

EXPOSURE DRAFT

ED 9/05
(October 2005)

Proposed Auditing Standard: Terms of Audit Engagements (Re-issuance of AUS 204)

Prepared and Issued by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

Commenting on this Exposure Draft

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PREFACE

Reasons for Issuing ED ED 9/05

The Auditing and Assurance Standards Board (AUASB) is proposing to re-issue Auditing Standard (AUS 204) *Terms of Audit Engagements* due to the requirements of the legislative provisions explained below.

The *Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* (the CLERP 9 Act) established the AUASB as an independent statutory body under section 227A of the *Australian Securities and Investments Commission Act 2001*, as from 1 July 2004. Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards will be legislative instruments under the *Legislative Instruments Act 2003*.

Main Proposals

This proposed Auditing Standard:

- (a) provides mandatory requirements and explanatory guidance on agreeing and documenting the terms of the audit engagement with the entity; and
- (b) provides mandatory requirements and explanatory guidance on the auditor's response to a request by the entity to change the terms of the audit engagement to an engagement that provides a lower level of assurance.

Proposed Operative Date

It is intended that this proposed Auditing Standard will be operative for reporting periods commencing on or after 1 July 2006.

Main changes from existing AUS 204 (June 2000)

The main differences between this proposed Auditing Standard and the Auditing Standard issued by the former Auditing & Assurance Standards Board of the Australian Accounting Research Foundation that it supersedes, AUS 204 *Terms of Audit Engagements* (June 2000), is that in this proposed Auditing Standard:

1. the word 'shall', in the **bold-type** paragraphs, is the terminology used to describe an auditor's mandatory requirements, whereas an auditor's degree of responsibility was previously described by the word 'should';
2. the explanatory paragraphs provide guidance and illustrative examples to assist the auditor in fulfilling the mandatory requirements, whereas previously some obligations were implied within certain explanatory paragraphs. Accordingly, such paragraphs have been re-drafted to clarify that the matter forms part of the explanatory guidance;
3. the following additional mandatory requirements are included:
 - (a) when the audit is conducted in accordance with Part 2M.3 of the *Corporations Act 2001*, the auditor shall include in the written terms of the engagement (paragraph 13):
 - (i) a statement confirming that the auditor has appropriate processes in place to allow the auditor to meet the independence requirements of the *Corporations Act 2001*; and
 - (ii) a statement confirming that, should the auditor become aware that the auditor has contravened the independence requirements of the *Corporations Act 2001*, the auditor will notify the entity immediately;
 - (b) the terms of the engagement shall identify the applicable financial reporting framework (paragraph 17);
 - (c) the auditor shall accept an engagement for an audit of a financial report only when the auditor concludes that the financial reporting framework adopted by management is acceptable or when it is required by law or regulation. When law or regulation requires use of a financial reporting framework for general purpose financial reports that the

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auditor considers to be unacceptable, the auditor shall accept the engagement only if the deficiencies in the framework can be adequately explained to avoid misleading users (paragraph 20);

4. the following additional guidance in the explanatory paragraphs is included:
 - (a) guidance in relation to agreeing on the applicable financial reporting framework (paragraphs 18, 19, 21 and 22); and
 - (b) guidance in relation to engagement letters for the audit of components (paragraphs 15 and 16); and
5. the example engagement letter at Appendix 1 has been re-worded based on the example engagement letter in the equivalent ISA 210, "*Terms of Audit Engagements*," and also includes matters relating to auditor independence and the entity's annual general meeting.

A Table of Proposed Changes is provided as an attachment to this Exposure Draft.

Request for Comments

Comments are invited on this Exposure Draft of the proposed re-issuance of Auditing Standard (AUS 204) *Terms of Audit Engagements* by 15 December 2005. The AUASB would prefer that respondents express a clear overall opinion on whether the proposed Auditing Standard, as a whole, is supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on any matter. The AUASB regards both critical and supportive comments as essential to a balanced review of the proposed Auditing Standard.

