

May 2022

# **Explanatory Memorandum**

## ***Proposed Conforming and Consequential Amendments to the Australian-Specific AUASB Standards as a result of the New and Revised Quality Management Standards***

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



**Australian Government**

**Auditing and Assurance Standards Board**

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ATTACHMENT 1: Exposure Draft 01/22 *Proposed Conforming and Consequential Amendments to the Australian-Specific AUASB Standards as a Result of the New and Revised Quality Management Standards*

## **EXPLANATORY MEMORANDUM**

### ***Proposed Conforming and Consequential Amendments to the Australian-Specific AUASB Standards as a result of the New and Revised Quality Management Standards***

#### **Introduction**

1. The AUASB is seeking feedback from stakeholders on proposed conforming and consequential amendments to the Australian-specific AUASB Standards in response to the new and revised Quality Management (QM) standards, which are detailed in the attachment – Exposure Draft 01/22 *Proposed Conforming and Consequential Amendments to the Australian-Specific AUASB Standards as a result of the New and Revised Quality Management Standards* (ED 01/22). The aim of this Explanatory Memorandum is to provide stakeholders with information about ED 01/22.

#### **Background**

2. The conforming amendments to Australian Auditing Standards arising from the QM Standards (ASA 2021-2) were issued with the QM Standards in March 2021. In January 2022, the IAASB issued the [\*Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards\*](#). These conforming amendments have previously been exposed in Australia in conjunction with the IAASB's exposure draft.
3. As part of the AUASB's strategic objective to develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC), the AUASB has undertaken a review of the Australian-specific AUASB standards and proposed conforming and consequential amendments to the Australian-specific AUASB Standards in response to the new and revised Quality Management (QM) standards.

#### **Overview**

4. This Explanatory Memorandum gives Australian stakeholders an overview of:
  - a) Exposure draft questions; and
  - b) How to provide comments and the comment date.
5. The AUASB is issuing this exposure draft covering the necessary conforming and consequential amendments to address inconsistencies between the Australian-specific AUASB Standards with the new and revised QM standards. The purpose of making the amendments is solely to avoid conflicts with the QM standards and to ensure that the Australian-specific AUASB Standards can continue to be applied together with the QM standards.
6. The conforming and consequential amendments have a narrow scope and do not involve re-consideration of the objectives, requirements, and application material of the Australian-specific AUASB Standards, in their own right. The proposed conforming and consequential amendments to the Australian-specific AUASB Standards comprise two categories:
  - a) Category 1: Update links to the structure and concepts in ASQM 1, ASQM 2 and ASA 220
  - b) Category 2: Update to references and other terminology to align with ASQM 1 and ASQM 2
7. The ED also includes updating the references to ASA 315 *Identifying and Assessing the Risks of Material Misstatement* and ASRS 4400 *Agreed-Upon Procedures Engagements*.

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8. A tabular presentation format has been used to show the extant text, the proposed conforming and consequential amendments to the Australian-specific AUASB Standards, and the rationale of the proposed amendments.

### **Request for Comments**

9. The AUASB requests comments on all matters in relation to ED 01/22, but specifically in relation to the questions below. Stakeholders may address only specific questions relevant to them or raise matters not specifically addressed by a question.

### **Exposure Draft Questions**

1. Do respondents believe the proposed conforming and consequential amendments are sufficient to resolve actual or perceived inconsistencies between the Australian-specific AUASB Standards and the new and revised QM standards?
2. Do respondents support the proposed effective date?
3. Have applicable laws and regulations been appropriately addressed in the proposed conforming and consequential amendments to the Australian-specific AUASB Standards? Are there any references to relevant laws or regulations that have been omitted?
4. Whether there are any laws or regulations that may, or do, prevent or impede the application of the proposed conforming and consequential amendments to the Australian-specific AUASB Standards, or may conflict with the proposed conforming and consequential amendments to the Australian-specific AUASB Standards?
5. Whether there are any principles and practices considered appropriate in maintaining or improving audit quality in Australia that may, or do, prevent or impede the application of the proposed conforming and consequential amendments to the Australian-specific AUASB Standards, or may conflict with the proposed conforming and consequential amendments to the Australian-specific AUASB Standards?
6. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the requirements of this proposed conforming and consequential amendments to the Australian-specific AUASB Standards? If significant costs are expected, the AUASB would like to understand:
  - (i) Where those costs are likely to occur;
  - (ii) The estimated extent of costs, in percentage terms (relative to audit fees); and
  - (iii) Whether expected costs outweigh the benefits to the users of audit services?
7. Are there any other significant public interest matters that stakeholders wish to raise?

### **Application**

10. To align with the effective date of the revised QM standards, the AUASB proposed effective date of the amendments are for:
  - a) Reviews of financial reports for financial reporting periods commencing on or after 15 December 2022; and
  - b) Other assurance and related services engagements commencing on or after 15 December 2022.

**Comment Date**

11. Comments to the AUASB will close on Friday 10 June 2022.
12. At the completion of the exposure period, the AUASB will consider stakeholders' submissions.

**ATTACHMENT 1 – EXPOSURE DRAFT 01/22 PROPOSED  
CONFORMING AND CONSEQUENTIAL AMENDMENTS TO  
THE AUSTRALIAN-SPECIFIC AUASB STANDARDS AS A  
RESULT OF THE NEW AND REVISED QUALITY  
MANAGEMENT STANDARDS**

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**Conforming and Consequential Amendments to the other Australian-Specific AUASB Standards as a result of the New and Revised Quality Management Standards**

Where this document inserts or deletes a paragraph or footnote, as a result of that insertion or deletion relevant paragraph numbers, cross-references and footnotes are updated. Where this document inserts, deletes or amends a heading or a sub-heading, as a result of that insertion, deletion or amendment, the heading or sub-heading on the Table of Contents are updated.

