



Subject: Minutes of the 92nd meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: TEQSA Boardroom, Tower Level 14, 530 Collins Street, Melbourne
Meeting Date: 30 May 2017 from 8.30am – 5.00pm

Attendance

AUASB Members:

- Roger Simnett (Chairman)
- Ms Robin Low (Deputy Chairman)
- Mr Gareth Bird
- Mr Robert Buchanan
- Ms Jo Cain
- Mr Chris George
- Prof. Nonna Martinov-Bennie
- Mr Colin Murphy
- Ms Carolyn Ralph
- Mr Justin Reid

Apologies: Mr Ashley Wood

AUASB Technical Group:

- Mr Matthew Zappulla
- Ms Rene Herman
- Ms Marina Michaelides
- Ms Anne Waters
- Mr Mark Dowling

Welcome

(Agenda Item 1(a) – Minute 1121)

The AUASB Chairman welcomed the AUASB members and thanked them for their attendance.

Minutes

(Agenda Item 1(b) – Minute 1122)

The AUASB discussed and approved the minutes of the 88th (1 March 2017), 90th (27 March 2017) and 91st (26 April 2017) meetings subject to amendments to provide additional clarity in relation to stapled securities, ASA 701 and the FAQs as well as some minor editorial amendments. The AUASB agreed these amendments can be made by the AUASB Technical Group and approved by the Chair out of session.

Approvals Out of Session

The AUASB approved the release of the following papers during an out of session vote held on 5 May 2017:

- Auditor Reporting FAQs release 2
- ASA 2017-1 *Amending Standard* for issue (without exposure)
- Compelling reason assessment – ASA 701



Declarations of Interest

(Agenda Item 1(c) – Minute 1123)

“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.

Matters Arising from Previous Meetings and Action List

(Agenda Item 1(d) – Minute 1124)

The status of matters arising brought forward from previous AUASB meetings and action items were noted.

NZAuASB update

(Agenda Item 1(e) – Minute 1125)

The NZAuASB Chairman provided an update on the latest New Zealand activities including:

- The NZAuASB meeting to be held on 7 June 2017 will be focused on ISA 540 and the Service Performance Reporting exposure draft; and
- An update on research projects from the last six months including the assurance needs of small NFP’s and charities in relation to the statutory framework, grants and donations and controls over fraud.

Strategy Session (closed session)

(Agenda Item 2 – Minute 1126)

The AUASB discussed a number of matters arising from the joint AASB/AUASB strategy meeting (29 May 2017) and provided comments and suggested changes on a new combined AASB/AUASB Board Charter. A subcommittee of AASB and AUASB members will work together to further align the strategies of both boards during the coming month.

Auditor Reporting Implementation – Auditor’s Responsibilities Statements

(Agenda Item 3 – Minute 1127)

The AUASB discussed the Auditor’s Responsibilities Statements that were updated following feedback from practitioners that requested coverage of a wider range of audit reporting circumstances. Previous versions of the statements remain valid and will be retained on the AUASB website.

The AUASB voted unanimously to issue the updated Auditor’s Responsibilities Statements.



ASA 250 Consideration of Laws and Regulations in an Audit of a Financial Report & ASA 2017-2 Amendments to Australian Auditing Standards

(Agenda Item 4 – Minute 1128)

The AUASB considered and agreed on the *Basis for Conclusions* paper for the proposed standards ASA 250 and ASA 2017-2. The AUASB requested a number of minor amendments to the standards and related documentation.

The AUASB voted unanimously, to issue the standards ASA 250 and ASA 2017-2 with an application date of 1 January 2018 with early adoption permitted, subject to internal quality assurance processes being completed and final review by the Chair.

Auditor Reporting Implementation – Bulletin on Stapled Securities

(Agenda Item 5(a) – Minute 1129)

The AUASB requested at the 26 April 2017 meeting for the AUASB Technical Group to draft an AUASB Bulletin addressing the AUASB's deliberations on, and the matters an auditor needs to consider, in respect of communicating Key Audit Matters (KAMs) for Stapled Security Groups.

The AUASB discussed the draft bulletin and determined that the matters in relation to the communication of KAMs for Stapled Security Groups are adequately explained and addressed in the *Basis for Conclusions* document for ASA 701 (refer Item 5(c) below), and that this would serve the objective of communicating to stakeholders the AUASB deliberations and conclusions on this issue.

The AUASB requested the AUASB Technical Group perform targeted outreach to auditors involved in the audit of Stapled Security Groups to communicate the outcome on this matter.

The AUASB also requested that the Technical Group investigate whether elements from the Stapled Security Bulletin could be utilised in a future FAQ.

Auditor Reporting Implementation – Frequently Asked Questions (FAQs)

(Agenda Item 5(b) – Minute 1130)

The AUASB discussed and provided edits on the following FAQs drafted by the AUASB Technical Group:

- Communicating key audit matters for entities which have products quoted on the ASX AQUA market; and
- What is included in “Material Uncertainty Related to Going Concern” section in the auditor’s report.

The AUASB requested the FAQs be updated and redistributed for an out of session vote.

Auditor Reporting Implementation – Amending Standard 2017-1 (ASA 210, 700, 701, 800 and 805)

(Agenda Item 5(c) – Minute 1131)

The AUASB discussed and provided edits to the *Basis for Conclusions ASA 701 Communicating Key Audit Matters in the Independent Auditor’s Report (Amended June 2017)*.

It was agreed that this appropriately communicates the matters considered by the AUASB in relation to the reporting of Key Audit Matters for stapled security groups.

The AUASB requested edits and for the *Basis for Conclusions* to be redistributed for an out of session vote.



ISA 540 Auditing Accounting Estimates and Related Disclosures

(Agenda Item 6 – Minute 1132)

The AUASB Technical Group provided the AUASB with an update on ED ISA 540 project, including:

- The key themes arising from the ISA 540 Roundtables held in Brisbane on 8 May 2017 and Melbourne on 19 May 2017; and
- Plans for the upcoming ISA 540 Roundtable to be held in Sydney on 5 June 2017.

Other Business

(Agenda Item 7 – Minute 1133)

The AUASB were provided an update on the following items:

- The AUASB Speaking Register;
- A letter from the Institute of Internal Auditors on the role of the external auditor and the use of internal audit;
- The National Standard Setters (NSS) meeting to be held in New York on 15–16 June 2017; and
- The IAASB meeting to be held in New York on 18-22 June 2017.

Next Meeting

The next meeting of the AUASB will be held will be on 13 June 2017 via teleconference.

Close of Meeting

The Chairman closed the meeting at 5.00 p.m.

Approval

Signed as a true and correct record.

Prof Roger Simnett
Chair

Date: 18 July 2017