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes Auditing Standard << >> *Terms of Audit Engagements* as set out in paragraphs 1 to 34 and Appendix 1, pursuant to section 227B of the *Australian Securities and Investment Commission Act 2001* and section 336 of the *Corporations Act 2001*.

This Auditing Standard is to be read in conjunction with the *Preamble to AUASB Standards*, which sets out the intentions of the AUASB on how the Auditing Standards are to be understood, interpreted and applied.

The mandatory requirements of this Auditing Standard are set out in **bold-type** paragraphs.

AUDITING STANDARD

Terms of Audit Engagements

Application

- 1 **This Auditing Standard applies to:**
 - (a) **an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with Part 2M.3 of the *Corporations Act 2001*; and**
 - (b) **an audit of a financial report for any other purpose.**
- 2 This Auditing Standard also applies, as appropriate, to an audit of other financial information.

Operative Date

- 3 **This Auditing Standard is operative for financial reporting periods commencing on or after 1 July 2006.**

Introduction

- 4 The purpose of this Auditing Standard is to establish mandatory requirements and to provide explanatory guidance on:
 - (a) agreeing and documenting the terms of the audit engagement with the entity; and
 - (b) the auditor's response to a request by the entity to change the terms of the audit engagement to one that provides a lower level of assurance.
- 5 **The auditor shall agree on the terms of the audit engagement with the entity, which shall be recorded in writing by the auditor and forwarded to the entity. When the audit engagement is undertaken pursuant to legislation, the minimum applicable terms are those contained in the legislation.**
- 6 The agreed terms are ordinarily recorded in an audit engagement letter but may also be recorded in another suitable form of contract.

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- 7 This Auditing Standard is intended to assist the auditor in the preparation of engagement letters relating to audits of a financial report.
- 8 In some countries, the objective and scope of an audit and the auditor's obligations are established by law. For example, the objective of the audit of a financial report of certain entities is established by the *Corporations Act 2001*. Even in those situations, the auditor may still find engagement letters informative for their clients.

Audit Engagement Letters

- 9 It is in the interests of both the entity and the auditor that the auditor sends an engagement letter, preferably before the commencement of the audit, to help in avoiding misunderstandings with respect to the engagement. The engagement letter ordinarily documents and confirms the auditor's acceptance of the appointment, the objective and scope of the audit, the extent of the auditor's responsibilities to the entity and the form of any reports.

Principal Contents

- 10 The form and content of audit engagement letters may vary for each entity, but they would generally include reference to:
- (a) The objective of the audit of the financial report.
 - (b) Management's responsibility for the subject matter of the audit as described in AUS 202, "Objectives and General Principles Governing an Audit of a Financial Report."
 - (c) The applicable financial reporting framework adopted by management in preparing the financial report.
 - (d) The scope of the audit, including reference to applicable regulations and the relevant ethical requirements relating to audit engagements to which the auditor adheres.
 - (e) The form of any reports or other communication of results of the engagement.
 - (f) The fact that because of the test nature and other inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that even some material misstatement may remain undiscovered.

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- (g) Unrestricted access to whatever records, documentation and other information is requested in connection with the audit.

11 The auditor may also wish to include in the letter:

- (a) Arrangements regarding the planning and performance of the audit.
- (b) Expectation of receiving from management written confirmation concerning representations made in connection with the audit.
- (c) Request for the entity to confirm the terms of the engagement by acknowledging receipt of the engagement letter.
- (d) Description of any other letters or reports the auditor expects to issue to the entity.
- (e) Basis on which fees are computed and any billing arrangements.

12 When relevant, the following points could also be included:

- (a) Arrangements concerning the involvement of other auditors and experts in some aspects of the audit.
- (b) Arrangements concerning the involvement of internal auditors and other entity staff.
- (c) Arrangements to be made with the predecessor auditor, if any, in the case of an initial audit.
- (d) Any restriction of the auditor's liability when such possibility exists
- (e) A reference to any further agreements between the auditor and the entity.
- (f) A reference to other applicable legislation such as the privacy legislation.