1. Paragraph No.	2. Extant Wording	3. Proposed Change	4. Reason
<b>Other AUASB Standards in harmonisation with NZAuASB</b>			
<b>ASRE 2410 <i>Review of a Financial Report Performed by the Independent Auditor of the Entity</i></b>			
ASRE 2410 paragraph 9	The auditor shall implement quality control procedures that are applicable to the individual engagement.	The auditor shall implement quality <del>control</del> <u>management</u> procedures that are applicable to the individual engagement.	Change in terminology consistent with ASQM 1
ASRE 2410 paragraph 13	The auditor shall obtain an understanding of the entity and its environment, including its internal control, as it relates to the preparation of both the annual and interim or other financial reports, sufficient to plan and conduct the engagement so as to be able to:  ...	The auditor shall obtain an understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity's system of including its</u> internal control, as it relates to the preparation of both the annual and interim or other financial reports, sufficient to plan and conduct the engagement so as to be able to:  ...	ASA 315 terminology change – see ASA 2020-1 paragraph 9
ASRE 2410 paragraph 14	In order to plan and conduct a review of a financial report, a recently appointed auditor, who has not yet performed an audit of the annual financial report in accordance with Australian Auditing Standards, shall obtain an understanding of the entity and its environment, including its internal control, as it relates to the preparation of both the annual and interim or other financial reports.	In order to plan and conduct a review of a financial report, a recently appointed auditor, who has not yet performed an audit of the annual financial report in accordance with Australian Auditing Standards, shall obtain an understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity's system of including its</u> internal control, as it relates to the preparation of both the annual and interim or other financial reports.	ASA 315 terminology change – see ASA 2020-1 paragraph 9
ASRE 2410 paragraph A4	Through performing the audit of the annual financial report, the auditor obtains an	Through performing the audit of the annual financial report, the auditor obtains an	ASA 315 terminology



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	<p>understanding of the entity and its environment, including its internal control. When the auditor is engaged to review the financial report, under paragraph 13, the auditor needs to update this understanding through enquiries made in the course of the review, to assist the auditor in focusing the enquiries to be made and the analytical and other review procedures to be applied. A practitioner who is engaged to perform a review of a financial report, and who is not the auditor of the entity, does not perform the review in accordance with ASRE 2410<sup>*</sup>, as the practitioner ordinarily does not have the same understanding of the entity and its environment, including its internal control, as the auditor of the entity.</p> <p>Although other Auditing Standards do not apply to review engagements, they include guidance which may be helpful to auditors performing reviews covered by this Auditing Standard.</p>	<p>understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity’s system of including its internal control.</u> When the auditor is engaged to review the financial report, under paragraph 13, the auditor needs to update this understanding through enquiries made in the course of the review, to assist the auditor in focusing the enquiries to be made and the analytical and other review procedures to be applied. A practitioner who is engaged to perform a review of a financial report, and who is not the auditor of the entity, does not perform the review in accordance with ASRE 2410<sup>*</sup>, as the practitioner ordinarily does not have the same understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity’s system of including its internal control,</u> as the auditor of the entity.</p> <p>Although other Auditing Standards do not apply to review engagements, they include guidance which may be helpful to auditors performing reviews covered by this Auditing Standard.</p>	<p>change – see ASA 2020-1 paragraph 9</p>
<p>ASRE 2410 paragraph A6</p>	<p>The elements of quality control that are relevant to an individual engagement include leadership responsibilities for quality on the engagement, ethical requirements, acceptance and continuance of client relationships and specific engagements, assignment of engagement teams, engagement performance, and monitoring. ASQC 1 and ASA 220<sup>6</sup> include guidance that may be helpful.</p> <p><sup>6</sup> See ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> and ASA 220 <i>Quality Control for an Audit of a Financial Report and Other Historical Financial Information.</i></p>	<p>The elements of quality <del>control</del> <u>management</u> that are relevant to an individual engagement include leadership responsibilities for <u>managing and achieving</u> quality on the engagement, <u>relevant</u> ethical requirements, acceptance and continuance of client relationships and specific engagements, <del>assignment of engagement teams</del> <u>engagement resources,</u> engagement performance, <del>and</del> <u>monitoring and remediation.</u> ASQCM 1 and ASA 220<sup>6</sup> include guidance that may be helpful.</p> <p><sup>6</sup> See ASQCM 1 <i>Quality <del>Control</del> Management for Firms that Perform Audits <del>and</del> Reviews of Financial Reports and Other Financial Information, <del>and</del> Other Assurance <del>or</del> <u>Related Services</u> Engagements</i> and ASA 220 <i>Quality <del>Control</del> Management for an Audit of a Financial Report and Other Historical Financial Information.</i></p>	<p>Change consistent with ASRE 2400 paragraphs 25 and 28</p>

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<p>ASRE 2410 paragraph A9</p>	<p>Under ASA 315 <i>Identifying and Assessing the Risks of Material Misstatement</i>, the auditor who has audited the entity’s financial report for one or more annual periods has obtained an understanding of the entity and its environment, including its internal control, as it relates to the preparation of the annual financial report, that was sufficient to conduct the audit. In planning a review of a financial report, the auditor needs to update this understanding. The auditor also needs to obtain a sufficient understanding of internal control as it relates to the preparation of the financial report subject to review, as it may differ from internal control as it relates to the preparation of the annual financial report.</p>	<p>Under ASA 315 <i>Identifying and Assessing the Risks of Material Misstatement</i>, the auditor who has audited the entity’s financial report for one or more annual periods has obtained an understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity’s system of including its internal control</u>, as it relates to the preparation of the annual financial report, that was sufficient to conduct the audit. In planning a review of a financial report, the auditor needs to update this understanding. The auditor also needs to obtain a sufficient understanding of <u>the entity’s system of internal control</u> as it relates to the preparation of the financial report subject to review, as it may differ from internal control as it relates to the preparation of the annual financial report.</p>	<p>ASA 315 terminology change – see ASA 2020-1 paragraph 9</p>
<p>ASRE 2410 paragraph A10</p>	<p>The auditor needs to use the understanding of the entity and its environment, including its internal control, to determine the enquiries to be made and the analytical and other review procedures to be applied, and to identify the particular events, transactions or assertions to which enquiries may be directed or analytical or other review procedures applied.</p>	<p>The auditor needs to use the understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity’s system of including its internal control</u>, to determine the enquiries to be made and the analytical and other review procedures to be applied, and to identify the particular events, transactions or assertions to which enquiries may be directed or analytical or other review procedures applied.</p>	<p>ASA 315 terminology change – see ASA 2020-1 paragraph 9</p>
<p>ASRE 2410 paragraph A11</p>	<p>The procedures performed by the auditor to update the understanding of the entity and its environment, including its internal control, ordinarily include the following:</p> <p>...</p> <p>(j) enquiring of management about the effect of changes in the entity’s business activities;</p> <p>...</p>	<p>The procedures performed by the auditor to update the understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity’s system of including its internal control</u>, ordinarily include the following:</p> <p>...</p> <p>(j) enquiring of management <u>and of other appropriate individuals within the entity</u> about the effect of changes in the entity’s business activities;</p> <p>...</p>	<p>Change consistent with ASA 315 paragraph 14(a)</p>

