



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **8(a)**
Meeting Date: 15 September 2015
Subject: ASAE / SAE 3100 Compliance Engagements
Date Prepared: 1 September 2015

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider the second draft ED XX of ASAE / SAE 3100 *Compliance Engagements* for feedback.

Background

1. ASAE 3100 was issued in 2008 and a post-implementation survey was conducted in 2012. The results of that survey identified some matters to be addressed in any future revisions to ASAE 3100.
2. The NZAuASB also completed a post-implementation survey for SAE 3100 in April 2015 and any matters raised will also be addressed by the NZAuASB in their revision of SAE 3100 and considered by the AUASB in the revision of ASAE 3100 to ensure consistency.
3. The AUASB approved a project plan to revise ASAE 3100 at the 24 February AUASB meeting.

Matters to Consider

Part A – General

1. The 2nd draft ED provided to the AUASB for consideration and comment includes all PAG comments and suggestions from the PAG meetings held on Thursday, 23 July and Monday, 31 August. Key areas addressed in the 2nd draft are as follows:
 - Inclusion of Appendix 2 – Nature of Assurance Engagements on Compliance – to assist in defining the terminology adopted in the standard e.g. compliance requirements, compliance activity and compliance outcome.
 - Issues regarding the differences in the risk assessment procedures for reasonable and limited engagements – table has been included at paragraph 34 for clearer differentiation.

This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

- Tightening up of terminology used in the ED and ensuring that appropriate definitions of such terminology have been adequately included, for example: compliance objective, compliance requirements, compliance outcome and compliance activity.
- Further inclusions in the draft ED for consideration by the AUASB:
 - Application and other Explanatory material
 - Appendix 1 – Roles and Responsibilities – Direct and Attestation Compliance Engagements
 - Appendix 2 – Nature of Assurance Engagements on Compliance
 - Appendix 3 – Standards Applicable to Engagements on Compliance

Part B – NZAuASB

1. This is a joint project with NZAuASB, as they currently have SAE 3100 *Compliance Engagements* (August 2011) which is in clarity format however needs to be revised to remain consistent with ISAE 3000 (revised) and ASAE 3100 (revised).
2. The NZAuASB Technical Group are providing a first draft of the ED (as provided to the AUASB at its 28 July meeting) to the NZAuASB for consideration at their 2 September meeting.

AUASB Technical Group Recommendations

The AUASB to consider and provide feedback on the second draft ED XX of ASAE / SAE 3100 *Compliance Engagements*.

Material Presented

Agenda Item 8(a)	AUASB Board Meeting Summary Paper
Agenda Item 8(a).1	Draft ED XX ASAE / SAE 3100 <i>Compliance Engagements</i>
Agenda Item 8(a).2	Project Timeline

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider 2 nd Draft ED XX ASAE / SAE 3100.	Feedback from AUASB on Draft ED XX ASAE / SAE 3100.	AUASB	15 September 2015	Pending