



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5**

Meeting Date: 13 September 2015

Subject: Project Update on ASAE 3500 Performance Engagements

Date Prepared: 29 August 2016

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider a project update on ED XX ASAE 3500 *Performance Engagements*.

Background

1. ASAE 3500 was issued in 2008 and a post-implementation survey was conducted in 2012. The results of that survey identified a number of matters to be addressed in any future revisions to ASAE 3500.
2. The AUASB approved a project plan to revise ASAE 3500 at the AUASB meeting 24 February 2015 and an updated timetable at the 9 June 2015 meeting. Following approval of the project, the AUASB Technical Group met with the Australasian Council of Auditors-General (ACAG) Heads of Performance Audit at their annual meeting in late March, in order to bring the project to the attention of the auditors-general and to obtain initial feedback on the scope of the revised standard and issues to be addressed in the redrafting.
3. A Project Advisory Group was formed in April, with representatives from each of the audit offices which conduct performance engagements and an academic. PAG discussions were held in mid-May, to discuss the proposed approach to addressing issues identified and to recommend the scope of the revised standard; mid-June, to discuss an initial draft standard; late July and late August to discuss further drafts.
4. The revised draft ASAE 3500 was discussed at the September 2015 meeting and since this time no further work has progressed on the project due to resource constraints at the AUASB.

Matters to Consider

Part A – General

1. At the 28 July 2015 AUASB meeting, the AUASB agreed to restrict the standard to direct engagements only, which has been addressed in the latest draft ASAE 3500.
2. The PAG met on 24 August 2015 and discussed terminology used and the approach to performance engagements which have been addressed largely in the current draft ASAE 3500. Where there were

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a range of views within the PAG or the PAG suggestions may be inconsistent with the approach in the AUASB Standards, these matters need further consideration by the PAG and a resolution reached on certain matters to be reflected in the next update to ED XX ASAE 3500.

- The current ED XX ASAE 3500 PAG consists of the following members:

Project Advisory Group Chair

Colin Murphy	Auditing and Assurance Standards Board	AUASB member
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Project Advisory Group Membership

Danielle Bird	Queensland Audit Office	Assistant Auditor-General, Performance Audit Services
Prof. Elizabeth Carson	University of NSW	Professor, School of Accounting
Julie Crisp	NT Auditor General's Office	NT Auditor-General
Kathrina Lo	Audit Office of New South Wales	Assistant Auditor-General, Performance Audit
Dr Andrew Pope	Australian National Audit Office	Group Executive Director, Performance Audit Services Group
Greg Dare	ACT Audit Office	Director, Performance Audit
Jeff Tongs	Tasmanian Audit Office	Director Technical and Quality
Matthew Zappulla	Victorian Auditor General's Office	Assistant Auditor-General, Standards & Quality

These members have been contacted by the AUASB to confirm their continued involvement in the ASAE 3500 PAG. The next PAG meeting will be scheduled for September 2016 to continue to work through any outstanding issues so drafting can continue on the ED. A further draft of ED XX ASAE 3500 will come to the 25 October 2016 meeting for consideration.

Part B – NZAuASB

- This is not a joint project with NZAuASB, as currently NZAuASB does not plan to issue an equivalent of ASAE 3500, as this topic is not within its mandate.
- The AUASB Technical Group is participating in the NZAuASB Working Group to support the NZ project to develop a standard on assurance of *Service Performance Information* and monitoring the joint AASB and NZ XRB project to develop an accounting standard on *Reporting Service Performance Information*. Engagements under ASAE 3500 are distinct from engagements on Service Performance Information, consequently ASAE 3500 will not include those engagements.

Material Presented

Agenda Item 5

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