

EXPOSURE DRAFT

ED 11/05
(October 2005)

Proposed Auditing Standard: Audit Documentation (Re-issuance of AUS 208)

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



Australian Government

Auditing and Assurance Standards Board

Commenting on this Exposure Draft

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A copy of all non-confidential submissions will be placed on public record on the AUASB website: www.auasb.gov.au.

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PREFACE

Reasons for Issuing ED 11/05

The Auditing and Assurance Standards Board (AUASB) is proposing to re-issue Auditing Standard (AUS 208) *Audit Documentation* due to the requirements of the legislative provisions explained below.

The *Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* (the CLERP 9 Act) established the AUASB as an independent statutory body under section 227A of the *Australian Securities and Investments Commission Act 2001*, as from 1 July 2004. Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards will be legislative instruments under the *Legislative Instruments Act 2003*.

ED 11/05 conforms with revised ISA 230 “Audit Documentation” issued in September 2005 by the International Auditing and Assurance Standards Board of the International Federation of Accountants. Main differences between this proposed Auditing Standard and ISA 230 are noted in paragraph 41 of the ED.

Main Proposals

This proposed Auditing Standard establishes mandatory requirements and provides explanatory guidance on specific responsibilities of firm personnel regarding quality control procedures for audits of historical financial information. This proposed Auditing Standard:

- (a) requires the auditor to prepare, on a timely basis, audit documentation that provides: (i) a sufficient and appropriate basis for the auditor’s report; and (ii) evidence that the audit was performed in accordance with Auditing Standards and applicable legal and regulatory requirements;
- (b) establishes mandatory requirements and provides guidance for the form, content and extent of audit documentation;
- (c) establishes mandatory requirements and provides guidance regarding the assembly of the final audit file, including the prohibition of deletions and the permission of modifications and additions after 60 days from the date of the audit report;

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- (d) establishes mandatory requirements and provides guidance to auditors when exceptional circumstances arise after the date of the auditor's report that require the auditor to perform new or additional audit procedures or that lead the auditor to reach new conclusions;
- (e) requires the auditor to adopt procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation.

Proposed Operative Date

It is intended that this proposed Auditing Standard will be operative for financial reporting periods commencing on or after 1 July 2006.

Main changes from existing AUS 208 (July 2002)

The main differences between this proposed Auditing Standard and the Auditing Standard issued by the former Auditing & Assurance Standards Board of the AARF that it supersedes, AUS 208 "Documentation" (July 2002), is that in this proposed Auditing Standard:

1. the word 'shall', in the **bold-type** paragraphs, is the terminology used to describe an auditor's mandatory requirements, whereas an auditor's degree of responsibility was previously described by the word 'should';
2. the explanatory paragraphs provide guidance and illustrative examples to assist the auditor in fulfilling the mandatory requirements, previously some obligations were implied within certain explanatory paragraphs. Accordingly, such paragraphs have been redrafted to clarify that the matter forms part of the explanatory guidance.
3. the following additional mandatory requirements are included:
 - (a) Establishes a new requirement that the auditor shall prepare, on a timely basis, audit documentation that provides a sufficient and appropriate record of the basis for the auditor's report, and evidence that the audit was carried out in accordance with Auditing Standards and applicable legal and regulatory requirements (paragraph 5).
 - (b) Establishes a new requirement that the auditor shall prepare the audit documentation so as to enable an experienced auditor, having no previous connection with

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the audit, to understand the audit work performed, the results and audit evidence obtained, and the significant matters identified and conclusions reached thereon (paragraph 12).

