

ANNUAL REGULATORY PLAN

2013-2014

Issued July 2013

(Updated December 2013)



Australian Government

Auditing and Assurance Standards Board



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Introduction

The Auditing and Assurance Standards Board (AUASB) is an independent statutory committee of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act) and is an entity under the *Financial Management and Accountability Act 1997* (FMA).

The primary functions of the AUASB are to:

- make Auditing Standards under section 336 of the *Corporations Act 2001*;
- formulate auditing and assurance standards for other purposes; and
- formulate guidance on auditing and assurance matters.

What is a regulatory plan?

Government agencies or departments that are responsible for regulatory changes are required to publish an Annual Regulatory Plan on their website early in each financial year.

A regulatory plan is a document that tells business operators, business representatives, other stakeholders and the public about regulatory changes that a government agency or department has made in the past financial year, and plans to make in the next financial year.

A regulatory plan covers business regulation. This includes primary legislation, subordinate legislation, quasi-regulation or treaties which directly affect business, have a significant indirect effect on business, or restrict competition.

A regulatory plan does not include information about the following:

- Regulations of a minor or machinery nature that do not substantially alter existing arrangements;
- Regulations that involve consideration of specific Government purchases;
- Regulations of a state or self-governing territory that apply in a non-self-governing territory; and
- Anticipated activity about which it would be inappropriate to publish information on grounds of confidentiality.

In addition, there may be regulatory activities undertaken during the next financial year which have not been included in a regulatory plan because they could not be foreseen when the plan was prepared.

In view of these exclusions, users should not take a regulatory plan to be a comprehensive source of information on past or potential changes to business regulation.

AUASB Pronouncements

The AUASB issues a range of pronouncements and other publications that may be regulatory or non-regulatory in nature.

The following pronouncements will generally be *regulatory* in nature:

- (a) Australian Auditing Standards;



- (b) Standards on Review Engagements;
- (c) Standards on Assurance Engagements;
- (d) Standards on Related Services; and
- (e) Guidance Statements.

The following AUASB pronouncements will generally be *non-regulatory* in nature:

- (a) Foreword to AUASB Pronouncements;
- (b) Framework for Assurance Engagements; and
- (c) AUASB Glossary.

The following AUASB publications will generally be *non-regulatory* in nature:

- (a) Bulletins; and
- (b) Other publications not listed above.

How up to date is information in this regulatory plan?

This plan was compiled in July 2013 and updated in December 2013. It contains two sections:

- Regulatory Activities July 2012 – June 2013; and
- Planned Regulatory Activities July 2013 – June 2014.

The AUASB may periodically review and update information in the Planned Regulatory Activities section. To check when an entry was last updated, see “ARP last modified” in each entry.

Office of Best Practice Regulation

The Office of Best Practice Regulation (OBPR) oversees compliance with the regulatory plan requirements. For further information about regulatory plans, go to www.obpr.gov.au



Regulatory Activities July 2012 – June 2013

Title	ASA 2012-1 <i>Amending Standard to ASA 570 Going Concern</i>
Description	This amending standard makes amendments to the guidance contained in the diagram in [Aus] Appendix 1 in Australian Auditing Standard ASA 570 <i>Going Concern</i> .
Date of issue	31 July 2012
Date of effect	Operative for reporting periods commencing on or after 1 July 2012.

Title	ASA 2013-1 <i>Amending Standard to ASRE 2415 Review of a Financial Report – Company Limited by Guarantee</i>
Description	<p>The amendments to ASRE 2415 are consequential and arise from:</p> <ul style="list-style-type: none"> • The issuance, in December 2012, of the <i>Australian Charities and Not-for-Profit Commission Act 2012 (Cth)</i> (the ACNC Act) by the Australian Government. [The scope of ASRE 2415 is extended to incorporate entities reporting under the ACNC Act and other applicable legislation or regulation.] • Changes made by the International Auditing and Assurance Standards Board (IAASB) to ISRE 2400 <i>Engagements to Review Financial Statements</i>. [Changes to references arising from the issuance of revised Standard on Review Engagements ASRE 2400 <i>Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity</i>, together with other minor editorial amendments.]
Date of issue	28 March 2013
Date of effect	Operative for reporting periods commencing on or after 1 July 2013.

Title	Standard on Assurance Engagements ASAE 3450 <i>Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information</i>
Description	<p>This new assurance standard replaces the existing pronouncements, AUS 804 <i>The Audit of Prospective Financial Information</i> and AGS 1062 <i>Reporting in Connection with Proposed Fundraisings</i>.</p> <p>This Standard on Assurance Engagements establishes requirements and provides application and other explanatory material regarding the assurance practitioner's responsibilities when accepting, conducting and reporting on an engagement involving corporate fundraisings and/or prospective financial information.</p>
Date of issue	30 November 2012
Date of effect	Operative for engagements commencing on or after 1 July 2013.