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ASRE 2410 paragraph A19	A review ordinarily does not require tests of the accounting records through inspection, observation or confirmation. Procedures for performing a review of a financial report ordinarily are limited to making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures, rather than corroborating information obtained concerning matters relating to the financial report. The auditor's understanding of the entity and its environment, including its internal control, the results of the risk assessments relating to the preceding audit and the auditor's consideration of materiality as it relates to the financial report, affects the nature and extent of the enquiries made, and analytical and other review procedures applied.	A review ordinarily does not require tests of the accounting records through inspection, observation or confirmation. Procedures for performing a review of a financial report ordinarily are limited to making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures, rather than corroborating information obtained concerning matters relating to the financial report. The auditor's understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity's system of including its</u> internal control, the results of the risk assessments relating to the preceding audit and the auditor's consideration of materiality as it relates to the financial report, affects the nature and extent of the enquiries made, and analytical and other review procedures applied.	ASA 315 terminology change – see ASA 2020-1 paragraph 9
ASRE 2410 paragraph A21	The auditor may perform many of the review procedures before or simultaneously with the entity's preparation of the financial report. For example, it may be practicable to update the understanding of the entity and its environment, including its internal control, and begin reading applicable minutes before the end of the period. Performing some of the review procedures earlier in the period also permits early identification and consideration of significant accounting matters affecting the financial report.	The auditor may perform many of the review procedures before or simultaneously with the entity's preparation of the financial report. For example, it may be practicable to update the understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity's system of including its</u> internal control, and begin reading applicable minutes before the end of the period. Performing some of the review procedures earlier in the period also permits early identification and consideration of significant accounting matters affecting the financial report.	ASA 315 terminology change – see ASA 2020-1 paragraph 9
<b>ASAE 3100 Compliance Engagements</b>			
ASAE 3100 paragraph 5 Footnote 1	See ASRS 4400 <i>Agreed upon Procedures Engagements to Report Factual Findings</i> .	See ASRS 4400 <i>Agreed-Upon Procedures Engagements to Report Factual Findings</i> .	Change in title

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ASAE 3100 Paragraph 10	This ASAE requires the assurance practitioner to apply the ASAE 3000 requirement to comply with relevant ethical requirements related to assurance engagements. It also requires the lead assurance practitioner to be a member of a firm that applies ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements</i> .	This ASAE requires the assurance practitioner to apply the ASAE 3000 requirement to comply with relevant ethical requirements related to assurance engagements. It also requires the lead assurance practitioner to be a member of a firm that applies ASQEM 1 <i>Quality Control Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements</i> .	Change in title
ASAE 3100 paragraph 17(1)	Firm—A sole assurance practitioner, partnership or corporation or other entity of individual assurance practitioners. “Firm” should be read as referring to its public sector equivalents where relevant.	No change.	The definition in ASAE 3100 is consistent with ASAE 3000, the IAASB did not change the definition in ISAE 3000. The main change in definition of firm in ISQM 1 was the inclusion of public sector which is already in AUASB extant definition. On that basis no change at this time.
ASAE 3100 paragraph 28 and its heading	<b>Quality Control</b> The assurance practitioner shall implement quality <del>control</del> management procedures as required by ASAE 3000. <sup>13</sup>	<b>Quality Control Management</b> The assurance practitioner shall implement quality <del>control</del> management procedures as required by ASAE 3000. <sup>13</sup>	Change in terminology consistent with ASQM 1
ASAE 3100 paragraph 56(1)	A statement that the firm of which the assurance practitioner is a member applies ASQC 1;	A statement that the firm of which the assurance practitioner is a member applies ASQEM 1;	Change in title

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	...	...	
ASAE 3100 paragraph A7	Relevant competence and capabilities to perform the compliance engagement, as required by ASAE 3000 <sup>31</sup> by persons who are to perform the engagement, include matters such as the following:  ...	Relevant competence and capabilities, <u>including having sufficient time to perform the compliance engagement</u> , as required by ASAE 3000 <sup>31</sup> by persons who are to perform the engagement, include matters such as the following:  ...	Change consistent with ASAE 3000 paragraph 22(b)
ASAE 3100 Appendix 5 Example 1, Example 2, Example 3	<i>[Our Independence and Quality Control]</i>  We will comply with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> in undertaking this assurance engagement.	<i>[Our Independence and Quality <del>Control</del> Management]</i>  We will comply with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQCM 1 <i>Quality <del>Control</del> Management for Firms that Perform Audits <del>and</del> Reviews of Financial Reports and Other Financial Information, <del>and</del> Other Assurance or Related Services Engagements</i> in undertaking this assurance engagement.	Change in title
ASAE 3100 Appendix 6 Example 1, Example 2, Example 3	<i>Our Independence and Quality Control</i>  We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> in undertaking this assurance engagement.	<i>Our Independence and Quality <del>Control</del> Management</i>  We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> in undertaking this assurance engagement, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.  <u>The firm applies Auditing Standard ASQM 1,<sup>#</sup> which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with</u>	Change consistent with ASAE 3420 Appendix 2 Example 1 and Example 2