- (c) Establishes a new requirement that where, in rare and exceptional circumstances, factors outside the auditor's control prevent the auditor from complying with a relevant mandatory requirement, the auditor shall document the circumstances surrounding the inability to comply, the reasons for the inability to comply and justification of how alternative audit procedures achieve the objectives of the mandatory requirement (paragraph 25).
 - (d) Establishes new requirements regarding the form, content and extent of audit documentation in regard to: identifying characteristics, discussions with those charged with governance, management and others, contradictory information and identification of preparer and reviewer (paragraphs 15, 19, 21 and 28).
 - (e) Establishes a new requirement that the auditor shall complete the assembly of the final audit file on a timely basis after the date of the auditor's report (paragraph 30).
 - (f) Establishes a new requirement that the auditor shall not delete or discard audit documentation before the end of its retention period, and shall document all modifications and additions (paragraphs 33 and 36)
 - (g) Establishes a new requirement that when exceptional circumstances arise after the date of the auditor's report that require the auditor to perform new or additional audit procedures or that lead the auditor to new conclusions the auditor shall document certain matters (paragraph 37).
 - (h) Establishes a new requirement that the auditor shall adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation (paragraph 39).
4. the following additional explanatory paragraphs are included:
- (a) Section 307B of the *Corporations Act 2001*, the auditor or member of an audit firm is required to "retain all audit

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working papers prepared by or for, or considered or used by, the auditor in accordance with the requirements of the auditing standards until:

- (i) the end of 7 years after the date of the audit report prepared in relation to the audit or review to which the audit working papers relate; or
 - (ii) an earlier date determined by ASIC for the audit working papers under subsection (6)” (paragraph 34).
- (b) For audits other than those conducted under the *Corporations Act 2001*, the auditor ordinarily retains all audit documentation for not less than 7 years from the date of the audit report (paragraph 35).
- (c) Under quality control requirements for firms issued by a professional accounting body, firms are required to establish policies and procedures to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of audit documentation. Pursuant to AUS 206, the auditor is entitled to rely on the firm’s systems (paragraph 40).

A Table of Proposed Changes is provided as an attachment to the Exposure Draft.

Request for Comments

Comments are invited on this Exposure Draft of the proposed re-issuance of Auditing Standard (AUS 208) *Audit Documentation* by 15 December 2005. The AUASB would prefer that respondents express a clear overall opinion on whether the proposed Auditing Standard, as a whole, is supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on any matter. The AUASB regards both critical and supportive comments as essential to a balanced review of the proposed Auditing Standard.

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes Auditing Standard << >> *Audit Documentation* as set out in paragraphs 1 to 41, pursuant to section 227B of the *Australian Securities and Investment Commission Act 2001* and section 336 of the *Corporations Act 2001*.

This Auditing Standard is to be read in conjunction with the *Preamble to AUASB Standards*, which sets out the intentions of the AUASB on how the Auditing Standards are to be understood, interpreted and applied.

The mandatory requirements of this Auditing Standard are set out in **bold-type** paragraphs.

AUDITING STANDARD

Audit Documentation

Application

- 1 **This Auditing Standard applies to:**
 - (a) **an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with Part 2M.3 of the *Corporations Act 2001*; and**
 - (b) **an audit of a financial report for any other purpose.**
- 2 This Auditing Standard also applies, as appropriate, to an audit of other financial information.

Operative Date

- 3 **This Auditing Standard is operative for financial reporting periods commencing on or after 1 July 2006.**

Introduction

- 4 The purpose of this Auditing Standard is to establish mandatory requirements and to provide explanatory guidance on audit documentation. Laws or regulations may establish additional documentation requirements.
- 5 **The auditor shall prepare, on a timely basis, audit documentation that provides:**
 - (a) **a sufficient and appropriate record of the basis for the auditor's report; and**
 - (b) **evidence that the audit was performed in accordance with Auditing Standards and applicable legal and regulatory requirements.**
- 6 Preparing sufficient and appropriate audit documentation on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before the auditor's report is finalised. Documentation prepared at the time the work is performed is likely to be more accurate than documentation prepared subsequently.