Title	Standard on Assurance Engagements ASAE 3420 <i>Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document.</i>
Description	<p>This new assurance standard was issued in conjunction with the standard ASAE 3450 (refer above).</p> <p>The standard establishes requirements and provides guidance on the responsibilities of the assurance practitioner when providing limited or reasonable assurance on the responsible party's compilation of pro forma historical financial information included in a prospectus, other public document or prepared for any other purpose.</p> <p>This new standard conforms to the IAASB's issued Standard on Assurance Engagements ISAE 3420 <i>Assurance Engagements To Report on the Compilation of Pro Forma Financial Information included in a Prospectus</i>, to the extent that the engagement is conducted as a reasonable assurance engagement.</p> <p>The Standard is a new pronouncement of the AUASB and consequently does not replace an existing Standard.</p>
Date of issue	30 November 2012
Date of effect	Operative for engagements commencing on or after 1 July 2013.

Title	Standard on Review Engagements ASRE 2400 <i>Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity.</i>
Description	<p>This Standard on Review Engagements establishes requirements and provides application and other explanatory material regarding the assurance practitioner's responsibilities when accepting, conducting and reporting on an engagement to review a financial report or a complete set of financial statements.</p> <p>This standard supersedes ASRE 2400 <i>Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity</i> (issued October 2008).</p>
Date of issue	26 March 2013
Date of effect	Operative for engagements commencing on or after 1 July 2013.



Title	Guidance Statement GS 021 <i>Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes</i>
Description	<p>This Guidance Statement provides guidance to assurance practitioners in applying the AUASB Standards when conducting assurance and agreed-upon procedures engagements on regulatory reporting of greenhouse gas emissions, energy production, energy consumption or offsets; applications for assistance with carbon liabilities or compliance with related legislative requirements in Australia. Regulatory schemes which require assurance reporting are:</p> <ul style="list-style-type: none">• The National Greenhouse and Energy Reporting Scheme (NGERS);• The Clean Energy Scheme (CES), which creates a carbon pricing mechanism;• Jobs and Competitiveness Program (JCP);• Carbon Farming Initiative (CFI); and• Renewable Energy Target (RET) partial exemption certificates (PEC). <p>As this is a Guidance Statement it provides guidance only to practitioners and does not create or impose any new requirements on assurance practitioners.</p>
Date of issue	November 2012
Date of effect	November 2012

Title	Guidance Statement GS 004 <i>Audit Implications of Prudential Reporting Requirements for General Insurers and Insurance Groups</i>
Description	<p>This Guidance Statement provides guidance to the Appointed Auditor of a general insurer and the Group Auditor of a Level 2 insurance group, reporting in accordance with the prudential reporting requirements specified by the Australian Prudential Regulation Authority (APRA) in its Prudential Standard GPS 310 <i>Audit and Related Matters</i>.</p> <p>This Guidance Statement does not extend the responsibilities of an Appointed Auditor of a general insurer and the Group Auditor of a Level 2 insurance group beyond those which are imposed by the Act, the FSCODA, APRA Prudential and Reporting Standards, AUASB Standards and other applicable legislation.</p>
Date of issue	May 2013
Date of effect	16 May 2013



Planned Regulatory Activities July 2013 – June 2014

Subject	<i>ASA 2013-3 Amendments to Australian Auditing Standards</i>
Description	<p>This amending standard makes consequential changes to the following Australian Auditing Standards:</p> <ul style="list-style-type: none"> • <i>ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i> • <i>ASA 502 Audit Evidence - Specific Considerations for Litigation and Claims</i> • <i>ASA 570 Going Concern</i> • <i>ASA 580 Written Representations</i> • <i>ASA 700 Forming an Opinion and Reporting on a Financial Report</i> • <i>ASA 800 Special Considerations - Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i> • <i>ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity</i> • <i>ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation</i>
Consultation opportunities	The proposed amending standard was released for exposure for 30 days and the AUASB considered all comments received prior to finalising the standard.
Expected timetable	The amending standard was approved and issued by the AUASB on 1 July 2013.
ARP last modified	July 2013

Subject	<i>Amend ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings</i>
Description	The amendments to ASRS 4400 remove the limitations on distribution of a report of factual findings for an agreed-upon procedures engagement.
Consultation opportunities	The proposed changes to the standard were released for exposure for 30 days and the AUASB considered all comments received prior to finalising the standard.
Expected timetable	The revised standard was approved and issued by the AUASB on 1 July 2013.
ARP last modified	July 2013



