



Subject: Highlights of the 101st Meeting of the Auditing and Assurance Standards Board
Venue: UNSW, Level 6, 1 O'Connell Street, Sydney
Meeting Date: Wednesday 13 June 2018

More detailed meeting highlights are available via [the meeting podcast](#) (12 minutes) featuring AUASB Chair **Prof. Roger Simnett AO**, AUASB Technical Director **Matthew Zappulla** and AUASB Member **Justin Reid**.

1. IAASB National Standards-Setters Meeting Debrief

The AUASB were provided with an overview of the presentations and outcomes from the IAASB NSS Meeting in Vienna. The AUASB noted the outcomes achieved at the meeting such as a commitment to co-ordinating activities, sharing information and strengthening the NSS as a group.

2. International Matters

Designated Board Members and AUASB Technical Group Staff provided a summary of the papers for the upcoming IAASB June 2018 meeting. The AUASB discussed key matters within each paper and agreed the key points for the AUASB Technical Director to communicate to IAASB members when he attends the meeting as an observer the following week. The key items discussed were ISA 315 (Revised) *Identifying and Assessing the Risks of Material Misstatement* and ISA 540 *Auditing Accounting Estimates and Related Disclosures*.

The AUASB discussed the development of proposed ISA 315 (Revised), which will be voted on for issuance as an exposure draft (ED) at the upcoming IAASB June 2018 meeting. The AUASB Members highlighted a number of issues such as the flow of the standard and the introduction of new terms. Fiona Campbell, IAASB Member and Chair of the ISA 315 Task Force, was in attendance to hear and discuss the feedback.

The AUASB discussed and provided input into the latest draft of ISA 540. Discussions included AUASB views regarding:

- Two possible significant concerns in relation to:
 - Expectations of the auditor where management has not taken appropriate steps to understand and address estimation uncertainty (paragraph 26(b)); and
 - use of management's experts (paragraph A129);
- Possible actions if proposed standard is not re-exposed;
- The effective date of ISA 540, with the AUASB supporting an effective date beginning on or after 15 December 2019; and
- The release of an equivalent Australian ED ASA 540 and the exposure period for this ED.

A number of AUASB Members requested these matters be raised with the IAASB, with the AUASB Chair to consider the most appropriate method to communicate the AUASB's feedback.



An update on the other items on the IAASB's agenda, such as Emerging Forms of External Reporting Assurance (EER), ISQC 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, ISA 220 *Quality Management for an Audit of Financial Statements* and a new project on Audit Evidence were also discussed.

3. Audit Quality Update

The AUASB received a short update on the Financial Reporting Council's (FRC) audit quality initiatives in particular the Audit Committee Chair Survey being undertaken. The AUASB Technical Group encouraged the AUASB Members to circulate the survey to as many Audit Committee Chairs as possible.

4. AUASB Technical Matters

An updated AUASB Technical Work Program was tabled for the AUASB's consideration with the AUASB Technical Group.

The AUASB was provided with an update on the progress of the revision to the AUASB Glossary. The updated AUASB Glossary is expected to be brought to the AUASB September 2018 Meeting for issuance.

The AUASB Technical Group Staff working on the Use of Technology in the Audit Project updated the AUASB on the mapping exercise currently being undertaken and requested practitioner members to provide contact details of experts within their organisation to take the project forward.

5. Monitoring Group Consultation Forums

AUASB Members were informed about the plans for the upcoming Australian Monitoring Group Consultation forums being organized by the AUASB in conjunction with APESB, CA ANZ and CPA Australia.

6. Forward Agenda

The AUASB were provided with a draft AUASB Forward Agenda. The objective of the Forward Agenda is to provide the AUASB with an indication of which topics will be included on the agenda for upcoming meetings. A number of AUASB Members provided feedback on the structure and format. The Forward Agenda will be a standing item presented at each meeting.

***The next AUASB meeting will be held in Sydney
on Wednesday, 12 September 2018 commencing at 8:30 am.
The meeting will be open to the public.***