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- 7 Pursuant to paragraph 5 of this Auditing Standard, the auditor is required to comply with the mandatory requirements of this Auditing Standard together with the specific mandatory documentation requirements of other relevant Auditing Standards.
- 8 In addition to these objectives, audit documentation serves a number of purposes, including:
- (a) assisting the audit team to plan and perform the audit;
 - (b) assisting members of the audit team responsible for supervision to direct and supervise the audit work, and to discharge their review responsibilities in accordance with AUS 206 “Quality Control for Audits of a Financial Report”;
 - (c) enabling the audit team to be accountable for its work;
 - (d) retaining a record of matters of continuing significance to future audits;
 - (e) enabling an experienced auditor to conduct quality control reviews and inspections¹ in accordance with quality control requirements for firms issued by a professional accounting body; and
 - (f) enabling an experienced auditor to conduct external inspections in accordance with applicable legal, regulatory or other requirements.

Definitions

- 9 In this Auditing Standard:
- (a) “Audit documentation” means the record of audit procedures performed,² relevant audit evidence obtained, and conclusions the auditor reached (terms such as “working papers” or “workpapers” are also sometimes used).
 - (b) “Experienced auditor” means an individual (whether internal or external to the firm) who has a reasonable understanding of (i) audit processes, (ii) Auditing Standards

¹ As defined in AUS 206.

² Audit procedures performed include audit planning, as addressed in AUS 302 “Planning.”

and applicable legal and regulatory requirements, (iii) the business environment in which the entity operates, and (iv) auditing and financial reporting issues relevant to the entity's industry.

Nature of Audit Documentation

- 10 Audit documentation may be recorded on paper or on electronic or other media. It includes, for example, audit programs, analyses, issues memoranda, summaries of significant matters, letters of confirmation and representation, checklists, and correspondence (including e-mail) concerning significant matters. Abstracts or copies of the entity's records, for example, significant and specific contracts and agreements, may be included as part of audit documentation if considered appropriate. Audit documentation, however, is not a substitute for the entity's accounting records. The audit documentation for a specific audit engagement is assembled in an audit file.
- 11 The auditor ordinarily excludes from audit documentation superseded drafts of working papers and financial statements, notes that reflect incomplete or preliminary thinking, previous copies of documents corrected for typographical or other errors, and duplicates of documents.

Form, Content and Extent of Audit Documentation

- 12 **The auditor shall prepare the audit documentation so as to enable an experienced auditor, having no previous connection with the audit, to understand:**
- (a) **the nature, timing, and extent of the audit procedures performed to comply with Auditing Standards and applicable legal and regulatory requirements;**
 - (b) **the results of the audit procedures and the audit evidence obtained; and**
 - (c) **significant matters arising during the audit and the conclusions reached thereon.**
- 13 The form, content and extent of audit documentation depend on factors such as:
- The nature of the audit procedures to be performed.

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- The identified risks of material misstatement.
- The extent of judgement required in performing the work and evaluating the results.
- The significance of the audit evidence obtained.
- The nature and extent of exceptions identified.
- The need to document a conclusion or the basis for a conclusion not readily determinable from the documentation of the work performed or audit evidence obtained.
- The audit methodology and tools used.

It is, however, neither necessary nor practicable to document every matter the auditor considers during the audit.

- 14 Ordinarily, oral explanations by the auditor, on their own, do not represent adequate support for the work the auditor performed or conclusions the auditor reached, but may be used to explain or clarify information contained in the audit documentation.

Documentation of the Identifying Characteristics of Specific Items or Matters Being Tested

- 15 In documenting the nature, timing and extent of audit procedures performed, the auditor shall record the identifying characteristics of the specific items or matters being tested.**

- 16 Recording the identifying characteristics serves a number of purposes. For example, it enables the audit team to be accountable for its work and facilitates the investigation of exceptions or inconsistencies. Identifying characteristics will vary with the nature of the audit procedure and the item or matter being tested. For example:

- For a detailed test of entity-generated purchase orders, the auditor may identify the documents selected for testing by their dates and unique purchase order numbers.
- For a procedure requiring selection or review of all items over a specific amount from a given population, the auditor may record the scope of the procedure and identify the population (for example, all journal entries over a specified amount from the journal register).

