



# Board Meeting Summary Paper

AUASB  
AGENDA  
ITEM NO.  
**5(b)**

Meeting Date:  
26-27 October

2009

**Subject:** ASA 102

*Compliance with Ethical Standards when  
Performing Audits, Reviews and Other  
Assurance Engagements*

**Date:** 14 October 2009

Action Required

For Information Purposes Only

## Agenda Item Objectives

To review proposed Auditing Standard ASA 102 and approve the Auditing Standard, to be made as a legal instrument.

## Background

At the 7-8 September 2009 AUASB meeting, the Board again considered issues raised previously by the FRC Secretariat in Treasury, and subsequently confirmed by the AUASB's legal advisers, regarding the form of referencing to *relevant ethical requirements* in legally enforceable Australian Auditing Standards.

To address the above concerns, proposed Auditing Standard ASA 102 was drafted to address these issues, and the Board approved this document for exposure for 30 days to 7 October 2009.

Overall, the vast majority of respondents were supportive of the proposed Auditing Standard and raised a number of comments, which have been incorporated into the proposed Auditing Standard. In particular, several respondents commented that the term "relevant ethical requirements", should be defined in the Standard. The AUASB Technical Group agrees with this suggestion and has included a definition at paragraph 4(e) of the proposed Auditing Standard.

*This document contains preliminary views and/or staff 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 requirement and application and other explanatory material in proposed Standard ASA 102 reflect and restate the requirements and guidance in key International Standards on Auditing (ISAs), as follows:

<b>Proposed ASA 102</b>	<b>Equivalent ISAs</b>
Paragraph 5 (requirement)	ISA 200 paragraph 14 (requirement) ISA 220 paragraphs 9-11 (requirements) ISQC 1 paragraph 20 (requirement)
Paragraph A1	ISA 200 paragraph A14
Paragraph A2	ISA 200 paragraph A15
Paragraph A3	ISQC 1 paragraph A7 ISA 200 paragraph A15 ISA 220 paragraph A4
Paragraph A4	ISQC 1 paragraph A8
Paragraph A5	ISA 200 paragraph A16
Paragraph A6	ISQC 1 paragraph A9
Paragraph A7	ISQC 1 paragraph A10 ISA 220 paragraph A5

ASA 102 is drafted in accordance with the AUASB Drafting Rules. Changes to the exposure draft are shown as marked ups in the proposed Auditing Standard (Agenda Item 5(b).3).

### **Matters to Consider**

The Board is requested to consider the Attachment to this paper (Agenda Item 5(b).1), together with the tables of Comments Received and Proposed Disposition (Agenda Item 5(b).4) and the marked up version of the proposed Auditing Standard (Agenda Item 5(b).3).

The clean version of ASA 102 is included for the Board’s approval (Agenda Item 5(b).2).

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## **AUASB Technical Group Recommendations**

AUASB Technical Group recommends that ASA 102 be approved as an Auditing Standard at the 26- 27 October 2009 AUASB meeting.

### **Material Presented**

- Agenda Item 5(b) Board Meeting Summary Paper
- Agenda Item 5(b).1 Attachment to Board Meeting Summary Paper
- Agenda Item 5(b).2 Proposed Standard (Clean Version)
- Agenda Item 5(b).3 Proposed Standard (Marked Up Version)
- Agenda Item 5(b).4 Tables of Comments Received and Proposed Disposition
- Agenda Item 5(b).5 Explanatory Statement ASA 102 (Clean Version)

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### **Action Required**

<b>No.</b>	<b>Action Item</b>	<b>Deliverable</b>	<b>Responsibility</b>	<b>Due Date</b>	<b>Status</b>
1	Final approval of Auditing Standard ASA 102	Board approval	AUASB	26-27 October 2009	O/S

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### **Notes**

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