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		<p><u>ethical requirements, professional standards and applicable legal and regulatory requirements.</u></p> <p><i>* See ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements.</i></p> <p><i># See ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements.</i></p>	
<b>ASAE 3150 Assurance Engagements on Controls</b>			
ASAE 3150 paragraph 1 footnote 2	<p>This Standard on Assurance Engagements applies to assurance engagements to provide an assurance report on controls at an entity, except for engagements to which ASAE 3402<sup>1</sup> is applicable.<sup>2</sup></p> <p><sup>2</sup> The assurance practitioner applies ASA 315 <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i> when obtaining an understanding of controls for the purposes of the audit of a financial report, standards on review engagements when obtaining an understanding of controls for the purposes of the review of a financial report or ASAE 3000 <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>, as revised in June 2014, and any subject matter specific standard when understanding controls for the purposes of an assurance engagement on subject matters other than historical financial information.</p>	<p>This Standard on Assurance Engagements applies to assurance engagements to provide an assurance report on controls at an entity, except for engagements to which ASAE 3402<sup>1</sup> is applicable.<sup>2</sup></p> <p><sup>2</sup> The assurance practitioner applies ASA 315 <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i> when obtaining an understanding of controls for the purposes of the audit of a financial report, standards on review engagements when obtaining an understanding of controls for the purposes of the review of a financial report or ASAE 3000 <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>, as revised in June 2014, and any subject matter specific standard when understanding controls for the purposes of an assurance engagement on subject matters other than historical financial information.</p>	Change in title
ASAE 3150 paragraph 6 footnote 4	<p>Agreed-upon procedures engagements, where procedures are conducted and factual findings are reported but no conclusion is provided, and consulting engagements, for the purpose of providing advice, on controls are not assurance engagements and are not dealt with in this ASAE. Agreed-upon procedures engagements are addressed</p>	<p>Agreed-upon procedures engagements, where procedures are conducted and factual findings are reported but no conclusion is provided, and consulting engagements, for the purpose of providing advice, on controls are not assurance engagements and are not dealt with in this ASAE. Agreed-upon procedures engagements are addressed under Standard on Related Services, ASRS 4400.<sup>4</sup></p>	Change in title

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	under Standard on Related Services, ASRS 4400. <sup>4</sup>  <sup>4</sup> See ASRS 4400 <i>Agreed-upon Procedures Engagements to Report Factual Findings</i> .	<del><sup>4</sup> See ASRS 4400 <i>Agreed-upon Procedures Engagements to Report Factual Findings</i>.</del>	
ASAE 3150 paragraph 10 footnote 12	Compliance with ASAE 3000 requires, among other things, that the assurance practitioner complies with relevant ethical requirements related to assurance engagements. <sup>11</sup> (Ref: Para. 19) It also requires the lead assurance practitioner <sup>12</sup> to be a member of a firm that applies ASQC 1. <sup>13</sup>  <sup>12</sup> The term “lead assurance practitioner” is referred to in ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> as the “engagement partner”.	Compliance with ASAE 3000 requires, among other things, that the assurance practitioner complies with relevant ethical requirements related to assurance engagements. <sup>11</sup> (Ref: Para. 19) It also requires the lead assurance practitioner <sup>12</sup> to be a member of a firm that applies ASQEM 1. <sup>13</sup>  <sup>12</sup> The term “lead assurance practitioner” is referred to in ASQEM 1 <i>Quality <del>Control</del> Management for Firms that Perform Audits <del>and</del> Reviews of Financial Reports and Other Financial Information, <del>and</del> Other Assurance <u>or Related Services Engagements</u></i> as the “engagement partner”.	Change in title
ASAE 3150 paragraph 17(s)	Firm—A sole assurance practitioner, partnership or corporation or other entity of individual assurance practitioners. “Firm” should be read as referring to its public sector equivalents where relevant.	No change.	See comment on ASAE 3100 paragraph 17(l)
ASAE 3150 paragraph 28	<b>Quality Control</b> The assurance practitioner shall implement quality control procedures as required by ASAE 3000. <sup>25</sup>	<b>Quality <del>Control</del> Management</b> The assurance practitioner shall implement quality <del>control</del> management procedures as required by ASAE 3000. <sup>25</sup>	Change in terminology consistent with ASQM 1
ASAE 3150 paragraph 89(k)	a statement that the firm of which the assurance practitioner is a member applies ASQC 1;	a statement that the firm of which the assurance practitioner is a member applies ASQEM 1;	Change in title
ASAE 3150 paragraph A12	<b>Competence and Capabilities to Perform the Engagement</b> Relevant competence and capabilities to perform the controls engagement, as	<b>Competence and Capabilities to Perform the Engagement</b> Relevant competence and capabilities, <u>including having sufficient time</u> to perform the controls	Change consistent with ASAE 3000 paragraph 22(b)

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	required by ASAE 3000 <sup>49</sup> by persons who are to perform the engagement, include matters such as the following:	engagement, as required by ASAE 3000 <sup>49</sup> by persons who are to perform the engagement, include matters such as the following:	
ASAE 3150 paragraph A151 footnote 58	For application material on preparing and maintaining documentation refer to ASAE 3000. <sup>58</sup>  <sup>58</sup> See ASAE 3000, paragraphs A193-A200.	For application material on preparing and maintaining documentation refer to ASAE 3000. <sup>58</sup>  <sup>58</sup> See ASAE 3000, paragraphs A193-200-A200-207.	Update of footnote references
ASAE 3150 Appendix 4	Second row last column on the right:  <b>ASRS 4400 Agreed-upon Procedures</b>	Second row last column on the right:  <b>ASRS 4400 Agreed-upon Procedures Engagements</b>	Change in title
ASAE 3150 Appendix 8 Example 1, Example 2, Example 3 and Example 4	<i>Our Independence and Quality Control</i>  We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.  In accordance with Auditing Standard ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> , [name of firm] maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.	<i>Our Independence and Quality Control Management</i>  We have complied with the <u>independence and relevant ethical requirements relating to assurance engagements</u> ,* which <del>include independence and other requirements</del> are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.  <del>In accordance with Auditing Standard ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i>, [name of firm] maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. The firm applies</del> <u>Australian Standard ASQM 1,</u> <sup>#</sup> which requires the <u>firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical</u>	Change consistent with ASAE 3420 Appendix 2 Example 1 and Example 2



