking nominations for its Standing Advisory [Group](#) for the two-year term of 2011-2012. This group provides the PCAOB with diverse perspectives relating to its standard-setting process. The group's current members are experts in various fields, such as accounting, auditing, corporate finance, governance, and investments in public companies. Nominations closed 17 June 2010.

For more information, please click [here](#).

Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA)

1. Issuance of SSAE No. 16 *Reporting on Controls at a Service Organization* and Clarified Auditing Standard on *Audit Considerations Relating to an Entity Using a Service Organization*

The AICPA's ASB has issued the following standards:

- Statement on Standards for Attestation Engagements (SSAE) [No. 16 *Reporting on Controls at a Service Organization*](#), which establishes the requirements and provides guidance for an auditor of a service organisation reporting on a service organisation's controls. It replaces the guidance for service auditors in SAS No. 70 *Service Organizations* and is effective for service auditors' reports for periods ending on or after 15 June 2011.
- Clarified Statement on Auditing Standards ([SAS](#)) *Audit Considerations Relating to an Entity Using a Service Organization*, which addresses the responsibilities of an auditor of a user organisation when auditing an organisation that uses one or more service organisations. This clarified SAS replaces the requirements and guidance for user auditors in SAS No. 70 *Service Organizations*.

2. Issuance of Clarified Auditing Standard on *Consideration of Laws and Regulations in an Audit of Financial Statements*

The ASB has issued the Clarified Statement on Auditing Standards ([SAS](#)) *Consideration of Laws and Regulations in an Audit of Financial Statements*, which addresses the auditor's responsibility to consider laws and regulations in a financial statements audit. This clarified SAS is effective for audits of financial statements for periods ending on or after 15 December 2012.

3. Issuance of Exposure Draft on Proposed Auditing Standard on *Filings with the SEC Under the Securities Act of 1933*

As part of its *Clarity Project*, the ASB has issued the Exposure Draft on Proposed Statement on Auditing Standards ([SAS](#)) on *Filings with the U.S. Securities and Exchange Commission Under the Securities Act of 1933*, which is intended to replace SAS 37 *Filings Under Federal Securities Statutes*. The comment period ends on 2 August 2010.

For more information, please click [here](#).

Professional Standards Board (PSB) (New Zealand)

1. April 2010 PSB Meeting

The PSB covered the following at its April 2010 [meeting](#):

- The PSB approved the revised AGS 1003 *Audit Issues Relating to Electronic Presentation of Financial Reports*, which provides guidance to auditors of entities that use the internet for presenting their audited financial reports.
- The PSB approved ISAE (NZ) 3402 *Assurance Reports on Controls at a Service Organisation*. The PSB has recommended that the standard be effective for service auditor's assurance reports covering periods ending on or after 15 June 2011. The next step will be the final approval of ISAE (NZ) 3402 by the Board of the Institute of Chartered Accountants of New Zealand.

For more information, please click [here](#).

Auditing and Assurance Standards Board, Level 7, 600 Bourke Street, Melbourne, VIC, 3000
Telephone: +61 3 8080 7400 **Facsimile:** +61 3 8080 7450 **Email:** enquiries@auasb.gov.au
www.auasb.gov.au

The AUASB International Update is provided as a courtesy to subscribers. Subscribers should not rely on the service as a definitive publication of updates. The Auditing and Assurance Standards Board does not guarantee, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency, timeliness or completeness of the notification service. Invalid email addresses and those with a full mailbox will be removed from the list. Access to the AUASB web site is subject to the terms and conditions outlined at <http://www.auasb.gov.au/copyright.htm>. Please note that in most cases documents are available at a later date from relevant sections.

[Click here if you would like to unsubscribe from this newsletter](#)