TNR® FRA NEWS

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Welcome to this issue of 'TNR FRA News'. Financial Reporting and Auditing (FRA) News ('FRA News') provides partners, staff and clients with a 'heads up' of contemporary financial reporting, auditing and corporate governance developments on a monthly basis. FRA News contains items requiring immediate consideration (**Need to Know**), whereas other items are for general information (**Nice to Know**).

FRA News is prepared by Colin Parker, Principal, GAAP Consulting, and former member of the Australian Accounting Standards Board (2006-2009) with the input of staff of GAAP.com.au Pty Ltd.

In this FRA News, your attention is drawn to the following developments:

Need to know:

- Statutory definition of charity passed
- ACNC financial reporting regulations issued
- ACNC transition policies
- Group of 100's Code of Conduct
- ACNC fraud guide
- Recoverable amount disclosure revision
- Financial instruments novation amendments
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Nice to know:

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Statutory definition of charity passed

Need to know

Historic legislation to introduce a statutory definition of charity passed the Parliament – The Charities Bill 2013 and the Charities (Consequential Amendments and Transitional Provisions) Bill 2013. The meaning of charity and charitable purpose has largely been administered on the basis of principles dating back to the Statute of Elizabeth of 1601. The statutory definition aims to preserve common law principles, with some minor variations. It was developed by the 2001 "Inquiry into the Definition of Charities and Related Organisations", which identified principles underlying the common law. The definition also takes into account the findings of more recent judicial decisions that further clarify the meaning of charity, including the Aid/Watch decision, which extended charities' ability to advance public debate.

Key changes included in the final Bills, included:

- The inclusion of a Preamble that acknowledges the distinctive and important role of charities in the Australian community, outlines the benefits of a statutory definition of charity and charitable purpose, and states that familiar common law concepts are being used to ensure continuity
- Changes to how the public benefit requirement is described, to ensure it remains consistent with common law principles
- The description of purposes presumed to be for the public benefit has been broadened
- Clear provision for the ongoing status of existing charitable purposes that do not come under the specific categories listed in the Bill, and
- Grandfathering of existing charitable entities that provide for 'poor relations' and 'poor employees'.

The legislation provides more certainty and clarity about the meaning of charity and charitable purpose and makes the definition easier to understand. The statutory definition of charity will commence on 1 January 2014. HLB

ACNC financial reporting regulations issued

ACNC Amendment Regulations 2013(3), and its accompanying explanatory memorandum, has been released. The regulations specify the requirements for the annual financial reporting information registered charities must provide to the ACNC for the 2013-14 and beyond.

The information requirements vary between entities (small, medium and large). The financial statements are required to comply with Australian accounting standards and this includes the application of the reporting entity concept to determine whether general purpose or special purpose financial statements are to be prepared. Special purpose financial statements must comply with a minimum suite of standards; similar requirement for lodging entities under the Corporations Act.

The regulations also introduce transitional requirements for medium and large entities that did not previously produce a financial report complying with accounting standards. The transitional provisions outline certain line items that the charity must report. There are different requirements for medium and large entities. Reporting on such line items will mean the entities meet their financial reporting obligations for the first year they report to the ACNC. The line items required are essentially a summarised profit and loss and balance sheet.

The Corporations Legislation Amendment (Member Designation and Other measures Regulation 2013, and its accompanying explanatory memorandum, remove the requirement for persons reviewing the financial statements of an ACNC registered charity to hold a practising certificate, requiring only that they be a member of a designated professional body. HLB

ACNC transition policies

A number of ACNC policies recognise that there will be a transitional phase until they become fully operational. The ACNC has stated that it also understands that, before any charity can be expected to comply, they must be aware of and understand their obligations. In the first three years, the ACNC stated priority is to raise awareness and provide information, support and guidance. Take a look at the ACNC's: "Policy on extending time for notification of changes to charity details and change of responsible persons"; statement on "ACNC approach to the legal meaning of charity"; statement on "ACNC approach to governance standards"; and exclusions of financial information from "2013 annual information statement."

Group of 100's Code of Conduct

The Group of 100's Code of Conduct has been updated. It takes into consideration the changing and evolving role and responsibilities of Chief Financial Officers (CFOs) to now encompass a varied portfolio of activities in addition to those relating to the integrity of financial reporting and controls. A joint Group of 100 and Accounting Professional & Ethical Standards Board (APESB) Taskforce contributed to the revision of the G100 Code of Conduct.

