



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **7**

Meeting Date: 28 November 2017

Subject: *ASA 2017-3 Amending Standard to ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

Date Prepared: 14 November 2017

Action Required

For Information Purposes Only

Agenda Item Objectives

For the AUASB to approve ASA 2017-3 for issue without public exposure, subject to internal QA process and final approval by the Chair.

Background

- ASA 102 is used to provide a “force of law” requirement to comply with the APES 110 *Code of Ethics for Professional Accountants*, issued by the Accounting Professional & Ethical Standards Board Limited.
- The current version ASA 102 was released on 1 July 2013 and includes an outdated reference to APES 110 in paragraph 4(e):

Relevant ethical requirements means ethical requirements that apply to the auditor, assurance practitioner, engagement quality control reviewer and firm. In Australia, these include the applicable requirements of APES 110 *Code of Ethics for Professional Accountants*, issued by the Accounting Professional and Ethical Standards Board (February 2008 and December 2010 as applicable), the applicable provisions of the Corporations Act 2001 and other applicable law or regulation.

- ASA 2017-3 updates paragraph 4(e) to include a reference to APES 110 as amended to May 2017 which is the latest version of the code. Paragraph 4(e) will now read as follows:

Relevant ethical requirements means ethical requirements that apply to the auditor, assurance practitioner, engagement quality control reviewer and firm. In Australia, these include the applicable requirements of APES 110 *Code of Ethics for Professional Accountants*, issued by the Accounting Professional & Ethical Standards Board Limited (June 2006 and amendments to February 2008 or December 2010 and amendments to May 2017, as applicable), the applicable provisions of the Corporations Act 2001 and other applicable law or regulation.

- The amending standard also updates paragraph A1 to include reference to APES 110 as amended to May 2017.

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- The changes above were advised by technical staff from the APESB, who have agreed with the revised wording used in paragraphs 4(e) and A1 of the proposed compiled version of ASA 102.
- A number of minor editorial amendments and updates have also been made to ASA 102. Refer Agenda Item 7.3 for a marked-up version from the extant that outlines these amendments.
- The operative date for the amendments of 1 January 2018 is consistent with the approach taken with previous amendments to paragraphs 4(e) and A1 of ASA 102 (in June 2011 and July 2013). Consistent with other amendments to ASA 102 these changes apply at a point in time as opposed to a discrete financial reporting period.

Part B – NZAuASB

1. The NZAuASB do not have an equivalent to ASA 102.

AUASB Technical Group Recommendations

The AUASB:

- To approve ASA 2017-3 for issue without public exposure, with an application date of 1 January 2018 with early adoption permitted, subject to internal QA processes being completed and final review by the Chair.
- It is the view of the AUASB technical staff that these changes do not require public exposure as are not significant in nature, and have no impact on the requirements contained in ASA 102.

Material Presented

Agenda Item 7	AUASB Board Meeting Summary Paper
Agenda Item 7(a)	<i>ASA 2017-3 Amending Standard to ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i>
Agenda Item 7(b)	<i>ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i> Compiled November 2017 – Clean Version
Agenda Item 7(c)	<i>ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i> Compiled November 2017 – Marked up from extant
Agenda Item 7(d)	<i>Explanatory Statement for ASA 2017-3 Amending Standard to ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i>

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Give clearance to issue ASA 2017-3	AUASB clearance	AUASB	28 November 2017	o/s

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