

ASA 2015-
(December 2015)

Explanatory Statement

ASA 2015-1 Amendments to Australian Auditing Standards

Issued by the **Auditing and Assurance Standards Board**

Draft

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Australian Government

Auditing and Assurance Standards Board

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Reasons for Issuing Auditing Standard ASA 2015-

The AUASB issues Auditing Standard ASA 2015-1 *Amendments to Australian Auditing Standards* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The 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). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, inter alia, to develop auditing standards that have a clear public interest focus and are of the highest quality.

Purpose of Auditing Standard ASA 2015- Amendments to Australian Auditing Standards

The purpose of the Auditing Standard is to make amendments to the following Auditing Standards:

Main Features

This Auditing Standard makes amendments to the following Auditing Standards:

- ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards* (27 October 2009)
- ASA 210 *Agreeing the Terms of Audit Engagements* (27 October 2009)
- ASA 220 *Quality Control for an Audit of a Financial Report and Other Historical Financial Information* (27 October 2009)
- ASA 230 *Audit Documentation* (27 October 2009)
- ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report* (27 October 2009)
- ASA 300 *Planning an Audit of a Financial Report* (27 October 2009)
- ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment* (27 October 2009)
- ASA 320 *Materiality in Planning and Performing an Audit* (27 October 2009)
- ASA 330 *The Auditor's Responses to Assessed Risks* (27 October 2009)
- ASA 450 *Evaluation of Misstatements Identified during the Audit* (27 October 2009)
- ASA 500 *Audit Evidence* (27 October 2009)
- ASA 510 *Initial Audit Engagements-Opening Balances* (27 October 2009)
- ASA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures* (27 October 2009)
- ASA 560 *Subsequent Events* (27 October 2009)
- ASA 580 *Written Representations* (27 October 2009)

ASA 600	<i>Special Considerations-Audits of a Group Financial Report (27 October 2009)</i>
ASA 710	<i>Comparative Information-Corresponding Figures and Comparative Financial Reports (27 October 2009)</i>
ASA 800	<i>Special Considerations-Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks (27 October 2009)</i>
ASA 805	<i>Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement (27 October 2009)</i>
ASA 810	<i>Engagements to Report on Summary Financial Statements (27 October 2009)</i>

Operative Date

ASA 2015- Amendments to Australian Auditing Standards is operative for financial reporting periods ending on or after 15 December 2016.

Process of making Australian Auditing Standards

The AUASB's Strategic Direction, *inter alia*, provides that the AUASB develop Australian Auditing Standards that:

- have a clear public interest focus and are of the highest quality;
- use the International Standards on Auditing (ISAs) of the International Auditing and Assurance Standards Board (IAASB) as the underlying standards;
- conform with the Australian regulatory environment; and
- are capable of enforcement.

Consultation Process prior to issuing the Auditing Standard

The AUASB has consulted publicly as part of its due process in developing the Auditing Standard.

Exposure Draft ED 2015-1 *Amendments to Australian Auditing Standards* was issued on 30 April 2015 with a 60 day comment period.

Exposure Draft ED 2015-2 *Amendments to Australian Auditing Standards* was issued on 12 June 2015 with a 60 day comment period.

Exposure Draft ED 2015-3 *Amendments to Australian Auditing Standards* was issued on 23 October 2015 with a 30 day comment period.

Submissions were received by the AUASB and these were considered as part of the development and finalisation of the Auditing Standard.

Regulatory Impact Statement

A Regulatory Impact Statement (RIA) has been prepared in connection with the preparation of ASA 2015- *Amendments to Australian Auditing Standards*. The RIA has been cleared by the Office of Best Practice Regulation (OBPR).

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Legislative Instrument: **Auditing Standard ASA 2015- *Amendments to Australian Auditing Standards***

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Background

The 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). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Purpose of Auditing Standard ASA 2015-

The purpose of ASA 2015- is to make amendments to various Australian Auditing Standards.

Main Features

ASA 2015- makes amendments to various Australian Auditing Standards as a result of conforming amendments issued by the International Auditing and Assurance Standards Board in respect of auditor reporting, the auditor's responsibilities relating to other information and addressing financial statement disclosures in the audit of the financial statements.

Human Rights Implications

The Auditing Standards are issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standards do not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.