



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **7(b)**
Meeting Date: 27 February 2012
Subject: Revision of Audit Committees: A Guide to Good Practice
Date Prepared: 13 February 2012

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider and approve the Project Plan for revision of *Audit Committees: A Guide to Good Practice*.

Background

Audit Committees A Guide to Good Practice was developed jointly by the AUASB, the AICD and the IIAA and was issued originally in 2001, followed by an updated version in February 2008. The Guide provides a practical introduction to the role and responsibilities of an audit committee and is intended to assist audit committee members, internal and external auditors, management and employees of entities with an audit committee, and shareholders and others with an interest in audit committees.

Matters to Consider

A working group comprising members from the staff of the AUASB, the AICD and the IIAA met on 15 December 2011 to discuss the need for revision of the Guide. Draft minutes of that meeting are provided at Agenda Item 7(b).3, for information. The draft Project Plan (Agenda Item 7(b).1) and Project Timeline (Agenda Item 7(b).2) have been developed in consultation with members of the working group.

The project timeline allows for any changes to the *Corporations Act 2001* arising from the proposed *Corporations Legislation Amendment (Audit Enhancement) Bill 2011* to be incorporated into the final publication, if necessary.

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.

The project timeline also allows for the necessary consideration and approval processes of the AUASB, the AICD and the IIAA.

It is proposed that the revised Guide should continue to focus on listed companies, be principles-based, rather than prescriptive, and retain the overall style and layout of the current Guide.

The following new topics will be considered for inclusion in the revised Guide:

- (a) guidance on matters relating to how directors need to manage the information given to them by management, including understanding the assertions made by management, understanding the risks associated with the information and considerations in relying on the work of experts; and
- (b) a sample self-assessment guide for audit committees.

AUASB Technical Group Recommendations

That the AUASB approve the Project Plan for revision of *Audit Committees: A Guide to Good Practice*.

Material Presented

Agenda Item 7(b)	AUASB Board Meeting Summary Paper
Agenda Item 7(b).1	Draft Project Plan: Revision of <i>Audit Committees: A Guide to Good Practice</i> .
Agenda Item 7(b).2	Draft Project Timeline (graphical format)
Agenda Item 7(b).3	Minutes of Meeting held on 15 December 2011 between the AUASB, AICD and IIAA.

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approve Project Plan	Approval	AUASB	27 February 2012	o/s

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