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		<p><u>requirements, professional standards and applicable legal and regulatory requirements.</u></p> <p><i>* See ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements.</i></p> <p><i># See ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements.</i></p>	
<b>Other AUASB Standards (Domestic Standards)</b>			
<b>ASRE 2405 Review of Historical Financial Information Other than a Financial Report</b>			
ASRE 2405 paragraph 5.3	The assurance practitioner shall implement quality control procedures that are relevant to the individual engagement (paragraph 11).	The assurance practitioner shall implement <u>the firm’s policies or procedures applicable to the individual engagement (paragraph 11).</u>	Change consistent with ASRE 2400 paragraph A27
ASRE 2405 paragraph 7	AUS 902 includes a separate mandatory paragraph relating to the direction, supervision and review of work performed by assistants. In this ASRE, this requirement is addressed by the mandatory Requirements to comply with professional standards (paragraph 8) and with quality control procedures (paragraph 11).	AUS 902 includes a separate mandatory paragraph relating to the direction, <u>and supervision of engagement team members and the review of their work performed by assistants.</u> In this ASRE, this requirement is addressed by the mandatory Requirements to comply with professional standards (paragraph 8) and with quality <u>control management</u> procedures (paragraph 11).	Change consistent with ASAE 3000 paragraph A86
ASRE 2405 paragraph 11	The assurance practitioner shall implement quality control procedures to address the following elements of a quality control	The assurance practitioner shall implement <u>quality control procedures</u> a system of quality management to address the following <u>eight components</u> elements of a quality <u>control management</u> system that apply to the individual engagement: <sup>2</sup> <p>(a) <u>The risk assessment process</u> leadership responsibilities for quality on the assurance engagement;</p> <p>(b) <u>Governance and leadership;</u></p>	Change consistent with ASRE 2400 paragraph A3

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	<p>system that apply to the individual engagement:</p> <p>(a) leadership responsibilities for quality on the assurance engagement;</p> <p>(b) ethical requirements;</p> <p>(c) acceptance and continuance of client relationships and specific engagements;</p> <p>(d) assignment of engagement teams;</p> <p>(e) engagement performance; and</p> <p>(f) monitoring.</p>	<p>(c) <u>Relevant</u> ethical requirements;</p> <p>(d) <u>A</u>acceptance and continuance of client relationships and specific engagements;</p> <p>(e) <u>assignment of engagement teams</u><u>Resources</u>;</p> <p>(f) <u>E</u>engagement performance;</p> <p>(g) <u>I</u>nformation and communication; and</p> <p>(h) <u>T</u>he monitoring <u>and remediation process</u>.</p> <p><u>Firms may use different terminology or frameworks to describe the components of the system of quality management.</u></p> <p><sup>2</sup> See ASQM 1, paragraph 6.</p>	
ASRE 2405 paragraph 12	The quality control procedures relevant to an audit engagement are contained in Auditing Standard ASA 220 <i>Quality Control for an Audit of Historical Financial Information</i> , and may be helpful in determining quality control procedures relevant to a review engagement.	The <u>firm's policies or quality control</u> procedures <u>applicable-relevant</u> to an audit engagement are contained in Auditing Standard ASA 220 <i>Quality Control Management for an Audit of a Financial Report and Other Historical Financial Information</i> , and may be helpful in determining <u>firm's policies or quality control</u> procedures <u>applicable-relevant</u> to a review engagement.	Change consistent with ASRE 2400 paragraph A27
ASRE 2405 paragraph 67	ISRE 2400 <i>Engagements to Review Financial Statements</i> , establishes standards and provides guidance to practitioners who are not the auditor of the entity, when engaged to review financial statements. ISRE 2400 is to be applied, adapted as necessary in the circumstances, to	<p>ISRE 2400 <i>Engagements to Review Financial Statements</i>, establishes standards and provides guidance to practitioners who are not the auditor of the entity, when engaged to review financial statements. ISRE 2400 is to be applied, adapted as necessary in the circumstances, to engagements to review other historical financial information.</p> <p>...</p> <ul style="list-style-type: none"> <li>The assurance practitioner shall implement <u>the firm's policies or procedures applicable quality control procedures that are relevant</u></li> </ul>	Change consistent with ASRE 2400 paragraph A27

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	<p>engagements to review other historical financial information.</p> <p>...</p> <ul style="list-style-type: none"> <li>The assurance practitioner shall implement quality control procedures that are relevant to the individual engagement (paragraph 11).</li> </ul>	<p>to the individual engagement (paragraph 11).</p>	
<p>ASRE 2405 Appendix 4</p>	<p><b>ILLUSTRATIVE DETAILED PROCEDURES THAT THE ASSURANCE PRACTITIONER MAY CONSIDER WHEN PERFORMING A REVIEW ENGAGEMENT</b></p> <p>1. The enquiry and analytical procedures carried out in a review engagement are determined by the assurance practitioner exercising professional judgement. The procedures listed below are for illustrative purposes only and are considered by the assurance practitioner who is presumed to have obtained an understanding of the entity and its environment, including internal controls relative to the preparation of the historical financial information. It is not intended that all the procedures listed apply to every review engagement. This Appendix is intended as helpful guidance and not to serve as a program or checklist in the conduct of a review.</p> <p>...</p>	<p><b>ILLUSTRATIVE DETAILED PROCEDURES THAT THE ASSURANCE PRACTITIONER MAY CONSIDER WHEN PERFORMING A REVIEW ENGAGEMENT</b></p> <p>1. The enquiry and analytical procedures carried out in a review engagement are determined by the assurance practitioner exercising professional judgement. The procedures listed below are for illustrative purposes only and are considered by the assurance practitioner who is presumed to have obtained an understanding of the entity and its environment, <u>the applicable financial reporting framework, and the entity's system of</u><del>including</del> internal controls relative to the preparation of the historical financial information. It is not intended that all the procedures listed apply to every review engagement. This Appendix is intended as helpful guidance and not to serve as a program or checklist in the conduct of a review.</p> <p>...</p>	<p>ASA 315 terminology change – see ASA 2020-1 paragraph 9</p>