An example of an audit engagement letter is set out in Appendix 1.

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Auditor Independence

- 13 **When the audit is conducted in accordance with Part 2M.3 of the *Corporations Act 2001*, the auditor shall include in the written terms of the engagement:**
- (a) **a statement confirming that the auditor has appropriate processes in place to allow the auditor to meet the independence requirements of the *Corporations Act 2001*; and**
 - (b) **a statement confirming that, should the auditor become aware that the auditor has contravened the independence requirements of the *Corporations Act 2001*, the auditor will notify the entity immediately.**
- 14 The *Corporations Act 2001* contains general and specific provisions in relation to auditor independence, a range of specific restrictions on the employment relationships existing between the audited entity and its auditors and provisions relating to the auditor's attendance at an entity's annual general meeting, which the auditor may also include in the engagement letter.

Audits of Components

- 15 When the auditor of a parent entity is also the auditor of its subsidiary, branch or division (component), the factors that influence the auditor's decision whether to send a separate engagement letter to the component include:
- (a) Who appoints the auditor of the component.
 - (b) Whether a separate audit report is to be issued on the component.
 - (c) Legal requirements.
 - (d) The extent of any work performed by other auditors.
 - (e) The degree of ownership by the parent entity.
 - (f) The degree of independence of the component management.
 - (g) Whether the terms of engagement for each component are the same.

- (h) Relevant regulatory requirements.
- 16 The auditor may send one engagement letter relating to the group as a whole. In such cases, the auditor ordinarily identifies each component of the entity whose financial report is to be audited, the date and period covered by the financial report and any other relevant reporting requirements.

Agreement on the Applicable Financial Reporting Framework

- 17 The terms of the engagement shall identify the applicable financial reporting framework.**
- 18 As stated in AUS 202, the acceptability of the financial reporting framework adopted by management in preparing the financial report will depend on the nature of the entity and on the objective of the financial report. In some cases, the objective of the financial report will be to meet the common information needs of a wide range of users; in others, to meet the needs of specific users.
- 19 AUS 202 describes the financial reporting frameworks that are presumed to be acceptable for general purpose financial reports. Legislative and regulatory requirements often identify the applicable financial reporting framework for general purpose financial reports. In most cases, the applicable financial reporting framework will be established by a standards setting organisation, such as the Australian Accounting Standards Board, that is authorised or recognised to promulgate standards in the jurisdiction in which the entity is registered or operates.
- 20 The auditor shall accept an engagement for an audit of a financial report only when the auditor concludes that the financial reporting framework adopted by management is acceptable or when it is required by law or regulation. When law or regulation requires use of a financial reporting framework for general purpose financial reports that the auditor considers to be unacceptable, the auditor shall accept the engagement only if the deficiencies in the framework can be adequately explained to avoid misleading users.**
- 21 Without an acceptable financial reporting framework management does not have an appropriate basis for preparing the financial report and the auditor does not have suitable criteria for evaluating the entity's financial report. In these circumstances, unless use of the financial reporting framework is required by law or regulation, the

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auditor ordinarily encourages management to address the deficiencies in the financial reporting framework or to adopt another financial reporting framework that is acceptable. When the financial reporting framework is required by law or regulation and management has no choice but to adopt this framework, pursuant to paragraph 20 of this Auditing Standard, the auditor is required to accept the engagement only if the deficiencies can be adequately explained in the financial report to avoid misleading users, see AUS 702 (Part B), “The Audit Report on a General Purpose Financial Report,” and, unless required by law or regulation to do so, pursuant to AUS 702 (Part A), does not express the opinion on the financial report using the terms “gives a true and fair view” or “is presented fairly, in all material respects,” in accordance with the applicable financial reporting framework.

