



Australian Government

Auditing and Assurance Standards Board

AUASB Corporate Plan

1 July 2009 to 30 June 2012

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1 Introduction

The Auditing and Assurance Standards Board (AUASB) is an Australian Government Agency established under the *ASIC Act 2001*. The AUASB is an entity under the *Financial Management and Accountability Act 1997* (FMA).

The primary function of the AUASB is to make Auditing Standards under section 336 of the *Corporations Act 2001*.

This *Corporate Plan* covers the period 1 July 2009 to 30 June 2012. It provides high-level direction and accountability by setting out the AUASB's planning approach, mandate, aims, strategies and planned outcomes.

1.1 AUASB Vision

To be recognised as a leading national auditing and assurance standards-setting body that develops high quality auditing and assurance standards and guidance in the public interest.

1.2 AUASB Mission Statement

To develop, in the public interest, high quality auditing and assurance standards and related guidance as a means to enhance the relevance, reliability and timeliness of information provided to users of audit and assurance services.

1.3 Principles and Values

The AUASB is committed to:

- acting with a clear public interest focus;
- being accountable for fulfilling the AUASB's statutory obligations;
- ensuring the AUASB has, and displays, a high level of technical competence and professionalism in everything it does;
- acting in an objective and independent manner;
- consulting with, listening to and providing considered responses to constituents;
- monitoring international developments, trends and initiatives;
- engaging in thought-leadership activities, (including education and use of research);
- encouraging and supporting a cohesive team culture based on mutual respect, a sense of personal obligation and active contributions; and
- maintaining quality, timely and responsive processes;

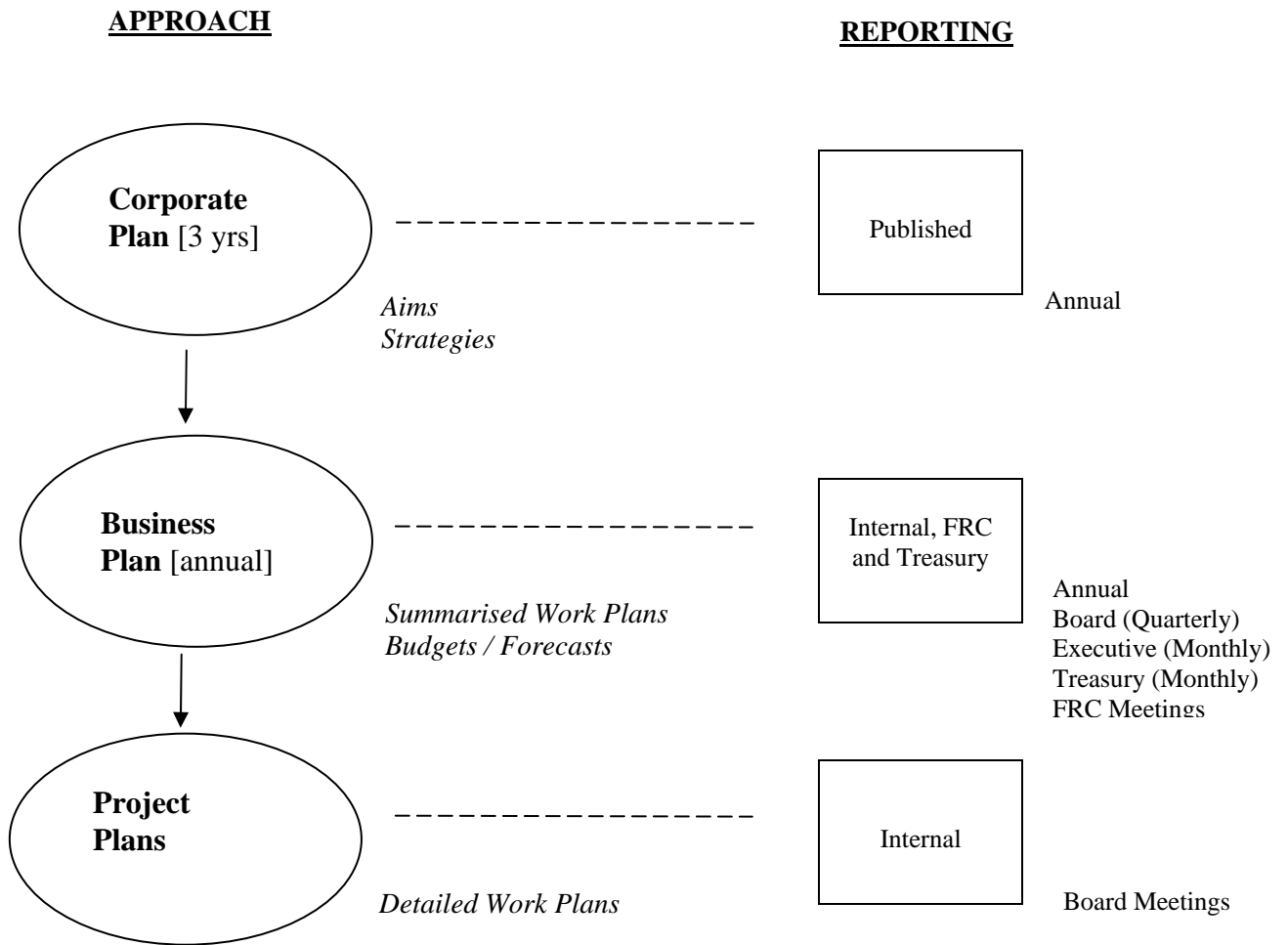
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2 The AUASB Planning Approach

