



Subject: Highlights of the 32nd meeting of the AUASB
Venue: Auditing and Assurance Standards Board, Melbourne
Date: 21-22 July 2008

1. Approval of New Standards

- **Standard on Performance Engagements**

The Board considered comments received in respect of exposure draft ED 1/08 and a final draft of the proposed Assurance Standard – ASAE 3500 *Performance Engagements*.

The Board agreed to a revised application date for reporting periods or engagements commencing on or after 1 January 2009.

The Standard was approved for issue, and will be released in late July.

- **Standards on Review Engagements**

The Board considered final versions of the following proposed standards on Review Engagements:

- (a) ASRE 2400 *Review of Financial Reports Performed by an Assurance Practitioner who is Not the Auditor of the Entity*
- (b) ASRE 2405 *Review of Other Historical Financial Information Other Than a Financial Report*
- (c) ASA 2008-1 *Amendments to Australian Auditing Standards (Amendments to ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity)*

The Board agreed on an application date for engagements commencing on or after 1 October 2008. The Standards will be released in early August, following out-of-session approval by the Board.

A compiled version of Auditing Standard ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity* will also be prepared and released with the above standards. This will comprise the original ASAE 2410 (28 April 2008) as amended by ASA 2007-1 and ASA 2008-1.

2. ASA Redrafting (Clarity Format)

The Chairman reported on the FRC meeting held on 11 June 2008, which noted the decision of the AUASB to revise and reissue Australian Auditing Standards in a new "Clarity" format, on the same basis as the equivalent International Standards on Auditing (ISAs). The proposed Auditing Standards will be progressively released for comment as exposure drafts with a 30 day comment period. It is expected that the revised Auditing Standards will be finalised by October 2009, and will be operative for reporting periods commencing on or after 1 January 2010.

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

- (a) ASA 240 *The Auditor's Responsibilities relating to Fraud in an Audit of a Financial Report*
- (b) ASA 260 *Communicating with Those Charged with Governance*
- (c) ASA 315 *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment*
- (d) ASA 330 *The Auditor's Procedures in Response to Assessed Risk*

The Board approved the issue of these EDs, which will be released on 31 July with a 30 day comment period.

3. Proposed Guidance Statement – Self-Managed Superannuation Funds

The Board considered a further draft of the proposed Guidance Statement GS 009 *Financial and Compliance Audits of Self-Managed Superannuation Funds*. The Board requested a number of amendments and that the revised Guidance Statement be circulated for further review and out-of-session approval. Release of the Guidance Statement is anticipated in late August.

4. Other Projects

(a) GAAP/GFS AASB 1049 Audit Issues

The Board received an update on matters recently raised with the Chairman of the Australian Accounting Standards Board regarding the audit implications of AASB 1049 Whole of Government and General Government Sector Financial Reports. Issues concerning the form of the auditor's report and the audit of budgets and budget variance explanations are currently being addressed by the AUASB and its Project Advisory Group.

(b) ASIC Regulatory Guide 69 *Debentures – Improving Disclosures for Retail Investors*

The Board received an update on the form of the auditor's report in the proposed revised ASIC Regulatory Guide 69, and requested that its views be conveyed to ASIC. The AUASB will liaise with ASIC on the form and content of the auditor's report.

5. International matters

The Board received a report of the outcomes of the June IAASB meeting and on the progress of the ISA 210 redrafting project.

***The next AUASB meeting will be held on 8 and 9 September 2008
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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