- 22 When the auditor accepts an engagement involving an applicable financial reporting framework that is not established by an organisation that is authorised or recognised to promulgate standards for general purpose financial reports of certain types of entities, the auditor may encounter deficiencies in that framework that were not anticipated when the engagement was initially accepted and that indicate that the framework is not acceptable for general purpose financial reports. In these circumstances, the auditor ordinarily discusses the deficiencies with management and the ways in which such deficiencies may be addressed. If the deficiencies result in a financial report that is misleading and there is agreement that management will adopt another financial reporting framework that is acceptable, pursuant to paragraph 30 of this Auditing Standard, the auditor is required to refer to the change in the financial reporting framework in a new engagement letter. AUS 702(Part B) provides mandatory requirements and explanatory guidance in relation to circumstances where management refuses to adopt another financial reporting framework and the impact of the deficiencies on the auditor’s report.

Recurring Audits

- 23 **On recurring audits, the auditor shall consider whether circumstances require the terms of the engagement to be revised, and whether there is a need to re-confirm in writing the existing terms of the engagement with the entity.**
- 24 The auditor may decide not to send a new engagement letter each period. However, the following factors may make it appropriate to send a new engagement letter:

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- (a) Any indication that the entity misunderstands the objective and scope of the audit.
- (b) Any revised or special terms of the engagement.
- (c) A recent change of senior management or those charged with governance.
- (d) A significant change in ownership.
- (e) A significant change in the nature or size of the entity's business.
- (f) Legal or regulatory requirements.
- (g) A change in the financial reporting framework adopted by management in preparing the financial report (as discussed in paragraph 22).

Acceptance of a Change in the Terms of the Engagement

- 25 **The auditor who, before the completion of the engagement, is requested to change the engagement to one which provides a lower level of assurance, shall consider the appropriateness of doing so.**
- 26 A request from the entity for the auditor to change the terms of the engagement may result from a change in circumstances affecting the need for the service, a misunderstanding as to the nature of the audit or related service originally requested or a restriction on the scope of the engagement, whether imposed by management or caused by circumstances. Pursuant to paragraph 25 of this Auditing Standard, the auditor is required to carefully consider the reason given for the request, particularly the implications of a restriction on the scope of the engagement.
- 27 A change in circumstances that affects the entity's requirements, or a misunderstanding concerning the nature of the service originally requested, is ordinarily considered to be a reasonable basis for requesting a change in the engagement. In contrast, a change is not considered to be reasonable, if it appears that the change relates to information that is incorrect, incomplete or otherwise unsatisfactory.
- 28 Before agreeing to change the audit engagement to a review or related service engagement, an auditor who was engaged to perform the audit in accordance with Auditing Standards ordinarily

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considers, in addition to the above matters, any legal or contractual implications of the change.

- 29 If the auditor concludes that there is reasonable justification to change the terms of the engagement and if the audit work performed complies with the Auditing Standards applicable to the changed terms of the engagement the report issued would be that appropriate for the revised terms of the engagement. In order to avoid confusing the user, the report would not ordinarily include reference to:
- (a) The original engagement; or
 - (b) Any procedures that may have been performed in the original engagement, except where the engagement is changed to an engagement to undertake agreed-upon procedures and thus reference to the procedures performed is a normal part of the report.
- 30 **Where the terms of the engagement are changed the auditor shall agree on the new terms with the entity and confirm them in writing.**
- 31 **The auditor shall not agree to a change in the terms of the engagement where there is no reasonable justification for doing so.**
- 32 An example of where there is no reasonable justification might be an audit engagement where the auditor is unable to obtain sufficient appropriate audit evidence regarding receivables and the client asks for the engagement to be changed to a review engagement to avoid a qualified audit opinion or a disclaimer of opinion.
- 33 **If the auditor is unable to agree to a change in the terms of the engagement and is not permitted to continue the original engagement, the auditor shall withdraw from the engagement and consider whether there is any obligation, either contractual or otherwise, to report to other parties, such as those charged with governance or shareholders, the circumstances necessitating the withdrawal.**

