



Subject: Minutes of the 79th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: TEQSA Boardroom, Level 14, 530 Collins Street, Melbourne
Date: 1 December 2015 from 8:45 a.m. to 4.45 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 (until 4.00 p.m.)
- Ms Valerie Clifford
- Mr Chris George (from 9:30 a.m.)
- Ms Caithlin Mc Cabe
- Ms Jane Meade
- Mr Colin Murphy
- Mr Bernie Szentirmay

AUASB Technical Group:

- Mr Richard Mifsud (Executive Director)
- Ms Rene Herman
- Ms Marina Michaelides (in part)

Declarations of Interest

(Agenda Item 1 – Minute 1005)

“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 1006)

The AUASB approved the minutes of the 78th meeting held on 15 September 2015 and the Special Teleconference meeting held on 13 October 2015.

Matters Arising and Action list

(Agenda Item 3 – Minute 1007)

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



Auditing Disclosures Project

(Agenda Item 4 – Minute 1008)

The AUASB considered the submissions received from constituents on the Auditing Disclosures project and cleared the proposed amendments to Auditing Standards arising from ED 03/15 *Proposed Auditing Standard ASA 2015-3 Amendments to Australian Auditing Standards*.

Auditing Reporting Project and Related Amendments (including Revised ASA 720)

(Agenda Item 5 – Minute 1009)

- (a) The AUASB considered and approved for issue in late December/early January, subject to minor editorials:
- i. a new Auditing Standard ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*;
 - ii. revisions to the following eight existing standards: ASAs 260; 570; 700; 705; 706; 720; 805 and 810; and
 - iii. Auditing Standard ASA 2015-1 *Amendments to Australian Auditing Standards*, resulting in amendments to the following existing standards: ASAs 200; 210; 220; 230; 240; 300; 315; 320; 330; 450; 500; 510; 540; 560; 580; 600; 710 and 800, and Compiled versions of the Standards.
- (b) The AUASB considered and approved the Basis for Conclusions *Reporting on Audited Financial Reports – New and Revised Auditor Reporting Standards and Related Conforming Amendments*.
- (c) The AUASB agreed that further guidance would need to be developed and considered at the 22 February 2016 AUASB meeting to:
- i. clarify the definition of “listed entity” as used in ASA 701; and
 - ii. provide an illustrative diagram to depict the decision flow that an auditor follows in determining key audit matters under ASA 701.
- (d) The AUASB also agreed that it would consider and approve a series of auditor responsibility statements to be included on the AUASB website in early 2016.

ASAE 3100 Compliance Engagements

(Agenda Item 6 – Minute 1010)

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 22 February 2016 AUASB meeting.

ASIC Presentation

(Agenda Item 7 – Minute 1011)

Mr John Price, ASIC Commissioner and Mr Doug Niven, Senior Executive Leader, presented an ASIC Audit Update and related developments including ASIC's strategic objectives, audit activities and issues emanating from inspection findings.



Auditor Reporting – Other Considerations

(Agenda Item 8 – Minute 1012)

(a) *GS 010 Responding to Questions at an Annual General Meeting*

The AUASB agreed to defer consideration of the revised GS 010 *Responding to Questions at an Annual General Meeting* until the 22 February 2016 AUASB meeting.

(b) *Clarifying the purpose of audit opinions*

The AUASB considered the appropriateness of inserting disclaimers to third parties in statutory audit reports of public companies and other entities in Australia and formed the view that it was not in the public interest for the AUASB to pursue the insertion of “Bannerman” type disclaimers in Australian statutory audits.

International

(Agenda Item 9 – Minute 1013)

(a) *IAASB Meeting 7-11 December 2015*

The AUASB received a report on key matters to be discussed at the IAASB meeting to be held on 7-11 December 2015 in New York, including :

- Audit Quality;
- Group Audits;
- Professional Scepticism;
- Integrated Reporting;
- Data Analytics; and
- Financial Institutions

(b) *Integrated Reporting*

The AUASB received an update on current assurance related <IR> activities being undertaken both internationally and within Australia.

Corporate Matters

(Agenda Item 10 – Minute 1014)

(a) *Standard on Service Performance Information*

The AUASB noted the update on the progress of the NZAuASB project to develop an assurance standard on service performance information and the AASB’s project on ED 270 Reporting Service Performance Information.

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

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

(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.

(e) *Other*

The AUASB Chairman recorded formal thanks from the Board to retiring members Valerie Clifford and Bernie Szentirmay for the superb contribution they had made over many years.

She also thanked all the AUASB Members and staff for their dedication and hard work during the year.

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, 22 February 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: 22 February 2016