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<b>ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation</b>			
ASRE 2415 paragraph 13	The auditor shall implement quality control procedures that are applicable to the individual engagement. <sup>6</sup>  <sup>6</sup> See ASA 220 <i>Quality Control for an Audit of a Financial Report and Other Historical Financial Information</i> which may be helpful in determining quality control procedures applicable to a review engagement.	The auditor shall implement <del>quality control</del> <u>the firm's policies or quality control</u> procedures that are applicable to the individual engagement. <sup>6</sup>  <sup>6</sup> See ASA 220 <i>Quality <del>Control</del> Management for an Audit of a Financial Report and Other Historical Financial Information</i> which may be helpful in determining quality <del>control</del> <u>control management</u> procedures applicable to a review engagement.	Change consistent with ASRE 2400 paragraph A27
<b>ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information</b>			
ASAE 3450 paragraph 18	The assurance practitioner shall comply with relevant ethical requirements relating to assurance engagements, including those pertaining to independence, and implement quality control procedures that are applicable to the individual engagement in accordance with ASA 102. <sup>22</sup>	The assurance practitioner shall comply with relevant ethical requirements relating to assurance engagements, including those pertaining to independence, and implement <del>quality control</del> <u>the firm's policies or quality control</u> procedures that are applicable to the individual engagement in accordance with ASA 102. <sup>22</sup>	Change consistent with ASRE 2400 paragraph A27
ASAE 3450 paragraph 19	The assurance practitioner shall establish and maintain a system of quality control in accordance with ASQC 1. <sup>23</sup>  <sup>23</sup> See ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i> .	The assurance practitioner shall <u>design, implement and operate</u> <del>establish and maintain</del> a system of quality <del>control</del> <u>control management</u> in accordance with ASQCM 1. <sup>23</sup>  <sup>23</sup> See ASQCM 1 <i>Quality <del>Control</del> Management for Firms that Perform Audits <del>and</del> Reviews of Financial Reports and Other Financial Information, <del>and</del> Other Assurance or Related Services Engagements</i> .	Change consistent with ASAE 3000 paragraph A61
ASRE 3450 paragraph 92 and its heading	<b>Quality Control</b>  The assurance practitioner shall include in the engagement documentation:  (a) ...  (d) evidence of compliance with applicable systems of quality	<b>Quality <del>Control</del> Management</b>  The assurance practitioner shall include in the engagement documentation:  (a) ...	Change in title

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	<p>control requirements within the firm;<sup>51</sup> and</p> <p>(e) ...</p> <p><sup>51</sup> See ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i>, for further guidance.</p>	<p>(d) evidence of compliance with applicable systems of quality <del>control</del><u>management</u> requirements within the firm;<sup>51</sup> and</p> <p>(e) ...</p> <p><sup>51</sup> See ASQ<del>CM</del><u>CM</u> 1 <i>Quality <del>Control</del><u>Management</u> for Firms that Perform Audits <del>and</del><u>or</u> Reviews of Financial Reports and Other Financial Information, <del>and</del><u>or</u> Other Assurance <u>or Related Services</u> Engagements</i>, for further guidance.</p>	
<b>ASAE 3500 Performance Engagements</b>			
ASAE 3500 paragraph 10	<p>This ASAE requires the assurance practitioner to apply the ASAE 3000 requirement to comply with relevant ethical requirements related to assurance engagements. It also requires the Audit Office of the Auditor-General to apply ASQC 1<sup>2</sup> or the lead assurance practitioner to be a member of a firm that applies ASQC 1.</p> <p><sup>2</sup> ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements</i>.</p>	<p>This ASAE requires the assurance practitioner to apply the ASAE 3000 requirement to comply with relevant ethical requirements related to assurance engagements. It also requires the Audit Office of the Auditor-General to apply ASQ<del>CM</del><u>CM</u> 1<sup>2</sup> or the lead assurance practitioner to be a member of a firm that applies ASQ<del>CM</del><u>CM</u> 1.</p> <p><sup>2</sup> ASQ<del>CM</del><u>CM</u> 1 <i>Quality <del>Control</del><u>Management</u> for Firms that Perform Audits <del>and</del><u>or</u> Reviews of Financial Reports and Other Financial Information, <u>or</u> Other Assurance <del>Engagements and</del><u>or</u> Related Services Engagements</i>.</p>	Change in title
ASAE 3500 paragraph 21	<p>The assurance practitioner shall initiate, where the assurance practitioner has the legislative mandate to do so, or accept a performance engagement only when:</p> <p>(a) ...</p> <p>(b) the assurance practitioner is satisfied that those persons who are to perform the engagement</p>	<p>The assurance practitioner shall initiate, where the assurance practitioner has the legislative mandate to do so, or accept a performance engagement only when:</p> <p>(a) ...</p> <p>(b) the assurance practitioner is satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities,</p>	Change consistent with ASAE 3000 paragraph 22(b)