Conformity with International Standards on Auditing

- 34 Except as noted below, this Auditing Standard conforms with International Standard on Auditing ISA 210, “Terms of Audit Engagements”, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of

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Accountants (IFAC). The differences between this Auditing Standard and ISA 210 are:

- This Auditing Standard contains mandatory requirements for the auditor to record the agreed terms of the audit engagement in writing and forward them to the entity. Where the audit is undertaken pursuant to legislation, the minimum applicable terms are those contained in legislation. ISA 210 does not require the terms of the audit engagement to be recorded in writing (paragraph 5);
- This Auditing Standard contains mandatory requirements for the auditor to document certain matters in the engagement letter relating to auditor independence where the engagement is conducted pursuant to Part 2M.3 of the *Corporations Act 2001*. ISA 210 does not require the auditor to document certain matters in the engagement letter relating to auditor independence (paragraph 13);
- This Auditing Standard provides guidance, in the explanatory paragraphs, relating to circumstances where the auditor of a parent entity is also the auditor of its component and elects to send one engagement letter relating to a group as a whole (the audit of components), whereas ISA 210 does not; and
- The example engagement letter in Appendix 1 of this Auditing Standard includes matters relating to auditor independence and the presentation of the financial report on the internet, whereas ISA 210 does not.

Compliance with this Auditing Standard enables compliance with ISA 210.

APPENDIX 1

EXAMPLE OF AN ENGAGEMENT LETTER FOR A FINANCIAL REPORT AUDIT ENGAGEMENT

The following example audit engagement letter is for use as a guide only, in conjunction with the mandatory requirements and explanatory guidance in this Auditing Standard, and will need to be varied according to individual requirements and circumstances.

To [those charged with governance or the appropriate representative of senior management]:

Scope

You have requested that we audit the financial report of, which comprises the balance sheet as at, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial report.

We will conduct our audit in accordance with Auditing Standards in Australia. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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However, we expect to provide you with a separate letter concerning any material weaknesses in the design or implementation of internal control over financial reporting that come to our attention during the audit of the financial report¹.

We would like to take this opportunity to remind you that the responsibility for the preparation of the financial report that presents fairly the financial position, financial performance and cash flows of the company in accordance with Accounting Standards in Australia is that of the management of the company. Our auditor's report will explain that management is responsible for the preparation and the fair presentation of the financial report in accordance with the applicable financial reporting framework and this responsibility includes:

- Designing, implementing and maintaining internal control relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error;
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are appropriate in the circumstances.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Other Matters under the *Corporations Act 2001*²

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report. We also confirm that we have the appropriate processes in place to allow us to meet the independence requirements of the *Corporations Act 2001*. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Corporations Act 2001*, we shall notify you immediately. As part of our audit process, we will also provide you with a written independence declaration as required by the *Corporations Act 2001*.

¹ In some jurisdictions, the auditor may have responsibilities to report separately on the entity's internal control. In such circumstances, the auditor reports on that responsibility as required in that jurisdiction. The reference in the auditor's report on the financial report to the fact that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control may not be appropriate in such circumstances.

² The matters included in this section are relevant where the auditor's report on the financial report is prepared in accordance with the *Corporations Act 2001*.

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The *Corporations Act 2001* includes specific restrictions on the employment relationships that can exist between the audited entity and its auditors. To assist us in meeting the independence requirements of the *Corporations Act 2001*, we request you discuss with us:

- The provision of services offered to you by [insert firm name] prior to engaging or accepting the service;
- The prospective employment opportunities of any current or former partner or professional employee of [insert firm name] prior to the commencement of formal employment discussions with the current or former partner or professional employee;

Annual General Meetings

The *Corporations Act 2001* provides that shareholders can submit written questions to the auditor before an Annual General Meeting provided that it relates to the auditor's report or the conduct of the audit. To assist us in meeting this requirement in the *Corporations Act 2001* relating to Annual General Meetings, we request you provide to us written questions submitted to you by shareholders as soon as practicable after the question(s) is received and no later than 5 business days before the Annual General Meeting, regardless of whether you believe them to be irrelevant.

