



# AUASB Board Meeting Summary Paper

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**AGENDA ITEM NO.**      **15(b)**  
**Meeting Date:**            16 April 2012  
**Subject:**                    Revision of *Audit Committees: A Guide to Good Practice*  
**Date Prepared:**            3 April 2012

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**Action Required**

**For Information Purposes Only**

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## Agenda Item Objectives

To inform the AUASB of the status of the joint AUASB, AICD, IIA-A project to revise *Audit Committees: A Guide to Good Practice*.

## Background

At its last meeting in February 2012, the AUASB approved the project plan to revise *Audit Committees A Guide to Good Practice* and requested that the project be finalised by June 2012.

## Matters to Consider

### **Project Update**

In March 2012, the Executive Director wrote to the AICD and the IIA-A advising them of the proposed change to the project timeline.

A first-cut, preliminary draft of the revised guide was prepared by AUASB technical staff and forwarded to relevant staff at the AICD and the IIA-A for their input. Written comments/input from AICD and IIA-A staff are due by 11 April 2012 and a teleconference has been scheduled for 12 April 2012 to discuss comments/input received.

AUASB technical staff will then finalise an agreed first draft for consideration by the AUASB, AICD (Reporting Committee) and IIA-A (Policy Committee and Technical Committee).

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*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.*

## ***Corporations Legislation Amendment (Audit Enhancement) Bill 2011***

For information, the *Corporations Legislation Amendment (Audit Enhancement) Bill 2011* passed the House of Representatives on 13 March 2012 and is currently before the Senate, which sits again from 8 May for around 5 weeks.

This Bill:

- amends the *Corporations Act 2001* to:
  - enable directors of a listed company or listed registered scheme to extend the auditor rotation period for up to two years in certain circumstances; and
  - require auditors who audit ten or more certain types of entities to publish a transparency report; and
- amends the *Australian Securities and Investments Commission Act 2001* to:
  - revise the functions of the Financial Reporting Council (FRC) to require the FRC to provide the minister and professional accounting bodies with strategic policy advice and reports in relation to the quality of audits conducted by Australian auditors;
  - enable the Australian Securities and Investments Commission (ASIC) to publish an audit deficiency report in relation to specified audit failures by an Australian auditor identified by ASIC; and
  - enable ASIC to communicate certain information obtained during an audit directly with an audited body.

It is intended that any changes required to the audit committees guide arising from this Bill will be incorporated into the guide, prior to its finalisation.

### **AUASB Technical Group Recommendations**

That the AUASB note the status of the revision of *Audit Committees: A Guide to Good Practice*.

### **Material Presented**

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