The AUASB's planning approach is divided into three elements:

Corporate Planning	<ul style="list-style-type: none">• Sets high level aims and the strategies to achieve those objectives, over 3 year timeframes
Business Planning	<ul style="list-style-type: none">• Establishes annual business plan incorporating work programs that actuate the strategies to achieve the high level objectives set out in the Corporate Plan.• Includes approved and prioritised projects, budgets and resource requirements.
Project Planning	<ul style="list-style-type: none">• Establishes the rationale for specific projects, the objectives and the tasks for achieving those objectives.• Includes technical as well as operational details, such as timetables and resources.

2.1 Planning Approach Diagram



3 The AUASB Mandates

3.1 Legislation

The AUASB primary mandate is established by legislative requirements. The functions and powers of the AUASB are set out in section 227B of the *ASIC Act 2001*.

Appendix 1 provides further details.

3.2 Financial Reporting Council (FRC)

The functions and powers of the FRC are set out in section 225 of the *ASIC Act 2001* and include determining the broad strategic direction of the AUASB [sec. 225(2A)(c)].

On 6 April 2005, the FRC issued a *Strategic Direction* to the AUASB.

Appendix 1 provides further details.

3.3 Constituents

The AUASB works in the public interest and accordingly is committed to constructive engagement with constituents so as to recognise their expectations and to formulate appropriate action plans.

The AUASB's constituents include governments, regulators, the accounting profession, other assurance practitioners, participants in capital markets, academia and members of the public. Each of these groups, and the individuals within each group, may have unique expectations about the roles and output of the AUASB.

4 The AUASB Aims

4.1 Public Interest

To be an entity regarded as working in the public interest by contributing to national and global confidence in the Australian financial reporting, auditing, assurance and corporate governance frameworks.

4.2 Other Standards Setters

To be influential in the development of international auditing and assurance standards and thereby, contributing ultimately to the quality of AUASB pronouncements.

4.3 Communication

To be efficient, effective and transparent in its communications and consultations with constituents.

4.4 Thought-Leadership

To be recognised as a thought-leader and pro-active in the identification and early involvement with emerging issues relating to auditing and assurance matters.

4.5 Main Delivery Goals

To meet the main delivery goals set out at table 4.6.1 by 30 June 2012:

Office of the AUASB

To effectively and efficiently manage operations in accordance with the requirements of the *Financial Management and Accountability Act 1997*.

4.6.1 Main Delivery Goals for the period 1 July 2009 to 30 June 2012

1	Revised and redrafted Auditing Standards.
2	New and revised guidance supplementing the revised and redrafted Auditing Standards.
3	New and revised assurance standards (ASAEs and ASREs). [Including engagements relating to prospective information, internal control and specified assurance procedures]
4	New guidance on significant regulated areas (ASIC and APRA).
5	New guidance on emerging issues, (including release of AUASB Bulletins)
6	Contributions to activities of the International Auditing and Assurance Standards Board (IAASB).
7	A communication and consultation plan and deliveries against that plan.
	Effective management of the Office of the AUASB.

5 AUASB Strategies

5.1 Approach to Strategies

The AUASB plans to deliver against the *Mission Statement*¹, achieve its aims² and fulfill its role as an integral part of the Australian regulatory framework by way of seven (7) broad strategies.

The strategies are designed to provide high-level direction to the development of detailed annual business plans and in turn, each significant project plan.