Presentation of Audited Financial Report on the Internet

It is our understanding that [the entity] intends to publish a hard copy of the audited financial report and audit report for members, and to electronically present the audited financial report and audit report on its internet web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by [the entity] to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the entity's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the entity's web site is that of the governing body of [the entity].

Fees

We look forward to full cooperation from your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with our audit.

[Insert additional information here regarding fee arrangements and billings, as appropriate.]

Please sign and return the attached copy of this letter to indicate that it is in

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accordance with your understanding of the arrangements for our audit of the financial report.

Yours faithfully,

(signed)

.....

Name and Title

Date

Acknowledged on behalf of [entity] by (signed)

.....

Name and Title

Date

Table of Proposed Changes from AUS 204 <i>Terms of Audit Engagements</i>

Base Standard

ISA 210, “Terms of Audit Engagements³,” was used as the base standard when drafting this proposed Auditing Standard.

Main differences between the Base Standard and the existing AUS 204

The main differences between ISA 210 and the existing AUS 204 are:

1. ISA 210 contains the following mandatory requirements, whereas the existing AUS 204 does not:
 - a. the auditor shall identify the applicable financial reporting framework in the terms of the engagement (paragraph 17);
 - b. the auditor shall accept an engagement for an audit of a financial report only when the auditor concludes that the financial reporting framework adopted by management is acceptable or when it is required by law or regulation. When law or regulation requires use of a financial reporting framework for general purpose financial reports that the auditor considers to be unacceptable, the auditor shall accept the engagement only if the deficiencies in the framework can be adequately explained to avoid misleading users (paragraph 20);
2. ISA 210 contains the following additional guidance in the explanatory paragraphs, whereas the existing AUS 204 does not:
 - a. guidance in relation to agreeing on the applicable financial reporting framework (paragraphs 18, 19, 21 and 22); and
3. The wording in the example engagement letter in Appendix 1 of ISA 210 differs from the example engagement letter in Appendix 1 of AUS 204.

Table of proposed changes from the Base Standard

The table below details the proposed changes from the base standard, ISA 210 (excluding changes to reflect Australian terminology and references to Auditing Standards in Australia).

Paragraph No. in Proposed Exposure Draft	Status (Requirement, Guidance, Footnote or Appendix)	Description of Proposed Change(s)
1, 2	Requirement / Guidance	New Application paragraphs.
3	Requirement	Re-position Operative Date paragraph.
5, 17, 20, 23, 25, 30, 31, 33	Requirement	Replace “should’ with “shall”.
21, 22, 26	Guidance	Insert “pursuant to...the auditor is required to...” to clarify implied obligations.

³ ISA 210 Amended as a Result of ISA 700 (Revised) – Effective for Audits of Financial Statements for Periods Beginning on or after 15 December 2005.

Paragraph No. in Proposed Exposure Draft	Status (Requirement, Guidance, Footnote or Appendix)	Description of Proposed Change(s)
4, 5, 23, 30	Requirement / Guidance	<p>Include requirement and associated guidance from existing AUS 204.</p> <p>The existing AUS 204 requires the auditor to record the agreed terms in writing and requires that the minimum applicable terms be those contained in legislation (where the engagement is undertaken pursuant to legislation). ISA 210 does not require the audit to record the terms of the engagement in writing.</p>
4, 8, 10, 11, 12, 19, 21, 22, 24, 33, Appendix	Guidance / Appendix	Minor re-write of guidance and/or inclusion of guidance.
13, 14, Appendix	Requirement / Guidance / Appendix	Include requirement and associated guidance in relation to Auditor Independence.
31	Requirement	Re-word “change of engagement” as “change in the terms of the engagement.”
15, 16	Guidance	Include additional guidance in relation to the audit of components.