Since the issue of the 2003 Code there have been significant developments in the role of the CFO and the environment in which the CFO operates. These developments include expanded responsibilities, changes in the business environment including the impact of, and responses to, the global financial crisis, the European sovereign debt crisis, the introduction of legislation relating to corrupt practices, the impact of Court decisions, changes in the regulatory and legislative environment, and changes in community expectations of companies and their officers.

ACNC fraud guide

The ACNC "Protecting your charity from fraud guide" is aimed at board or committee members, trustees and managers of charities and will also be of interest to employees and volunteers. It highlights some of the risks charities can be vulnerable to and provide practical steps that can be taken to reduce and manage these risks.

The guide addresses: Who is this guide for?; Why is this guide needed?; What is fraud?; What types of fraud are there?; Are charities particularly vulnerable to fraud?; What are the legal duties and responsibilities of those governing or managing a charity?; What can I do to protect my charity?; What is the ACNC's approach if fraud is reported?; and Case study: uncovering a fraud.

The ACNC has also released "Top 10 tips for fraud prevention" factsheet and those tips are:

1. Have clear, written financial procedures and delegations
2. Implement robust HR procedures
3. Establish a code of conduct
4. Define financial responsibilities
5. Develop a fraud prevention policy
6. Be secure when banking online
7. Limit cash handling
8. Regularly check your accounts and grant funding
9. Ask questions, and
10. Understand the importance of reporting fraud.

Recoverable amount disclosure revision

The IASB published "Recoverable Amount Disclosures for Non-Financial Assets" (Amendments to IAS 36). These narrow-scope amendments to IAS 36 "Impairment of Assets" address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

When developing IFRS 13 "Fair Value Measurement', the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13.

Consequently, the AASB approved Australian Accounting Standards AASB 2013-3 "Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets" on 21 June 2013. AASB 2013-3 applies to annual reporting periods beginning on or after 1 January 2014. Early application is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 January 2014, provided that AASB 13 "Fair Value Measurement" is also applied to the same period.HLB

Financial instruments novation amendments

The IASB published narrow-scope amendments to IAS 39 "Financial Instruments: Recognition and Measurement" entitled "Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)". The narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. In this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one. The amendments are effective for annual periods beginning on or after 1 January 2014, with earlier application being permitted. Similar relief will be included in IFRS 9 Financial Instruments.HLB

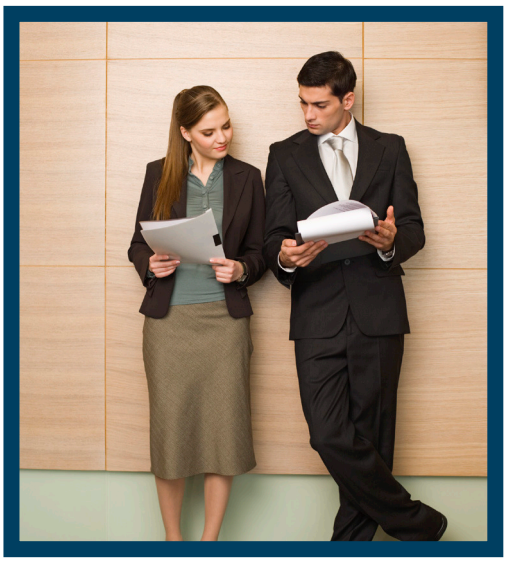
Levies interpretation

The AASB issued Interpretation 21 " Levies" that clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time.

The Interpretation clarifies that the "obligating event" under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" that will require the recognition of a liability for the levy occurs when the activity described in the relevant legislation to trigger the payment of the levy is undertaken. It includes guidance illustrating how the Interpretation should be applied. Interpretation 21 is effective for annual periods beginning on or after 1 January 2014.HLB

Custodian – new financial requirements

ASIC has strengthened the financial requirements for custodial and depository service (custody) providers. The new rules also apply to asset holders for registered schemes or investor directed portfolio services (IDPS). Under the changes, custodians (excluding incidental providers) and asset holders will be required to hold net tangible assets amounting to the greater of: $10 million, or 10% of average revenue. Providers who meet the definition of 'incidental provider' will be required to hold NTA amounting to the greater of: $150,000, or 10% of average revenue.



