



Subject: Minutes of the 84th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: TEQSA Boardroom, Tower Level 14, 530 Collins Street, Melbourne
Date: 13 September 2016 from 10.00 a.m. to 5.00 p.m.

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

Attendance

AUASB Members:

- Ms Merran Kelsall (Chairman)
- Ms Robin Low (Deputy Chairman)
- Mr Robert Buchanan
- Ms Jo Cain
- Mr Chris George
- Prof. Nonna Martinov-Bennie
- Ms Caithlin Mc Cabe
- Ms Jane Meade
- Mr Colin Murphy
- Ms Carolyn Ralph
- Mr Ashley Wood

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

- 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(a) – (d) – Minute 1054)

This agenda item was a closed session of the Board with the National Director, Mr Justin Lachal.

Minutes

(Agenda Item 1(e) – Minute 1055)

Subsequent to a minor amendment, the AUASB approved the minutes of the 82nd meeting held on 26 July 2016.

Matters Arising and Action List

(Agenda Item 1(f) – Minute 1056)

The status of matters arising brought forward from previous AUASB meetings and action items was noted. The AUASB requested that the out-of-session vote on ED 04/16 ASAE 3100 *Compliance Engagements* be included as an addendum to the minutes of 13 September 2016 AUASB meeting.



International

(Agenda Item 2 – Minute 1057)

(a) *IAASB Meeting 19-23 September 2016*

The AUASB received a report on and provided input in relation to key matters to be discussed at the IAASB meeting on 19-23 September 2016 in Hong Kong, including:

- ISA 540;
- ISA 315;
- ITC Quality Control;
- Professional Scepticism;
- Group Audits; and
- Data Analytics.

The AUASB agreed that the process of allocating international agenda items to smaller groups within the AUASB appeared to be working well. The AUASB requested that international papers were distributed as early as possible to responsible Board members, and that assigned AUASB technical staff and Board members discuss international papers prior to the Board meeting, with the aim of holding more pointed discussions.

(b) *Emerging External Reporting - update*

The AUASB discussed the IAASB's release of the Working Group Paper, *Supporting Credibility and Trust in Emerging Forms of External Reporting: Ten Key Challenges for Assurance Engagements* and the upcoming roundtables to be held co-jointly with the Business Reporting Leaders Forum (BRLF) in October 2016.

ASA 810 Engagements to Report on Summary Financial Statements

(Agenda Item 3 – Minute 1058)

The AUASB considered the summary of submissions received on ED 03/16 ASA 810 *Engagements to Report on Summary Financial Statements*. In light of the comments received, the AUASB agreed to align ASA 810 with ISA 810 but decided that there was a need for a revision to the guidance statement GS 001 *Concise Financial Reports Under the Corporations Act 2001*. A project proposal to revise GS 001 will be presented at the 29 November 2016 AUASB meeting. Subject to amendments resulting from the aforementioned, the AUASB approved for issue ASA 810.



Presentation by Professor Miklos Vasarhelyi – Rutgers University

(Agenda Item 4 – Minute 1059)

Professor Miklos Vasarhelyi presented to the AUASB on current trends on the use of data and data analytics and its potential impact on the audit and assurance profession.

ASAE 3500 Performance Engagements project update

(Agenda Item 5 – Minute 1060)

The AUASB was provided with a project update on ED XX ASAE 3500 *Performance Engagements* which included reformation of the Project Advisory Group to progress drafting of the ED.

Auditor Reporting

(Agenda Item 6 – Minute 1061)

The AUASB discussed the latest draft of the *Auditor Reporting Frequently Asked Questions*. The discussion included audit report issues relating to Stapled Securities, the definition of a listed entity (including Aqua funds) and the treatment of financial reports containing parent and consolidated information (i.e. four column financial report).

The AUASB also discussed updates to GS 10 *Responding to Questions at an Annual General Meeting*, to be implemented following the forthcoming AGM season for queries on Key Audit Matters.

Other Matters

(Agenda Item 7 – Minute 1062)

(a) *Audit Committees Guide - update*

The AUASB received an update on the project to revise the Audit Committees Guide. A first draft of the revision including input from all parties will be reviewed at the 29 November 2016 AUASB meeting.

(b) *Query on ASA 700 – Date of the Auditor's Report*

The AUASB agreed that rather than inserting a footnote into the Australian illustrative auditor's reports within the suite of auditing standards, the board would insert an Aus paragraph into the requirements of ASA 700 *Forming an Opinion and Reporting on a Financial Report* that reads as follows: "The auditor's report shall be dated as of the date the auditor signs that report".

(c) *Report from AUASB Chairman's Activities for noting*

The Chairman noted that Mr Jim Sylph, Co-Chair of the IAASB Auditor Reporting Implementation Project, would be visiting Australia in November 2016 and participating in a panel discussion being arranged by the AUASB, in conjunction with CPA Australia and CA ANZ, and including firms, preparers, audit committee members, investor representatives and other stakeholders in relation to implementation of the auditor reporting standards.

(d) *Report from NZAuASB Chairman*

The NZAuASB Chairman provided an update on the latest New Zealand activities including their work with the NZASB in relation to Service Performance Reporting, the need to update the Glossary, the research project including use of assurance standards by non-accountant practitioners and consultation on the IAASB Work Plan Survey.

(e) *Proposed 2017 AUASB meeting dates*

The AUASB agreed to respond to a Doodle Poll in relation to 2017 meeting dates.



(f) *Correspondence – for noting*

The AUASB noted the correspondence received from the Board of Taxation (BOT) in relation to the Voluntary Tax Transparency Code. The AUASB agreed to respond to the letter received from the Chair of the BOT and provide comments on communication, materiality and reporting under ASA 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*.

AUASB Strategy

(Agenda Item 8 – Minute 1063)

(a) *Strategy*

The AUASB noted the updated performance report and Corporate Plan for 2016/2017.

(b) *AUASB work plan – for noting*

The AUASB noted the updated AUASB Technical Work Program for the year ending 30 June 2017.

(c) *IAASB Survey response*

The AUASB commented on several matters that were raised in the IAASB Survey roundtable that was held on 12 September 2016. The board noted that a response to the IAASB survey would be circulated out of session for comment.

Next Meeting

The next regular meeting of the AUASB will be held in the TEQSA Boardroom, Level 14, 530 Collins Street, Melbourne, on Tuesday, 29 November 2016 commencing at 10.00 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: 25 October 2016



ADDENDUM TO 13 SEPTEMBER 2016 MINUTES

Issuance of ED 04/16 Proposed Standard on Assurance Engagements ASAE 3100 *Compliance Engagements*

At the 26 July 2016 AUASB meeting, the AUASB considered the draft Exposure Draft 04/16 on revised ASAE 3100 *Compliance Engagements*. The AUASB requested several editorials and some further amendments. The AUASB agreed that the amended draft Exposure Draft 04/16 would be circulated for an out of session approval to issue.

The resolution regarding the issuance of ED 04/16 Proposed Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* was unanimously to issue.