Subject	Amend ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i>
Description	Proposed amendments to ASQC1 to incorporate within its existing application and scope related services engagements performed in accordance with Australian Standards on Related Services and make other editorial amendments.
Consultation opportunities	Exposure draft ED 04/13 <i>Amendments to Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information and Other Assurance Engagements</i> was released for comment for a minimum period of 31 days and the AUASB considered all comments received prior to finalising the standard.
Expected timetable	In October 2013, the AUASB decided to include the proposed amendments to ASQC 1 in amending standard ASA 2013-2 <i>Amendments to Australian Auditing Standards</i> , along with proposed consequential amendments to other Australian Auditing Standards. ASA 2013-2 was approved and issued by the AUASB on 11 November 2013 (see ASA 2013-2 below). The compiled version of ASQC 1 (as amended) was issued in December 2013.
ARP last modified	December 2013

Subject	Revise ASA 610 <i>Using the Work of Internal Auditors</i>
Description	Proposed revision of Australian Auditing Standard ASA 610 <i>Using the Work of Internal Auditors</i> arising from changes made by the IAASB to International Auditing Standard ISA 610 <i>Using the Work of Internal Auditors</i>
Consultation opportunities	The proposed changes to the standard were released for exposure for a minimum period of 60 days and the AUASB considered all comments received prior to finalising the standard.
Expected timetable	The revised standard was approved and issued by the AUASB on 11 November 2013.
ARP last modified	December 2013



Subject	ASA 2013-2 <i>Amendments to Australian Auditing Standards</i>
Description	<p>This amending standard makes consequential changes to the following Australian Auditing Standards:</p> <ul style="list-style-type: none"> • ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i>, as amended • ASA 200 <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards</i> • ASA 220 <i>Quality Control for an Audit of a Financial Report and Other Historical Financial Information</i>, as amended • ASA 230 <i>Audit Documentation</i> • ASA 240 <i>The Auditor’s Responsibilities Relating to Fraud in an Audit of a Financial Report</i>, as amended • ASA 260 <i>Communication with Those Charged with Governance</i>, as amended • ASA 265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i> • ASA 300 <i>Planning an Audit of a Financial Report</i>, as amended • ASA 315 <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i>, as amended • ASA 402 <i>Audit Considerations Relating to an Entity Using a Service Organisation</i>, as amended • ASA 500 <i>Audit Evidence</i>, as amended • ASA 550 <i>Related Parties</i>, as amended • ASA 600 <i>Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)</i> <p>These consequential changes arise from the revision of ASA 610 (see above) and a decision by the AUASB to include related services engagements in the scope and application of Auditing Standard ASQC 1.</p>
Consultation opportunities	The proposed amending standard was released for exposure for a minimum period of 60 days and the AUASB considered all comments received prior to finalising the standard.
Expected timetable	The amending standard was approved and issued by the AUASB on 11 November 2013. Compiled versions of the amended standards were issued in December 2013.
ARP last modified	December 2013



Subject	Revise ASA 720 <i>The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report</i>
Description	Proposed revision of Australian Auditing Standard ASA 720 <i>The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report</i> arising from changes made by the IAASB to International Auditing Standard ISA 720 <i>The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements</i> .
Consultation opportunities	The proposed changes to the standard will be released for exposure for a minimum period of 30 days and the AUASB will consider all comments received prior to finalising the standard.
Expected timetable	The proposed revised standard is expected to be finalised by September 2014.
ARP last modified	July 2013

Subject	Develop a standard on assurance engagements in connection with water accounting reports
Description	The AUASB and the Water Accounting Standards Board (WASB) are working jointly on the development of a standard for assurance engagements on water accounting reports.
Consultation opportunities	A Consultation Paper was issued in September 2011 seeking comment on issues relating to the assurance of general purpose water accounting reports. An exposure draft of the proposed assurance standard was issued in December 2012 for comment by 15 March 2013. The AUASB and WASB considered all comments received prior to finalising the standard.
Expected timetable	The AUASB approved the proposed standard in December 2013, subject to co-approval by the WASB. It is anticipated the WASB will co-approve the standard in January 2014 and that it will be finalised and issued jointly by the Bureau of Meteorology and the AUASB in February 2014.
ARP last modified	December 2013



Subject	Revise AUS 810 <i>Special Purpose Reports on the Effectiveness of Control Procedures</i> and replace it with a new standard ASAE 34XX <i>Assurance Engagements on Controls</i>
Description	This proposed standard ASAE 34XX <i>Assurance Engagements on Controls</i> will replace Auditing and Assurance Standard AUS 810 <i>Special Purpose Reports on the Effectiveness of Control Procedures</i> issued by the former Auditing and Assurance Standards Board of the Australian Accounting Research Foundation.
Consultation opportunities	A project advisory group comprising practitioners with expertise in controls reporting has been established. An exposure draft of the proposed standard will be released for comment for a minimum period of 30 days and the AUASB will consider all comments received prior to finalising the standard.
Expected timetable	The proposed exposure draft is expected to be finalised by late February 2014 and a final standard by September 2014.
ARP last modified	July 2013