All custody providers and asset holders will be subject to new requirements regarding the preparation of cash flow projections and liquidity. The changes are outlined in updated Regulatory Guide 166 "Licensing: Financial requirements" and implemented through a class orders ("Financial requirements for responsible entities and operators of investor directed portfolio services' (CO 13/760) and "Financial requirements for custodial or depository service providers" (CO 13/760)). The new financial requirements will apply from 1 July 2013 for new licensees. For existing licensees, there will be a one year transition period and compliance will be required from 1 July 2014.

Limited AFS licence for accountants

ASIC released an information sheet to assist those intending to apply for a limited Australian financial services (AFS) licence. Information Sheet 179 "Applying for a limited AFS licence" gives practical guidance to help applicants work through the licensing process. The Information Sheet: provides guidance about ASIC's licensing application process, and how it will apply to those seeking a limited AFS licence; outlines what information needs to be submitted in support of a limited AFS licence application, and gives information about which ASIC guidance will be most relevant for those seeking a limited AFS licence.

An exemption in the Corporations Act 2001 currently allows accountants to provide advice on the establishment of self-managed superannuation funds (SMSFs), without the need for an AFS licence. As part of the Future of Financial Advice (FOFA) reforms, this exemption will cease to apply on 1 July 2016. From 1 July 2013, accountants will be able to apply for the new limited AFS licence.

The current 'accountants' exemption' under regulation 7.1.29A of the Corporations Regulations 2001 permits accountants to provide advice on the establishment of SMSFs, without the need for an AFS licence.

While any person can apply for the new limited AFS licence, recognised accountants who apply between 1 July 2013 and 30 June 2016 can take advantage of transitional arrangements. Under theses, different organisational competence arrangements will apply where the responsible managers of the applicant are recognised accountants. A recognised accountant is a person who holds a practising certificate issued by The Institute of Chartered Accountants in Australia, CPA Australia Ltd, or the Institute of Public Accountants.

A limited AFS licence can contain the following authorisations: applicants may select some or all of the authorisations: financial product advice on SMSFs; advice on a client's existing superannuation, in certain circumstances, and class of product advice on superannuation products, securities, simple managed investment schemes as defined in the Corporations Regulations 2001; general and life insurance, and basic deposit products

Auditor's reporting of contraventions updated guidance

ASIC released an updated Regulatory Guide 34 "Auditors' obligation: Reporting to ASIC". The updated RG 34 continues to provide guidance on the legislative obligations of auditors of companies and registered schemes to report suspected contraventions of the Corporations Act 2001 to ASIC, and similar obligations under other legislation. It also provides new examples of circumstances that may and may not require reporting to ASIC, and introduces guidance for auditors of credit licensee trust accounts.

ASIC also issued an updated Regulatory Guide 180 "Auditor registration". The main change to this guide was to include guidance on applications for the registration of New Zealand issuer auditors as registered company auditors under the "Trans-Tasman Mutual Recognition Act 1997".

AASB May meeting highlights

Highlights of the April meeting of the AASB included:

- **Investment entities:** Considered comments received in response to ED 233 "Australian Additional Disclosures – Investment Entities" and decided that a pre-ballot draft of an amending standard be prepared to introduce into Australian Accounting Standards the IFRS exception to consolidation for entities that meet the definition of an investment entity, without Australian additional disclosures
- **Hedge accounting:** Noted that the IASB had completed its redeliberations on general hedge accounting and decided to provide entities with the following hedge accounting policy choices: adopt the hedge accounting requirements of IFRS 9; continue with the hedge accounting requirements of IAS 39; or adopt the IFRS 9 hedge accounting requirements, except that for fair value hedges of the interest rate exposure of a portfolio of financial assets or financial liabilities, IAS 39 requirements are applied. The IASB expects to issue a version of IFRS 9 that includes chapters on general hedge accounting in Q2 or Q3 2013. A Discussion Paper on macro hedge accounting is expected in Q3 2013
- **Superannuation entities:** Considered the final matters that need to be resolved to enable the preparation of a pre-ballot draft replacement standard for AAS 25 'Financial Reporting by Superannuation Plans'. A pre-ballot draft will be made available on the AASB's website for about 60 days to provide constituents with an opportunity to identify any fatal flaws
- **Recently approved documents:** Since the April meeting, AASB approved the following: AASB Agenda Decision "GAAP/GFS Harmonisation for Entities Within the GGS"; "Tier 2 Supplement to ED 235 Recoverable Amount Disclosures for Non-Financial Assets"; ED 241 "Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders"; ED 240 'Regulatory Deferral Accounts" which incorporates IASB ED/2013/5; and ED 242 "Leases", which incorporates IASB ED/2013/6.

