



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **6**

Meeting Date: 23 July 2012

Subject: Update on Results from Post Implementation Surveys – ASAE 3100
Compliance Engagements and ASAE 3500 *Performance Engagements*

Date Prepared: 10 July 2012

Action Required

For Information Purposes Only

Agenda Item Objectives

To provide the AUASB with an update on the progress of the ASAE 3100 *Compliance Engagements* and ASAE 3500 *Performance Engagements* post implementation survey project.

Background

ASAE 3100 Compliance engagements standard was issued in September 2008 and ASAE 3500 Performance engagements issued in July 2008. These standards are explicitly linked to the current ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued in July 2007 and which was based on ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, which was issued in 2005 by the IAASB.

Currently, the IAASB are revising ISAE 3000 which is likely to be completed by March 2013. This revision will have direct flow on effects to the revision of ASAE 3000, 3100 and 3500.

In order to revise these standards, the AUASB need to consult stakeholders on any application issues or improvements that need to be considered upon revision of the standards.

Matters to Consider

The post implementation surveys were distributed to key stakeholders (15 ASAE 3100 and 9 ASAE 3500) via the Survey Monkey tool on 8 May 2012 with an initial deadline of 31 May. This yielded a response rate of around 33%. Further follow up via a reminder email with a response date of 14 June was then sent to those outstanding which increased the response rate to approximately 40%. Follow up phone calls were then made to non-responders at the end of June 2012 which then yielded a total response rate of 66% for ASAE 3500 and 60% for ASAE 3100. Two stakeholders have stated that they were unable to complete the

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ASAE 3100 *Compliance Engagements* survey as they have not performed any of these types of engagements to date. It is likely that there will still be some late responses to the surveys post the 23 July Board meeting.

There are two points I would like to raise from an initial review of the survey responses:

ASAE 3100 *Compliance Engagements*:

From a number of responses, and the fact that some key stakeholders did not feel they could respond to the survey as they are not undertaking these engagements in practice, leads to the conclusion that this standard is not being used as widely as maybe first thought by the AUASB. Once the revision to this standard has been completed in 2013, it would be an appropriate time to clarify to the practitioners when this standard should be applied so there is no ambiguity as to when you might apply ASAE 3100 as compared to ASAE 3000.

ASAE 3500 *Performance Engagements*:

A number of the responses to the questions have highlighted that under specific state and territory mandates that the terminology currently used in ASAE 3500 is more financial audit orientated rather than performance audit / government centric. There will need to be further consideration of this issue and how the AUASB address this issue when we commence the full revision in 2013.

General Comments

The attached comments received and proposed disposition paper at Agenda Item 6.1 is only partially complete and further consideration needs to be given to the key areas noted. The paper is to provide the board with the responses from stakeholders to date and for information purposes and possible consideration of whether a roundtable discussion on either of the standards is warranted based on the survey feedback.

AUASB Technical Group Recommendations

Based on the responses to date, it is recommended that a round table discussion be held for ASAE 3500 *Performance Engagements*, post the September IAASB meeting, where there will be further rigorous discussion around the position that will be taken with ISAE 3000.

Material Presented

Agenda Item 6	AUASB Board Meeting Summary Paper
Agenda Item 6.1	AUASB Comments Received and Proposed Disposition Paper

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Need for roundtable discussion on ASAE 3500 post ISAE 3000 detailed paper to be discussed at 10 Sept meeting.	23 July 2012	AUASB	23 July 2012	TBA

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