



Subject: Highlights of the 35th meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 1 December 2008

1. ASA Redrafting (Clarity Format)

Project Update:

The Board was provided with a progress report on the “Clarity” project and noted that the project is still on track for completion, as planned, in October 2009.

Approval of Group 2 of the redrafted Auditing Standards:

The Board considered:

- comments received in respect of exposure drafts, and
- final draft versions in “Clarity” format of the following proposed Auditing Standards:

(a) *ASA 230 Audit Documentation*

(b) *ASA 300 Planning an Audit of a Financial Report*

(c) *ASA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

(d) *ASA 560 Subsequent Events*

(e) *ASA 570 Going Concern*

(f) *ASA 600 Special Considerations – Audits of a Group Financial Report (Including the Work of Component Auditors)*

The Board cleared these Standards for final approval at a later date, with the exception of *ASA 570 Going Concern*. The Board requested some amendments to this proposed standard and a further draft will be considered at the 23-24 February 2009 AUASB meeting.

The Board also considered a revised draft of *ASA 260 Communication with Those Charged with Governance*. The Board requested further amendments to this proposed standard and a further draft will be considered at the 23-24 February 2009 AUASB meeting.

Approval of release of Group 4 of Exposure Drafts:

The Board considered draft versions, in “Clarity” format, of the following exposure drafts (EDs) of proposed revised Auditing Standards:

(a) *ED 23/08 ASA 530 Audit Sampling*

(b) ED 24/08 ASA 610 *Using the Work of Internal Auditors*

The Board approved the issue of these EDs, which will be released early December with comments due by 23 January 2009.

The Board also discussed a working document based on ASA 100 *Preamble to AUASB Pronouncements*. This interpretive document is being revised progressively as other standards are redrafted. Progressive versions are available on the AUASB website to assist constituents in responding to the EDs.

The Board also agreed on the need for effective communication with practitioners and in particular, to work with the professional accounting bodies to raise awareness and understanding of the Clarity project.

2. Other Projects

(a) *National Greenhouse and Energy Reporting (NGER) Act 2007 and Carbon Pollution Reduction Scheme*

The Board received an update on matters relating to the Department of Climate Change on its "External Audit Consultation Paper".

Consultation with The Department of Climate Change is ongoing, and over the next month, the AUASB will provide staff assistance to the Department to assist in the finalisation of auditing requirements for the NGER Scheme.

3. International matters

(a) The Board discussed papers on key issues to be considered at the 8-12 December 2008, IAASB meeting.

(b) The Board considered a draft submission on the IAASB Consultation Paper (September 2008) on matters to consider in the proposed revision of ISRE 2400 *Engagements to Review Financial Statements*.

4. Membership

The Chairman acknowledged and thanked Mr Ian McPhee, whose second three year term concludes at the end of 2008, for his significant contribution to the work of the AUASB.

***The next AUASB meeting will be held on 23 and 24 February 2009
at Level 7, 600 Bourke Street, Melbourne.***

The meeting will be open to the public.

Details of the meeting agenda are posted on the AUASB web site www.auasb.gov.au in the week prior to the meeting.

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