



**Subject:** Minutes of the 95<sup>th</sup> meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** TEQSA Executive Board Room, Tower Level 14, 530 Collins Street, Melbourne  
**Date:** 12 September 2017 from 9.00 a.m. to 5.00 p.m.

## Attendance

AUASB Members: Professor Roger Simnett (Chair)  
Ms Robin Low (Deputy Chair)  
Mr Gareth Bird  
Mr Robert Buchanan  
Ms Jo Cain  
Mr Chris George  
Mr Colin Murphy  
Mr Justin Reid  
Ms Carolyn Ralph  
Mr Ashley Wood (till 2pm)

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

Apologies: Professor Nonna Martinov-Bennie

## Minutes

### (Agenda Item 1(b) – Minute 1155)

The AUASB approved the minutes of the 94<sup>th</sup> meeting held on 18 July 2017.

## Declarations of Interest

### (Agenda Item 1(c) – Minute 1156)

“Declaration of Interests” forms for members were tabled and, subject to a minor amendment, 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 1157)

The status of matters arising brought forward from previous AUASB meetings and action items was discussed with a number of amendments requested to reflect updates included in the AUASB technical work program.



## **NZAuASB update**

### **(Agenda Item 1(e) – Minute 1158)**

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

- Approval of the NZAuASB strategic plan and work program.
- Challenges finalising the proposed Standards on Service Performance Information for both the NZAuASB and the NZASB as they move towards finalisation.
- The auditor reporting project being conducted in conjunction with the FMA, including a summary of consultations with key stakeholders (including the investor community) and expressing thanks for the contribution from Anne Waters of the AUASB technical group who has assisted the NZAuASB staff on this project.
- The potential preparation of a New Zealand equivalent to recently published AICD, AUASB and IIA *Audit Committees: A guide to good practice, 3<sup>rd</sup> Edition*.
- The New Zealand approach to *Agreed-Upon Procedures Engagements*, which is impacted by NZAuASBs mandate with regard to non-auditing and assurance standards.
- An observed increase in the use of integrated reporting as well as the use of non-GAAP measures in the reporting of financial results.

## **Strategy, Corporate Plan and AUASB Charter (closed session)**

### **(Agenda Item 2 – Minute 1159)**

The AUASB discussed the:

- final version of the AUASB/AASB combined corporate plan that was submitted to the Responsible Minister on 31 August 2017;
- updated AASB/AUASB Board Charter, including changes requested by the AUASB at the 18 July 2017 AUASB meeting; and
- recent changes to the AASB/AUASB communications strategy, with an increased focus on stakeholder engagement.

Following these discussions the AUASB endorsed the AUASB Board Charter.

## **Update from AASB Chair (closed session)**

### **(Agenda Item 3 – Minute 1160)**

The AASB Chair provided the AUASB with an update on the:

- international accounting standard setting environment, including stakeholder management and the use of influence;
- AASB standard setting processes including their current approach to minimise the number of Australian specific changes;
- charities reporting framework project being prepared to coincide with the five year review of the ACNC. This project involves liaison with the AUASB; and
- other opportunities for the AASB and AUASB to work together, including emerging forms of external reporting.



### **Update from FRC Chair (closed session)**

#### **(Agenda Item 4 – Minute 1161)**

The FRC Chair provided the AUASB with an update on FRC priorities including:

- The promotion of simplicity in reporting.
- A focus on audit quality, including issues arising from the recent ASIC review.
- The importance of academic research.
- The importance of working collaboratively.

### **ASAE 3500 Performance Engagements**

#### **(Agenda Item 5 – Minute 1162)**

The AUASB considered and agreed on the Disposition Paper of Submissions Received on the ASAE 3500 exposure draft.

The AUASB requested several amendments to the exposure draft, including definition of objectives of a performance engagement as well as clarification of the responsible party and assurance practitioner's responsibilities in the assurance report. A revised standard addressing these proposed amendments was brought back to the meeting later in the day for the AUASB to review and approve. The AUASB voted to issue the standard ASAE 3500 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 AUASB Chair.

### **UNSW-AUASB Roundtable - 13 October 2017**

#### **(Agenda Item 6 – Minute 1163)**

The AUASB discussed the proposed agenda for the upcoming UNSW-AUASB Roundtable to be held in Sydney on Friday 13 October 2017. The day will focus on a number of strategic projects including auditor reporting, EER and engagement with regulators. The AUASB requested that consideration also be given to the discussion of issues impacting on audit quality and the future of audit. The AUASB Chair and Technical Group will update the Roundtable agenda taking into consideration the AUASB's feedback.

### **Review of September 2017 IAASB Agenda and Papers**

#### **(Agenda Item 7 – Minute 1164)**

The AUASB discussed how to engage effectively with the IAASB given that Australia no longer has a representative on the IAASB. The AUASB Technical Director was directed to prepare an International Engagement strategy for the AUASB to discuss at the next meeting.

The AUASB also provided high level feedback on a number of the agenda items to be tabled at the IAASB meeting to be held in New York on 18 – 22 September 2017, including papers on: Agreed-Upon Procedures, ISQC 1 & 2, and ISA 315.



## **AUASB 2017-18 Technical Work Program and Strategic Projects**

### **(Agenda Item 8 – Minute 1165)**

The AUASB discussed elements of the technical work program and strategic projects during agenda items 1(d) and 6.

## **Other Business**

### **(Agenda Item 9 – Minute 1166)**

The AUASB were provided an update on the following items:

- Quality assurance and finalisation activities in relation to ASA 250 and ASA 2017-2.
- The FRC report provided to the FRC meeting held on 8 September 2017.
- The AUASB Speaking Register.
- Matters arising from the release by ASIC of updates to FS71 *Auditor's Report for AFS Licensees*.

## **Next Meeting**

The next regular meeting of the AUASB will be held in Sydney, on Tuesday, 28 November 2017 commencing at 8.30 a.m.

## **Close of Meeting**

The Chair closed the meeting at 5.00 p.m.

## **Approval**

Signed as a true and correct record.

Roger Simnett  
*Chair*

Date: 28 November 2017