



**Subject:** Minutes of the 85<sup>th</sup> meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** Ken Spencer Meeting Room, Tower Level 14, 530 Collins Street, Melbourne  
Teleconference  
**Date:** 25 October 2016 from 10.30 a.m. to 12.00 p.m.

#### Attendance

AUASB Members: Ms Merran Kelsall (Chairman)  
Mr Robert Buchanan  
Ms Jo Cain  
Prof. Nonna Martinov-Bennie  
Ms Caithlin Mc Cabe  
Ms Jane Meade  
Ms Carolyn Ralph  
Mr Ashley Wood

AUASB Technical Group: Mr Mark Dowling  
Ms Rene Herman  
Ms Marina Michaelides  
Ms Anne Waters

Apologies: Ms Robin Low (Deputy Chairman)  
Mr Chris George  
Mr Colin Murphy

#### Welcome and Declarations of Interest

##### (Agenda Item 1 – Minute 1064)

“Declaration of Interests” forms for members were tabled and confirmed. Members have adopted a standing policy in respect of declarations of interests that a specific declaration will be made where there is a particular interest in an issue before the AUASB.

#### Minutes

##### (Agenda Item 1 – Minute 1065)

Subsequent to some minor editorials, the AUASB approved the minutes of the 84<sup>th</sup> meeting held on 13 September 2016.

#### Matters Arising and Action List

##### (Agenda Item 1 – Minute 1066)

The status of matters arising and action items brought forward from the previous AUASB meeting was noted. The AUASB requested that the topics of group audits, audit quality and professional scepticism remain as open projects on the matters arising and action list.



### **ASAE 3500 *Performance Engagements* Project Update**

#### **(Agenda Item 2 – Minute 1067)**

The AUASB received an update on the progress of ED XX ASAE 3500 *Performance Engagements*, which included a brief overview of the discussion at the 15 September 2016 project advisory group (PAG) meeting.

The PAG discussed the terminology in the draft ED which includes the term ‘outputs’ and ‘outcomes’ in relation to the performance activity. The PAG’s view is that this terminology is over complicating the ED for direct performance engagements, as although such terminology is used in Service Performance Reporting engagements, these are of a different nature. The AUASB commented that when the assurance practitioner undertakes a performance engagement and identifies the appropriate criteria to apply in the engagement circumstances, the outputs and outcomes of the performance activity would usually be considered. It was agreed that this terminology may need to be addressed in the application material in the draft ED XX ASAE 3500.

### **ASAE 3100 *Compliance Engagements* Project Update**

#### **(Agenda Item 3 – Minute 1068)**

The AUASB received an update on the progress of ASAE 3100 *Compliance Engagements* project. A disposition of comments received paper will be brought to the 29 November 2016 AUASB meeting.

### **Auditor Reporting Frequently Asked Questions approval**

#### **(Agenda Item 4 – Minute 1069)**

The AUASB discussed the latest draft of the *Auditor Reporting Frequently Asked Questions (FAQ) and* approved the document for issue subject to internal processes and editorial amendments.

The first release will not include a series of questions 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). These questions will be included in a subsequent additional release, after input from external stakeholders.



## **ASA 250 Consideration of Laws and Regulations in an Audit of a Financial Report**

### **(Agenda Item 5 – Minute 1070)**

The AUASB received an update on ED XX ASA 250 *Consideration of Laws and Regulations in an Audit of a Financial Report* to be based on the recently released ISA 250 (revised) that was issued by the IAASB on 5 October 2016.

ISA 250 (revised) aligns with the recent changes to the IESBA code. These changes are yet to be exposed in Australia by the Accounting Professional and Ethical Standards Board (APESB).

The AUASB technical group will co-ordinate with the APESB so that engagement with our respective stakeholders is conducted in a synchronised manner. The AUASB will receive an update in relation to the progress of the APESB exposure draft process at the 29 November 2016 AUASB meeting.

## **Audit Committees Guide**

### **(Agenda Item 6 – Minute 1071)**

The AUASB received an update on the joint project to revise the Audit Committees Guide. Comments were received on the draft amendments to the AUASB section of the document. A first draft of the revision including input from all parties will be discussed at the 29 November 2016 AUASB meeting.

## **Other Matters**

### **(Agenda Item 7 – Minute 1072)**

(a) International Update (for noting)

The AUASB noted the International Update.

(b) AUASB response to the IAASB *Survey on Work Plan for 2017-2018 and the Continuing Relevance for Its Strategic Objectives* (for noting)

The AUASB noted the survey response that was provided to the IAASB on 5 October 2016.

### **Other matters**

The AUASB discussed the approach to strategic planning including agreeing to hold a two hour session on the eve of the AUASB meeting on 29 November 2016 followed by a more comprehensive session at the 1 March 2017 AUASB meeting.

## **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 9.00 a.m.

## **Close of Meeting**

The Chairman closed the meeting at 12.00 p.m.



**Approval**

Signed as a true and correct record.

M H Kelsall  
*Chairman*

Date: 29 November 2016