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	collectively have the appropriate competence and capabilities;  (c) ...	<u>including having sufficient time to perform the engagement;</u>  (c) ...	
ASAE 3500 paragraph 26 and its heading	<b>Quality Control</b>  The assurance practitioner shall implement quality control procedures as required by ASAE 3000. <sup>7</sup>	<b>Quality Control</b> <del>Management</del>  The assurance practitioner shall implement <u>the firm’s policies or quality control</u> procedures as required by ASAE 3000. <sup>7</sup>	Change consistent with ASRE 2400 paragraph A27
ASAE 3500 paragraph A7	When initiating or accepting a performance engagement, in order to satisfy themselves that those persons who are to perform the performance engagement collectively have the appropriate competence and capabilities, the assurance practitioner may need to either assemble a multi-disciplinary team or be a specialist in the relevant discipline.	When initiating or accepting a performance engagement, in order to satisfy themselves that those persons who are to perform the performance engagement collectively have the appropriate competence and capabilities, <u>including having sufficient time to perform the engagement</u> , the assurance practitioner may need to either assemble a multi-disciplinary team or be a specialist in the relevant discipline.	Change consistent with ASAE 3000 paragraph 22(b)
ASAE 3500 paragraph A8	When multi-disciplinary teams are used in a performance engagement, adequate direction, supervision and review are particularly important so that the team members’ different perspectives, experience and specialties are appropriately used. It is important that all team members understand the objectives of the particular performance engagement and the terms of reference of work assigned to them. Adequate direction, supervision and review are important so that the work of all team members is executed properly and is in compliance with this ASAE and meets the quality control requirements of ASAE 3000.	When multi-disciplinary teams are used in a performance engagement, adequate direction, <u>and supervision of engagement teams and review of their work</u> are particularly important so that the <u>engagement</u> team members’ different perspectives, experience and specialties are appropriately used. It is important that all <u>engagement</u> team members understand the objectives of the particular performance engagement and the terms of reference of work assigned to them. Adequate direction, <u>and supervision of engagement teams and review of their work</u> are important so that the work of all <u>engagement</u> team members is executed properly and is in compliance with this ASAE and meets the quality <del>control</del> <u>management</u> requirements of ASAE 3000.	Change consistent with ASAE 3000 paragraph A74

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<p>ASAE 3500 paragraph A22</p>	<p>Planning involves developing an overall strategy for the scope, emphasis, timing and conduct of the performance engagement. The performance engagement plan, consists of a detailed approach for the nature, timing and extent of evidence-gathering procedures to be undertaken and the reasons for selecting them. Ordinarily, adequate planning:</p> <ul style="list-style-type: none"> <li>• ...</li> <li>• assists the assurance practitioner to properly assign work to performance engagement team members, and facilitates their direction and supervision and the review of their work; and</li> <li>• ...</li> </ul>	<p>Planning involves developing an overall strategy for the scope, emphasis, timing and conduct of the performance engagement. The performance engagement plan, consists of a detailed approach for the nature, timing and extent of evidence-gathering procedures to be undertaken and the reasons for selecting them. Ordinarily, adequate planning:</p> <ul style="list-style-type: none"> <li>• ...</li> <li>• assists the assurance practitioner to properly assign work to performance engagement team members, and facilitates their direction and supervision of engagement team members and the review of their work; and</li> <li>• ...</li> </ul>	<p>Change consistent with ASAE 3000 paragraph A86</p>
<p><b>ASAE 3610 Assurance Engagements on General Purpose Water Accounting Reports</b></p>			
<p>ASAE 3610 paragraph 12</p>	<p>Compliance with ASAE 3000 requires, among other things, that the assurance practitioner comply with relevant ethical requirements<sup>8</sup> related to assurance engagements. It also requires the lead assurance practitioner to be a member of a firm that applies ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements (ASQC 1).<sup>9,10</sup></p> <p><sup>10</sup> The term “lead assurance practitioner” is referred to in ASQC 1 as “engagement partner”.</p>	<p>Compliance with ASAE 3000 requires, among other things, that the assurance practitioner comply with relevant ethical requirements<sup>8</sup> related to assurance engagements. It also requires the lead assurance practitioner to be a member of a firm that applies ASQCM 1 Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Reports and Other Financial Information, or Other Assurance Engagements and/or Related Services Engagements (ASQCM 1).<sup>9,10</sup></p> <p><sup>10</sup> The term “lead assurance practitioner” is referred to in ASQCM 1 as “engagement partner”.</p>	<p>Change in title</p>

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ASAE 3610 paragraph 15(n)	Engagement team – all assurance practitioners and staff performing the assurance engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes an assurance practitioner’s external expert engaged by the firm or a network firm.	Engagement team – all assurance practitioners and staff performing the assurance engagement, and any <del>other individuals engaged by the firm or a network firm</del> who perform procedures on the engagement. <del>This excludes</del> <u>excluding</u> an assurance practitioner’s external expert <del>engaged by the firm or a network firm</del> .	Change consistent with ASAE 3000 paragraph 12(h)
ASAE 3610 paragraph 17	The lead assurance practitioner shall:  (a) Have competence in assurance skills and techniques developed through extensive training and practical application, and sufficient competence in the quantification and reporting of water assets, water liabilities and changes in water assets and water liabilities to accept responsibility for the assurance conclusion; and  (b) Be satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, including in the quantification and reporting of water assets, water liabilities and changes in water assets and water liabilities, and in assurance, to perform the assurance engagement in accordance with this Standard.	The lead assurance practitioner shall:  (a) Have competence in assurance skills and techniques developed through extensive training and practical application, and sufficient competence in the quantification and reporting of water assets, water liabilities and changes in water assets and water liabilities to accept responsibility for the assurance conclusion; and  (b) Be satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, <u>including having sufficient time to perform the engagement</u> , including in the quantification and reporting of water assets, water liabilities and changes in water assets and water liabilities, and in assurance, to perform the assurance engagement in accordance with this Standard.	Change consistent with ASAE 3000 paragraph 22(b)
ASAE 3610 paragraph 94 and its heading	Quality Control  The assurance practitioner shall include in the engagement documentation:  ...	Quality <del>Control</del> <u>Management</u>  The assurance practitioner shall include in the engagement documentation:  ...	Change in title



