



**Subject:** Minutes of the 81<sup>st</sup> meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** TEQSA Boardroom, Tower Level 14, 530 Collins Street, Melbourne  
**Date:** 14 June 2016 from 10.00 a.m. to 4.30 p.m.

Unless noted otherwise, all Agenda Items were discussed in public.

#### **Attendance**

AUASB Members:

- Ms Merran Kelsall (Chairman)
- Ms Robin Low (Deputy Chairman)
- Ms Jo Cain
- Mr Chris George
- Ms Caithlin Mc Cabe
- Ms Jane Meade
- Mr Colin Murphy
- Ms Carolyn Ralph
- Mr Ashley Wood

Apologies:

- Prof. Nonna Martinov-Bennie
- Mr Neil Cherry

AUASB Technical Group:  
(except for Agenda Item 1 discussion)

- Mr Richard Mifsud (Executive Director)
- Mr Mark Dowling
- Ms Rene Herman
- Ms Marina Michaelides
- Ms Anne Waters

#### **Preliminary Session including Declarations of Interest and Corporate and Strategic Planning Matters**

##### **(Agenda Item 1 – Minute 1034)**

This agenda item was a closed session.

#### **Minutes**

##### **(Agenda Item 2 – Minute 1035)**

The AUASB approved the minutes of the 81<sup>st</sup> meeting held on 18 April 2016.

#### **Matters Arising and Action list**

##### **(Agenda Item 3 – Minute 1036)**

The status of matters arising brought forward from previous AUASB meetings and action items were noted. The AUASB requested that the Australian Institute of Company Directors as well as the New Zealand Institute of Company Directors be added to the list of future meetings.



## **Auditor Reporting – Special Purpose Reports – ED ASAs 800/805 and 810**

### **(Agenda Item 4 – Minute 1037)**

The AUASB considered and approved, subject to minor editorial amendments, the issue of the Australian Exposure Drafts 01/16 ASA 800 *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and 02/16 ASA 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*. The AUASB agreed to a 30-day comment period.

In addition, the AUASB considered the draft Australian Exposure Draft on revised ASA 810 *Engagements to Report on Summary Financial Statements*. The AUASB requested several editorials and an additional example concise auditor's report. The AUASB agreed that the amended draft Exposure Draft will be circulated for an out of session approval to issue.

## **Auditor Reporting – Auditor's Responsibilities and Proposed Bulletin**

### **(Agenda Item 5 – Minute 1038)**

#### *Auditor's Responsibilities on the AUASB Website*

The AUASB discussed the updated descriptions of the auditor's responsibilities that form part of the auditor's report, to be located on the AUASB website. The AUASB recommended several amendments as well as an additional example to cover single entity audits where ASA 600 *Special Considerations-Audits of a Group Financial Report* applies.

#### *AUASB Bulletin - Auditor Reporting including Key Audit Matters*

The AUASB further discussed the most appropriate manner in which to provide practical guidance in relation to the auditor reporting changes. The AUASB considered a draft bulletin and requested that the bulletin is broadened to not only include KAM, and suggested that the bulletin be structured in a most frequently asked questions manner. The AUASB recommended that a small PAG is established to provide practical input into the bulletin.

## **Presentation by CPA Australia**

### **(Agenda Item 6 – Minute 1039)**

Ms Claire Grayston, Mr John Purcell and Ms Emma Sweet, presented on *Assurance on the Integrated Report – Insights from Development of the Framework, Practical Implementation and Research Findings* where they discussed CPA's experience with integrated reporting as well as providing an update in relation to research currently being undertaken in this area.

## **ASAE 3100 Compliance Engagements**

### **(Agenda Item 7 – Minute 1040)**

The AUASB discussed proposed changes to ED XX ASAE 3100 *Compliance Engagements*. Work will continue with the PAG with a view to consider a final exposure draft at the 26 July 2016 AUASB meeting.



## International

### (Agenda Item 8 – Minute 1041)

(a) *IAASB – NSS Meeting 16-17 June 2016*

The AUASB received a report on key matters to be discussed at the IAASB NSS meeting on 16-17 June 2016 in New York and provided input to the Chairman to assist in her contribution at the meeting.

(b) *IAASB Meeting 21-24 June 2016*

The AUASB received a report on and provided input in relation to key matters to be discussed at the IAASB meeting on 21-24 June 2016 in New York, including:

- Professional Scepticism;
- Integrated Reporting;
- Data Analytics;
- Financial Institutions
- NOCLAR;
- ITC;
- ASA 315; and
- Agreed Upon Procedures

(c) *Integrated Reporting*

The AUASB received an update on current assurance related <IR> activities being undertaken both internationally and within Australia.

## Other Matters

### (Agenda Item 9 – Minute 1042)

(a) *ACAG Auditing Issues*

The AUASB received an update as to discussions held between the AUASB Technical Group and the Australasian Council of Auditors-General (ACAG) Financial Reporting and Audit Committee (FRAC) at a meeting held on 22 April 2016. The audit issues raised by ACAG relate to agreeing the terms of audit engagements, references to engagement partner in auditing standards; and evaluation of management's assessment of the going concern assumption. The AUASB agreed to include these issues on their future work program but not as a priority.

(b) *Proposed revision of Audit Committees Guide*

The AUASB agreed in-principle for a joint project to be scoped with the AUASB Technical Group, Australian Institute of Company Directors and the Institute of Internal Auditors - Australia for an update/revision to *Audit Committees - A Guide to Good Practice*.

(c) *Report from NZAuASB Chairman*

The NZAuASB Chairman provided an email report on the latest New Zealand activities which the AUASB Chairman would circulate to the AUASB after the meeting. The AUASB Chairman took the opportunity to thank Mr Cherry, for the superb contribution that he had made during his time with the NZAuASB and AUASB.

(d) *AUASB updated Technical Work Program*

The AUASB noted the updated AUASB Technical Work Program for the year ending 30 June 2016.



(e) *Current AUASB PAG memberships*

The AUASB noted the current PAG membership listing.

**Next Meeting**

The next regular meeting of the AUASB will be held at the CA ANZ Sydney Office, 33 Erskine Street, Sydney, on Tuesday, 26 July 2016 commencing at 9.00 a.m.

**Close of Meeting**

The Chairman closed the meeting at 5.00 p.m.

**Approval**

Signed as a true and correct record.

M H Kelsall  
*Chairman*

Date: 26 July 2016