



Subject: Minutes of the 80th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: TEQSA Boardroom, Level 14, 530 Collins Street, Melbourne
Date: 22 February 2016 from 10.00 a.m. to 4.30 p.m.

All Agenda Items were discussed in public.

Attendance

AUASB Members: Ms Merran Kelsall (Chairman)
Ms Robin Low (Deputy Chairman)
Ms Jo Cain
Prof. Nonna Martinov-Bennie
Mr Neil Cherry (by phone)
Mr Chris George (from 11.45 a.m.)
Ms Caithlin Mc Cabe
Ms Jane Meade
Mr Colin Murphy
Ms Carolyn Ralph
Mr Ashley Wood

AUASB Technical Group: Mr Richard Mifsud (Executive Director)
(except for Agenda Item 10 Ms Rene Herman
discussion)
Ms Marina Michaelides (in part)
Mr Howard Pratt (in part)

Welcome

The AUASB Chairman welcomed the two new Board members, Ms Carolyn Ralph and Mr Ashley Wood, to their first AUASB meeting. The AUASB members, AUASB staff and observers all made brief introductions.

Declarations of Interest

(Agenda Item 1 – Minute 1015)

“Declarations of Interests” forms for Members were tabled, confirmed, and amended as appropriate.

Members have adopted the 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.

Minutes

(Agenda Item 2 – Minute 1016)

The AUASB approved the minutes of the 79th meeting held on 1 December 2015.



Matters Arising and Action list

(Agenda Item 3 – Minute 1017)

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

Auditing Reporting Project

(Agenda Item 4 – Minute 1018)

- (a) Auditor's Responsibilities on the AUASB Website
- (i) The AUASB was taken through a proposed approach to locating descriptions of the auditor's responsibilities on the AUASB website. The presentation included a brief review of the NZAuASB's website to demonstrate the AUASB Technical Group's intention of minimizing differences. The aim was for the sites to be similar such that auditors would not need to deal with two completely different formats.
 - (ii) The AUASB discussed the proposals and requested additional auditor's descriptions to cover a number of other entities. The AUASB felt that the proffered four examples aligning with the four illustrations in ASA 700 was limited and that auditor would be unable to link to the AUASB website if their audits were for other entities, such as listed trusts.
 - (iii) The AUASB agreed in principle to the proposed website machinery and format, however required a wider range of descriptions to be available to auditors.
 - (iv) A more comprehensive suite of auditor's responsibilities descriptions will be brought back to a later meeting in 2016 and once approved will be activated on the AUASB website.
- (b) Explanatory Guide
- (i) The AUASB considered a draft Explanatory Guide that provided information on auditor reporting that was requested by the AUASB at the previous meeting. The explanatory guide comprised information on:
 - How auditors will include hyperlinks in their auditor's reports when they choose to refer to the auditor's responsibilities described on the AUASB website.
 - How auditors determine the application of ASA 701 in the context of "listed entities".
 - Assisting auditors with a high-level diagram on determining key audit matters.
 - (ii) The AUASB discussed the proposed explanatory guide in some detail, including the objectives of the exercise and a consensus was reached that the information would be better conveyed in the form of a bulletin.
 - (iii) The AUASB broadened the discussion to the overall objective of communicating useful and timely information to its constituents in user-friendly form.
 - (iv) The AUASB decided that "plain English" bulletins would be the best format for informational communiqués that build a bank of helpful information on practical issues.
 - (v) The AUASB continued to provide detailed suggestions for improving the content of the material presented at this agenda item. In respect of the Determining KAM diagram, the AUASB agreed that the diagram should include the bullet points on consideration of KAM, but that the diagram needs to be imaginative.
 - (vi) The AUASB requested the revised information, including the revised diagram, to be redrafted in the form of a bulletin; and to be brought back to a later 2016 meeting.



GS 010 Responding to Questions at an AGM

(Agenda Item 5 – Minute 1019)

The AUASB considered and discussed the draft revision of GS 010. The AUASB agreed that the revision should not be limited to the impact of KAM, which was the case with the first draft, but should be a broader update of the document. In addition, the AUASB felt that the guidance statement should be somewhat re-structured to differentiate written questions received prior to the AGM from answering questions during the AGM.

The AUASB also agreed that revision of the GS should be informed by questions actually asked at AGMs which are expected a little later in the year as some companies are expected to early-adopt. The AUASB also flagged the need for more guidance on how engagement partner delegates are selected when the engagement partner is not able to attend the AGM.

The AUASB reached consensus about the inclusion of the proposed appendix comprising examples of questions that may arise at AGMs. The AUASB requested refinement and made suggestions for improvement.

There was an understanding that the next iteration of the guidance statement would be presented to the AUASB once it included examples of questions actually asked at AGMs and that practitioners on the AUASB would assist with developing a body of such questions.

Auditor Reporting – Special Purpose Reports and Single Element Reports

(Agenda Item 6 – Minute 1020)

The AUASB approved the proposed modifications to ISA 800 *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and ISA 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*. The changes will be incorporated into Australian Exposure Drafts to be presented at the 18 April 2016 AUASB meeting.

ASAE 3100 Compliance Engagements

(Agenda Item 7 – Minute 1021)

The AUASB considered a further draft of a proposed ED of revised ASAE 3100 *Compliance Engagements*. The AUASB agreed that the revised draft is to be brought back for further consideration at the 14 June 2016 AUASB meeting.

IAASB ITC Enhancing Audit Quality – A Focus on Professional Scepticism, Quality Control and Group Audits

(Agenda Item 8 – Minute 1022)

The AUASB agreed on a proposed approach to the AUASB roundtables. In discussing the forthcoming submission to be made on the ITC, the AUASB agreed to assist the AUASB Technical Group by requesting specific AUASB members to focus on specific elements of the ITC, recognising their particular expertise.



Other Matters

(Agenda Item 9 – Minute 1023)

(a) *Report from AUASB Chairman on Recent Meetings*

The AUASB noted the Chairman's key meetings attended and presentations given since the last AUASB meeting.

(b) *Report from NZAuASB Chairman*

The NZAuASB Chairman provided a report on the latest New Zealand activities noting that the New Zealand work program is closely aligned with Australia. In addition, an Exposure Draft of the new standard on Assurance of Statements of Service Performance is due mid-2016.

(c) *AUASB updated Technical Work Program*

The AUASB noted the updated AUASB Technical Work Program for the year ending 30 June 2016.

(d) *Current AUASB PAG memberships*

The AUASB noted the current PAG membership listing.

Corporate and Strategic Planning and Due Process Matters

(Agenda Item 10 – Minute 1024)

This agenda item was a closed session.

Next Meeting

The next regular meeting of the AUASB will be held in the TEQSA Boardroom, on Level 14, 530 Collins Street, Melbourne, on Monday, 18 April 2016 commencing at 10.00 a.m.

Close of Meeting

The Chairman closed the meeting at 4.30 p.m.

Approval

Signed as a true and correct record.

M H Kelsall
Chairman

Date: 18 April 2016