Annual business plans and significant project plans will be linked by way of reference numbers, S1 to S7, to the 7 broad strategies listed in the following table:

¹ See Section 1 above

² See Section 4 above

5.2 Broad Strategies

No	Strategies	Description
S1	Formulate and maintain legally enforceable <i>Auditing Standards</i>	Maintain enforceability under the <i>Corporations Act 2001</i> and ensure conformity with international auditing standards.
S2	Formulate and maintain other auditing and assurance standards	Ensure quality and complete coverage of relevant auditing and assurance subjects.
S3	Formulate and maintain guidance pronouncements	Ensure guidance is high quality, timely and provides appropriate coverage through pronouncements that: <ul style="list-style-type: none"> • supplement standards; and • address emerging issues.
S4	Contribute to and influence the development of international standards	Collaborate and liaise with the IAASB and other national standards-setting organisations to contribute to improving the quality of international auditing and assurance standards.
S5	Communicate and consult with constituents	Through a detailed communication and consultation plan, set objectives, clarify messaging, utilise effective methods, establish measurements and ensure transparency.
S6	Engage in thought-leadership and respond to emerging issues	Through the use of research, communications and consultations identify emerging issues. Ensure early participation to enable thought-leadership initiatives and appropriate responses.
	Office of the AUASB	Improve corporate support—policies and procedures, administration, human resources and compliance with the <i>FMA Act 1997</i> .

6 Measuring Performance

6.1 Overall

The overall performance of the AUASB will (subject to annual resource constraints) be measured against the main delivery goals listed at paragraph 4.6.1

6.2 Progress

Throughout the 3 years to 30 June 2012, the AUASB's performance will be measured against the annual business plans.

6.3 Reporting

Reporting performance will be in accordance with the AUASB reporting protocols depicted in paragraph 2.1

The form and content of AUASB reporting protocols will be decided by the Chairman as CEO of the Office of the AUASB in consultation with the FRC and Treasury.

Appendix 1

AUASB Mandates

Legislative Requirements

AUASB functions under section 227B (1) of the ASIC Act are to:

- make auditing standards under section 336 of the *Corporations Act* for the purposes of the corporations legislation; and
- formulate auditing and assurance standards for other purposes; and
- formulate guidance on auditing and assurance matters; and
- participate in and contribute to the development of a single set of auditing standards for world-wide use; and
- advance and promote the main objects of this Part (Part 12).

[Section 224 of the *ASIC Act* states the objectives of Part 12 - which include:

- “(aa) To facilitate the development of auditing and assurance standards and related guidance materials that:
- i. provide Australian auditors with relevant and comprehensive guidance in forming an opinion about, and reporting on, whether financial reports comply with the requirements of the *Corporations Act 2001*; and
 - ii. require the preparation of auditors’ reports that are reliable and readily understandable by the users of financial reports to which they relate”.

Other relevant objectives of Part 12 are summarised below:

- to facilitate the Australian economy by having (accounting and) auditing standards that are clearly stated and easy to understand; and
- to maintain investor confidence in the Australian economy (including its capital markets)].

Financial Reporting Council (FRC) Strategic Direction

The FRC, on 6 April 2005, issued the following Strategic Direction to the AUASB:

- (a) The AUASB should develop Australian Auditing Standards that have a clear public interest focus and are of the highest quality.
- (b) The AUASB should use, as appropriate, International Standards on Auditing (ISAs) of the International Auditing and Assurance Standards

Board (IAASB) as a base from which to develop the Australian Auditing Standards.

- (c) The AUASB should make such amendments to ISAs as necessary to accommodate and ensure that Auditing Standards both exhibit and conform to the Australian regulatory environment and statutory requirements, including amendments as necessary for Australian Auditing Standards to have the force of law and be capable of enforcement under the requirements of the *Corporations Act 2001* by 30 June 2006.
- (d) The process of developing Australian Auditing Standards should include monitoring and reviewing auditing and assurance standards issued by other standard setting organisations in other national jurisdictions and considering other matters relevant to achieving the objectives of Part 12 of the ASIC Act. Consequently, where appropriate and considered to be in the public interest and necessary to producing standards of high quality, the AUASB should incorporate additional requirements in its Australian Auditing Standards.
- (e) The AUASB should continue to develop auditing and assurance standards other than for historical financial information as well as developing and issuing other guidance on auditing and assurance matters, and may participate in audit research that is conducive to, and which significantly benefits, the standard setting activities of the AUASB.