NFP good governance principles by AICD

The Australian Institute of Company Directors launched its "Good Governance Principles and Guidance", which is specifically tailored and designed for not-for-profit (NFP) entities. The objective of the Principles and Guidance is to share with the NFP community a framework that offers a useful starting point for NFP boards when considering what constitutes good governance practice.

The ten Principles cover: roles and responsibilities; board composition; purpose and strategy; risk – recognition and management; organisational performance; board effectiveness; integrity and accountability; organisation building; culture and ethics; and engagement. Individual boards and organisations are able to tailor the Principles having regard for their particular circumstances.

2013 ACNC AIS

From July, the 2013 Annual Information Statement (AIS) will be available as an online form, pre-populated with information that has been previously provided to the Australian Charities and Not-for-profits Commission (ACNC) either by a charity or through the transfer of charity details from the Australian Taxation Office as at 3 December 2012. AIS will be accompanied with step-by-step guidance and a screencast, a simple and easy to understand audio visual tool explaining how to complete the form.

The 2013 AIS will also include a new declaration. The declaration expands the categories of people who are able to sign off on behalf of a charity and it will appear on all ACNC approved forms.

Remember no financial details are required for the 2013 AIS and information collected through the 2013 AIS will ensure the ACNC can pre-populate a charity's 2014 AIS and update and expand the Charity Register.

ASIC and ACNC and the MOU

ASIC and the ACNC agreed to collaborate and assist each other to achieve their objectives and to deliver streamlined regulation for registered charities that are also registered with ASIC as companies. A memorandum of understanding (MOU) consolidates and strengthens the working relationship between the two agencies. Last year the ACNC and ASIC announced that charities registered with ASIC (estimated to be approximately 6000) would now primarily report to the ACNC.

The new MOU is a principles-based document that will underpin the future relationship between ASIC and the ACNC. It allows for information sharing, staff secondments, mutual training arrangements, joint taskforces and service agreements. It does not affect the legal position on what information may or may not be disclosed to the other agency. Both agencies remain subject to existing secrecy and confidentiality provisions in the law.

ACNC MOU with Registrar of Indigenous Corporations

The Registrar of Indigenous Corporations and the ACNC have formally agreed to collaborate to deliver efficient regulation for Aboriginal and Torres Strait Islander registered charities. The MoU sets out a framework for ongoing cooperation between the two agencies and facilitates liaison, referral and exchange of information and materials.

The MoU confirms that the ACNC will accept reports lodged with the Registrar under the Corporations (Aboriginal and Torres Strait Islanders) Act 2006 (CATSI Act), as satisfying ACNC annual reporting requirements, until at least 2014–15. More than 500 Aboriginal and Torres Strait Islander corporations registered with the Registrar are also ACNC registered charities and will directly benefit from the arrangement between the two agencies.

National standard chart of accounts

Standardised accounting guidelines developed at Queensland University of Technology (QUT) have been handed over to the national charity regulator, the ACNC. The National Standard Chart of Accounts (NSCOA) provides a common approach to the capture of accounting information by community organisations for use by the non-profits, government agencies and other interested parties. It is a tool designed primarily for small to medium non-profits which typically do not have an accounting department or a sophisticated accounting system. Larger non-profits have adopted the data dictionary component of the standard chart of accounts aligning their systems to comply with a consistency across the sector.

Withdrawal Materiality standard proposed

The AASB issued ED 243 "Withdrawal of AASB 1031 Materiality", which proposes withdrawing AASB 1031 and making consequential amendments in other Australian Accounting Standards (including Interpretations).

Insurance contract proposals

The IASB issued a revised Exposure Draft of proposals for the accounting for Insurance Contracts. The revised proposals aim to provide a consistent basis for accounting for insurance contracts and to make it easier for users of financial statements to understand how insurance contracts affect an entity's financial position, financial performance and cash flows. The revised proposals respond introduce enhancements to the presentation and measurement of insurance contracts while seeking to minimise artificial accounting volatility.

Consequently, the AASB issued ED 244 "insurance Contracts" which incorporates the IASB ED/2013/7 of the same name. The model proposed in ED/2013/7 includes some significant differences from the model proposed in the IASB's ED/2010/8 "Insurance Contracts" issued in August 2010 (and incorporated in AASB ED 201 of the same name), and these differences are the main areas in which the IASB is seeking feedback.