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<p>ASAE 3610 paragraph 98 and its heading</p>	<p><b>Engagement Quality Control Review</b></p> <p>For those engagements, if any, for which a quality control review is required by law or regulation or for which the assurance practitioner’s firm has determined that an engagement quality control review is required, the engagement quality control reviewer shall perform an objective evaluation of the significant judgements made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve:</p> <p>(a) Discussion of significant matters with the lead assurance practitioner, including the engagement team’s professional competencies with respect to the quantification and reporting of water assets, water liabilities and changes in water assets and water liabilities, and assurance;</p> <p>(b) Review of the general purpose water accounting report and the assurance report;</p> <p>(c) Review of selected engagement documentation relating to the significant judgements the engagement team made and the conclusions it reached; and</p> <p>(d) Evaluation of the conclusions reached in formulating the assurance report and consideration</p>	<p><b>Engagement Quality Control Review</b></p> <p>For those engagements, <del>if any,</del> for which <u>an engagement quality control review is required in accordance with ASQM 1 or the firm’s policies or procedures by law or regulation or for which the assurance practitioner’s firm has determined that an engagement quality control review is required,</u> the <u>lead assurance practitioner shall discuss significant matters and significant judgements arising during the engagement with the engagement quality reviewer, and not date the assurance report until completion of that review.</u><sup>20</sup> <del>engagement quality control reviewer shall perform an objective evaluation of the significant judgements made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve:</del></p> <p><del>(a) Discussion of significant matters with the lead assurance practitioner, including the engagement team’s professional competencies with respect to the quantification and reporting of water assets, water liabilities and changes in water assets and water liabilities, and assurance;</del></p> <p><del>(b) Review of the general purpose water accounting report and the assurance report;</del></p> <p><del>(c) Review of selected engagement documentation relating to the significant</del></p>	<p>Change consistent with ASAE 3000 paragraph 36</p>
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	of whether the assurance report is appropriate.	<p><del>judgements the engagement team made and the conclusions it reached; and</del></p> <p>Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the assurance report is appropriate.</p> <p><sup>20</sup> See ASQM 2, Engagement Quality Reviews.</p>	
ASAE 3610 paragraph 103	<p>The assurance report shall include, at a minimum, the following basic elements:</p> <p>(a) ...</p> <p>(h) A statement that the firm of which the assurance practitioner is a member applies ASQC 1.</p> <p>(i) ...</p>	<p>The assurance report shall include, at a minimum, the following basic elements:</p> <p>(a) ...</p> <p>(h) A statement that the firm of which the assurance practitioner is a member applies <u>ASQEM</u> 1.</p> <p>(i) ...</p>	Change in title
ASAE 3610 paragraph A165	<p>Examples of exceptional circumstances include facts which become known to the assurance practitioner after the date of the assurance report but which existed at that date and which, if known at that date, might have caused the general purpose water accounting report to be amended or the assurance practitioner to modify the conclusion in the assurance report, for example, the discovery of a significant uncorrected error. The resulting changes to the engagement documentation are reviewed in accordance with quality control policies and procedures with respect to review responsibilities, such as those required by ASQC 1, with the lead</p>	<p>Examples of exceptional circumstances include facts which become known to the assurance practitioner after the date of the assurance report but which existed at that date and which, if known at that date, might have caused the general purpose water accounting report to be amended or the assurance practitioner to modify the conclusion in the assurance report, for example, the discovery of a significant uncorrected error. The resulting changes to the engagement documentation are reviewed in accordance with <u>the firm's quality control policies and/or procedures with respect to the nature, timing and extent of the review of engagement team members' work</u> <del>review responsibilities, such as those required by ASQEM</del></p>	Change consistent with ASAE 3410 paragraph A128

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	assurance practitioner taking final responsibility for the changes. <sup>32</sup>  <sup>32</sup> ASQC 1, paragraphs 32–33.	1, <sup>32</sup> with the lead assurance practitioner taking final responsibility for the changes. <sup>32</sup>  <sup>32</sup> See ASQEM 1, paragraphs <del>32–33</del> 31(b).	
ASAE 3610 paragraph A166	ASQC 1 requires firms to establish policies and procedures for the timely completion of the assembly of engagement files. <sup>33</sup> An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report. <sup>34</sup>  <sup>33</sup> ASQC 1, paragraph 45. <sup>34</sup> ASQC 1, paragraph A54.	<u>ASQEM 1 requires firms to establish a quality objective that addresses the assembly of engagement documentation on a timely basis after the date of the engagement report.</u> <del>policies and procedures for the timely completion of the assembly of engagement files.</del> <sup>33</sup> An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report. <sup>34</sup>  <sup>33</sup> ASQEM 1, paragraph 4531(f). <sup>34</sup> ASQEM 1, paragraph A54A83.	Change consistent with ASAE 3000 paragraph A205
ASAE 3610 paragraph A167	<b>Engagement Quality Control Review</b>  Other matters that may be considered in an engagement quality control review include:  (a) The engagement team’s evaluation of their independence in relation to the engagement.  (b) Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations.  (c) Whether engagement documentation selected for review reflects the work performed in relation to the significant judgements and supports the conclusions reached.	This paragraph is deleted.	Change consistent with ASAE 3410 paragraph A130

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<p>ASAE 3610 Appendix Illustration 1, Illustration 2, Illustration 3, Illustration 4, Illustration 5 and Illustration 6</p>	<p>Assurance Practitioner’s Independence and Quality Control</p> <p>We have complied with relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.</p> <p>[Name of assurance practitioner’s firm] applies Auditing Standard ASQC 1, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>	<p>Assurance Practitioner’s Independence and Quality Control Management</p> <p>We have complied with <u>the independence and relevant ethical requirements relating to assurance engagements,<sup>#</sup> which <del>are include independence and other requirements</del></u> founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.</p> <p>[Name of assurance practitioner’s firm] <del>applies Auditing Standard ASQC 1, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</del> <u>applies Auditing Standard ASQM 1<sup>†</sup>, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</u></p> <p><sup>#</sup> See <i>ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements.</i></p> <p><sup>†</sup> See <i>ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements.</i></p>	<p>Change consistent with ASAE 3410 Appendix 2 Illustration 1 and Illustration 2</p>
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