

The Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne Victoria 8007

Our ref AUASB submission Oct 08.doc

Contact Julian Bishop (02) 9335 8749

via email: edcomments@auasb.gov.au

17 October 2008

Dear Ms Kelsall

Exposure Drafts 09/08, 10/08, 11/08, 12/08, 13/08 & 14/08

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

- 09/08 Proposed Auditing Standard ASA 230 *Audit Documentation*
- 10/08 Proposed Auditing Standard ASA 300 *Planning an Audit of a Financial Report*
- 11/08 Proposed Auditing Standard ASA 600 *Special Considerations – Audits of a Group Financial Report (Including the Work of Component Auditors)*
- 12/08 Proposed Auditing Standard ASA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*
- 13/08 Proposed Auditing Standard ASA 560 *Subsequent Events*
- 14/08 Proposed Auditing Standard ASA 570 *Going Concern*.

Consistent with the first batch of exposure drafts issued in relation to the international “clarity” project, there are a significant number of paragraphs that have been elevated from guidance in extant standards to requirements in these exposure drafts, as well as there being a number of entirely new requirements.

It is also noted that proposed ASA 600 and ASA 540 have both had major revisions compared to the extant standard.

As stated in our comment letter on the first batch of “clarity” exposure drafts, the AUASB should carefully consider communications of the impact and expectations that surround the implementation of these proposed standards.

We are supportive of the overall content of the proposed standards. A number of detailed comments are included in an appendix to this letter.



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14/08
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We would be pleased to discuss our comments with members of the AUASB or its staff. If you wish to do so, please contact me on (02) 9335 8749.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Julian Bishop', written in a cursive style.

Julian Bishop
Partner

Appendix

	ED	Paragraph(s)	Issue noted	Recommendation
1	9/08 ASA 230	Aus 12.1	The reference to "...essential procedures contained within a relevant mandatory Requirement" should be reconsidered in light of the change in structure of the standards	Reconsider the references to: <ul style="list-style-type: none"> - essential procedures - mandatory Requirement to ensure they are clearly enough defined.
2	09/08 ASA 230	16.1	In order to minimise the differences between Australian and International Standards, the AUASB should reconsider whether this requirement needs to be included or is sufficiently addressed by ASA 220 and/or APES 320	
3	11/08 ASA 600	Appendix	Suggest providing an example auditor's report for the scenario where a component auditor reports to a group auditor based on an audit conducted at a specified component materiality level greater than materiality based on the component's financial information	
4	14/08 ASA 570	Aus 3.1	This paragraph would appear to be more appropriate in the Application and Other Explanatory Material section rather than in the Requirements section	Move to Application and Other Explanatory Material section
5	14/08 ASA 570	Aus 11.1	This paragraph would be more appropriate to move to Aus 16.1 rather than its current location	Move Aus 11.1 to paragraph Aus 16.1
6	14/08 ASA 570	Aus 13.1	This paragraph would appear to be more appropriate in the Application and Other Explanatory Material section rather than in the Requirements section	Move to Application and Other Explanatory Material section