



24 June 2010

## **AUASB introduces guidance to make it easier for auditors and banks to arrange bank confirmations**

The AUASB has issued guidance on the procedures for obtaining audit evidence regarding an entity's bank accounts and transactions, as well as updated bank confirmation request forms.

Guidance Statement GS 016 *Bank Confirmation Requests*, developed with the Australian Bankers Association and member banks, will be effective for audits of entities with reporting periods ending on or after 30 September 2010, thereby allowing lead time for auditors and banks to adjust processes and systems for the new guidance.

Merran Kelsall, AUASB Chairman, said the new guidance is expected to lead to significant improvements in bank confirmation processes.

"The guidance clarifies when bank confirmation requests are required, the timing of auditor requests and bank response times and provides detailed guidance for every stage in the bank confirmation process.

"The guidance will help ensure that audit requests are better designed, so that banks will be more likely to respond in a timely manner with complete and accurate information," Ms Kelsall said.

There is also new guidance included on the considerations necessary when using electronic bank confirmation processes.

"Increasingly, auditors, clients and banks are seeking electronic solutions to make bank confirmation processes more efficient and effective. Electronic processes may reduce costs and improve response times and the reliability of responses. However, auditors must be aware that electronic processes may introduce some new risks," Ms Kelsall said.

For audits with reporting periods ending 30 June 2010, the pre-existing Guidance Statement AGS 1002 *Bank Confirmation Requests* remains in effect.

- END -

### **Media Enquiries:**

Michelle Frenkel  
AUASB Communications Manager  
Email: [mfrenkel@auasb.gov.au](mailto:mfrenkel@auasb.gov.au)  
Phone: 03 9617 7629 or 0419 394 375

---

***The Auditing and Assurance Standards Board (AUASB) is an independent, national statutory board of the Australian Government, responsible for developing standards and related guidance for auditors and providers of other assurance services.***