The proposals included: remeasure service margins included in insurance liabilities, present insurance contract revenues and expenses (rather than net movements in those flows) in the income statement, segregate the impact of changes in discount rates on insurance liabilities, and require retrospective application on transition when it is practicable. There are further proposals on which the IASB is not explicitly seeking comment that could have significant implications for Australian practice, including the proposals on 'contract boundary' and acquisition costs.

The IASB's proposed model would potentially change the manner in which some insurance contracts are accounted for in Australia and, in combination with the IASB's proposed changes to the classification and measurement of financial assets (IASB ED/2012/4 "Classification and Measurement: Limited Amendments to AASB 9", which is incorporated in AASB ED 230 of the same name), could change the accounting for assets backing insurance liabilities..

Bearer proposals

The IASB releases an Exposure Draft of proposals to include bearer plants within the scope of IAS 16 "Property, Plant and Equipment". Bearer plants are a class of biological assets that, once mature, are held by an entity solely to grow produce over their productive life; examples include grape vines, rubber trees and oil palms. IAS 41 Agriculture requires all biological assets that are related to agricultural activity, including bearer plants, to be measured at fair value less costs to sell. This requirement is based on the principle that biological transformation is best reflected by fair value measurement.

Once mature, bearer plants no longer undergo significant biological transformation; their operation is similar to that of manufacturing. Consequently, the Exposure Draft proposes that bearer plants are accounted for by IAS 16 instead of IAS 41, thus permitting the use of either a cost model or a revaluation model. The produce growing on the bearer plants would remain under the fair value model in IAS 41.

MIS updated guidance on constitutions

ASIC released revised regulatory guidance to assist operators of registered managed investment schemes (schemes) and their advisers understand ASIC's views on the content requirements of constitutions for schemes. The constitution of a scheme is an important document that sets out a number of obligations of the responsible entity (RE) and the rights of members. This includes the investment and borrowing powers of the RE, the rights of members to withdraw, and their rights in the event of a winding up of the scheme.

Key points include:

- The revised guidance provides ASIC's views on the constitutional content requirements in s601GA and s601GB of the Corporations Act 2001
- ASIC is providing the managed investments industry until 1 October 2013 to comply with the new requirements
- For schemes registered before 1 October 2013, ASIC will not require responsible entities to amend their constitutions to comply with the revised guidance, and

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- The revised guidance is contained in an updated version of Regulatory Guide 134 "Managed investments: Constitutions", and the relief is contained in ASIC Class Order "Provisions about the amount of consideration to acquire interests and withdrawal amounts not covered by (CO 05/26)", ASIC Class Order "Equality of treatment impacting on the acquisition of interests" and ASIC Class Order "Discretions affecting the amount of consideration to acquire interests and withdrawal amounts."

RG 134 sets out ASIC's policy and the action it may take in assessing constitutional provisions relating to: the consideration to acquire an interest in the scheme; the powers and rights of the responsible entity; complaints handling for retail clients and wholesale clients; withdrawal rights of members of the scheme; winding up the scheme, and the legal enforceability of the constitution.

Updated electronic prospectus guidance proposed

ASIC released a consultation paper proposing updates to current guidance to help facilitate email and internet distribution of offers of securities. A draft regulatory guide has also been proposed. Consultation Paper 211 "Facilitating electronic offers of securities: Update to RG 107", which proposes updates to Regulatory Guide 107 "Electronic Prospectuses", aims to ensure that ASIC's guidance reflects current market practices and technological advancements.

The proposed updated guidance includes:

- An explanation of ASIC's view on the way the internet and other means of electronic distribution can be used in making offers of securities
- Good practice guidance to assist persons using electronic distributing offers of securities via electronic means, and
- Continuation of relief for the use of personalised or AFS licensees created application forms.

A key part of the update is clarifying to what extent electronic distribution of prospectuses is permitted under the law. The proposed guidance clarifies that ASIC relief to make electronic offers is not needed in many instances and we propose to revoke class order Class Order "Electronic disclosure documents, electronic application forms and dealer personalised applications" for electronic prospectuses because it is unnecessary.HLB

Micro-sized entities applying the IFRS for SMEs

The IASB issued guidance to help micro-sized entities apply the "IFRS for Small and Medium-sized Entities" (IFRS for SMEs). In some of these jurisdictions, the IFRS for SMEs is being used by very small companies with just a few employees. In response to requests from constituents, the IASB has developed guidance both to assist micro-sized entities currently applying the IFRS for SMEs and to make the IFRS for SMEs more accessible for those considering applying it in the future. The guidance supports the IFRS for SMEs and does not constitute a separate Standard for micro-sized entities.