Subject	Revise ASAE 3000 <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>
Description	International Standard on Assurance Engagements ISAE 3000 <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i> was revised and reissued in December 2013 by the IAASB. The AUASB will revise the equivalent Australian Standard on Assurance Engagements ASAE 3000 in line with changes made to ISAE 3000.
Consultation opportunities	An exposure draft of proposed changes to ASAE 3000 was issued for comment in December 2013 for a period of 54 days and the AUASB will consider all comments received prior to finalising the standard.
Expected timetable	An exposure draft of proposed changes to ASAE 3000 was issued in December 2013 and a final standard is expected to be issued in March-April 2014.
ARP last modified	December 2013



Subject	Amend ASAE 3402 <i>Assurance Reports on Controls at a Service Organisation</i> , ASAE 3410 <i>Assurance Engagements on Greenhouse Gas Statements</i> and ASAE 3420 <i>Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information Included in a Prospectus or Other Document</i>
Description	The proposed amendments to ASAE 3402, ASAE 3410 and ASAE 3420 comprise: (a) conforming amendments arising from the revision of ASAE 3000 <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i> (see above), and (b) corrections for typographical and other minor errors identified in the existing standards, ASAE 3402, ASAE 3410 and ASAE 3420.
Consultation opportunities	An exposure draft of proposed changes to ASAE 3402, ASAE 3410 and ASAE 3420 was issued for comment in December 2013 for a period of 54 days and the AUASB will consider all comments received prior to finalising the standards.
Expected timetable	An exposure draft of the proposed amendments to ASAE 3402, ASAE 3410 and ASAE 3420 was issued in December 2013 and final standards are expected to be issued in March-April 2014.
ARP last modified	December 2013

Subject	Reissue the <i>Framework for Assurance Engagements</i>
Description	The AUASB proposes to reissue the <i>Framework for Assurance Engagements</i> to conform with the <i>International Framework for Assurance Engagements</i> , which was revised by the IAASB and reissued in December 2013.
Consultation opportunities	An exposure draft of proposed reissuance of the <i>Framework for Assurance Engagements</i> was issued for comment in December 2013 for a period of 54 days and the AUASB will consider all comments received prior to finalising the Framework.
Expected timetable	An exposure draft of the proposed reissuance of the <i>Framework for Assurance Engagements</i> was issued in December 2013 and the final Framework is expected to be issued in March-April 2014.
ARP last modified	December 2013



Subject	Conduct post-implementation reviews of ASAE 3100 <i>Compliance Engagements</i> and ASAE 3500 <i>Performance Engagements</i>
Description	ASAE 3100 and ASAE 3500 were made by the AUASB in October 2008. There is a need now to review the implementation of these standards in Australia and to consider the impact of the proposed revision of ASAE 3000 (see above) on these standards.
Consultation opportunities	Targeted consultation will be conducted with key stakeholders.
Expected timetable	The post-implementation review of ASAE 3100 and ASAE 3500 is likely to be completed by June 2014 and, depending on the findings of the review, an exposure draft of proposed changes to ASAE 3100 and ASAE 3500 will be developed by September 2014.
ARP last modified	December 2013

Subject	Issue new or revised Guidance Statements
Description	<p>The AUASB issues guidance statements and other publications (for example, Bulletins) to provide guidance relating to the application of auditing, review and assurance standards and to address emerging issues. Major projects will be undertaken in 2013-14 relating to guidance on the following matters:</p> <ul style="list-style-type: none"> • APRA regulated areas (ADIs, life insurance and superannuation) • ASIC regulated areas (revise GS 003 <i>Audit and Review Requirements for Australian Financial Services Licensees under the Corporations Act 2001</i>; GS 013 <i>Special Considerations in the Audit of Compliance Plans of Managed Investment Schemes</i> and GS 014 <i>Auditing Mortgage Schemes</i>). • Self-Managed Superannuation Funds (GS 009 <i>Auditing Self-Managed Superannuation Funds</i> was revised and reissued in September 2013) • Applying the AUASB Standards on engagements involving combined, and/or prescribed, reporting frameworks (including guidance relating to grant acquittals and prescribed reporting formats)
Consultation opportunities	Targeted consultation will be conducted with key stakeholders.
Expected timetable	New or revised guidance statements are expected to be finalised or progressed between July 2013 and June 2014.
ARP last modified	December 2013