The guidance extracts from the IFRS for SMEs only those requirements that are likely to be necessary for a typical micro-sized entity, without modifying any of the principles for recognising and measuring assets, liabilities, income and expenses. It also contains further guidance and illustrative examples to help a micro-sized entity apply the principles in the IFRS for SMEs.

The guidance contains cross-references to the IFRS for SMEs for matters not covered by the guidance. Consequently, having applied the guidance, an entity's notes to the financial statements and auditor's report could refer to conformity with the IFRS for SMEs because this guidance does not modify the requirements of the IFRS for SMEs.HLB

IASB's 10 point plan to address boilerplate disclosures

The IASB will react to the perceived disclosure problem with certain measures, and set out a ten-point plan to deliver tangible improvements to disclosures in financial reporting:

- Clarify in IAS 1 "Presentation of financial Statements" that the materiality principle does not only mean that material items should be included, but also that it can be better to exclude non-material disclosures
- Clarify that a materiality assessment applies to the whole of the financial statements, including the notes
- Clarify that if a Standard is relevant to the financial statements of an entity, it does not automatically follow that every disclosure requirement in that Standard will provide material information
- Remove language from IAS 1 that has been interpreted as prescribing the order of the notes to the financial statements
- Make sure that IAS 1 gives companies flexibility about where they disclose accounting policies in the financial statements
- Consider adding a net-debt reconciliation requirement
- Look into the creation of either general application guidance or educational material on materiality
- Seek to use less prescriptive wordings for disclosure requirements when developing new standard;
- Begin a research project to undertake a more fundamental review of IAS 1, IAS 7 "Statement of Cash Flows" and IAS 8 "Accounting Policies, Changes in Accounting estimates and Errors" with the goal to replace those standards (creating a new disclosure framework), and
- Undertake a general review of disclosure requirements in existing Standards.

Auditing corrections and amendments to agreed-upon procedures proposed

The AUASB released Exposure Draft ED 01/13 of proposed ASA 2013-3 "Amendments to Australian Auditing Standards" and proposed amendments to ASRS 4400 "Agreed Upon Procedures Engagements to Report Factual Findings" comprising the following proposals: Part A – Minor amendments to the Auditing Standards relating to typographical errors and other editorial corrections; Part B – Amendments to ASRS 4400 to remove the limitations on distribution of a report of factual findings in an agreed-upon procedures engagement, but retention of the restriction of use of that report.

Part A proposes amendments to eight Auditing Standards represent identified errors that are inadvertent, editorial in nature and do not affect the auditor's work effort or change the meaning of a requirement.

Part B sets out proposed amendments to ASRS 4400 "Agreed-upon Procedures to Report Factual Findings'. The proposal seeks to remove the limitations on distribution of a report of factual findings issued under ASRS 4400 and retain, and in some cases replace that restriction with, a restriction only on the use of that report. The purpose of the amendments is not to prevent distribution of a report per se, but to prevent use of that report by those other than the intended users which are identified in the terms of engagement. Reliance on that report is then effectively restricted to the intended users identified, even if the report is distributed to other parties.

AUASB June meeting highlights

Highlights of the June meeting of the AUASB included:

- **Using the work of internal auditors (ASA 610):** Agreed to defer finalisation of the exposure drafts of ASA 610 and consequential changes to other standards until the July meeting
- **Assurance Engagements on Controls:** Considered a first draft of the exposure draft of the proposed assurance standard on 'Assurance Engagements on Controls' (revision of AUS 810). Noted that the proposed standard will be anchored to the proposed revised ASAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", a revised draft will be considered at the July meeting, and
- **Auditing Self-Managed Superannuation Funds (GS 009):** Approved the project plan to update Guidance Statement GS 009 "Auditing Self-Managed Superannuation Funds". The revised Guidance is expected to be finalised by late August for release in September.

Internet

Copies of 'FRA NEWS' are available on the internet at www.tnr.com.au

Queries

For further information or assistance, please contact your TNR Audit & Assurance Partner or Manager.

The information provided in this publication was provided by Colin Parker FCA, former member of the AASB.