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- For a procedure requiring systematic sampling from a population of documents, the auditor may identify the documents selected by recording their source, the starting point and the sampling interval (for example, a systematic sample of shipping reports selected from the shipping log for the period from April 1 to September 30, starting with report number 12345 and selecting every 125th report).
- For a procedure requiring inquiries of specific entity personnel, the auditor may record the dates of the inquiries and the names and job designations of the entity personnel.
- For an observation procedure, the auditor may record the process or subject matter being observed, the relevant individuals, their respective responsibilities, and where and when the observation was carried out.

Significant Matters

- 17 Judging the significance of a matter requires an objective analysis of the facts and circumstances. Significant matters include, amongst others:
- Matters that give rise to significant risks (as defined in AUS 402 “Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement”).
 - Results of audit procedures indicating (a) that the financial information could be materially misstated, or (b) a need to revise the auditor’s previous assessment of the risks of material misstatement and the auditor’s responses to those risks.
 - Circumstances that cause the auditor significant difficulty in applying necessary audit procedures.
 - Findings that could result in a modification to the auditor’s report.
- 18 The auditor may consider it helpful to prepare and retain as part of the audit documentation a summary (sometimes known as a completion memorandum) that describes the significant matters identified during the audit and how they were addressed, or that includes cross-references to other relevant supporting audit documentation that provides such information. Such a summary may facilitate effective and efficient reviews and inspections of the audit documentation, particularly for large and complex audits. Further,

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the preparation of such a summary may assist the auditor's consideration of the significant matters.

- 19 The auditor shall document discussions of significant matters with those charged with governance, management and others on a timely basis.**
- 20 Pursuant to paragraph 19 of this Auditing Standard, audit documentation includes records of the significant matters discussed, and when and with whom the discussions took place. It is not limited to records prepared by the auditor but may include other appropriate records such as agreed minutes of meetings prepared by the entity's personnel. Others with whom the auditor may discuss significant matters include other personnel within the entity and external parties, such as persons providing professional advice to the entity.
- 21 If the auditor has identified information that contradicts or is inconsistent with the auditor's final conclusion regarding a significant matter, the auditor shall document how the auditor addressed the contradiction or inconsistency in forming the final conclusion.**
- 22 The documentation of how the auditor addressed the contradiction or inconsistency, however, does not imply that the auditor needs to retain documentation that is incorrect or superseded.

Documentation of Inability to Comply with Mandatory Requirements

- 23 The basic principles and essential procedures in the Auditing Standards are designed to assist the auditor in meeting the overall objective of the audit. Pursuant to the *Preamble to AUASB Standards*, the auditor is required to comply with all relevant mandatory requirements of the Auditing Standards, unless in rare and exceptional circumstances factors outside the auditor's control prevent the auditor from complying with a relevant mandatory requirement.
- 24 Where an auditor is prevented from complying with a relevant mandatory requirement, the auditor is required, pursuant to AUS 202 "Objective and General Principles Governing an Audit of a Financial Report", to perform, if possible, alternative audit procedures.
- 25 Where, in rare and exceptional circumstances, factors outside the auditor's control prevent the auditor from complying with a relevant mandatory requirement, the auditor shall document:**

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- (a) **the circumstances surrounding the inability to comply;**
 - (b) **the reasons for the inability to comply; and**
 - (c) **justification of how alternative audit procedures achieve the objectives of the mandatory requirement.**
- 26 Pursuant to paragraph 25(c) of this Auditing Standard, the auditor is required to document how the alternative audit procedures performed were sufficient and appropriate to replace that mandatory requirement.
- 27 Pursuant to the *Preamble to AUASB Standards*, where a mandatory requirement is not relevant, the auditor is not required to document the circumstances.

Identification of Preparer and Reviewer

- 28 In documenting the nature, timing and extent of audit procedures performed, the auditor shall record:**
- (a) **who performed the audit work and the date such work was completed; and**
 - (b) **who reviewed the audit work performed and the date and extent of such review.³**
- 29 The requirement to document who reviewed the audit work performed does not imply a need for each specific working paper to include evidence of review. The audit documentation, however, evidences who reviewed specified elements of the audit work performed and when.

Assembly of the Final Audit File

- 30 The auditor shall complete the assembly of the final audit file on a timely basis after the date of the auditor's report.**
- 31 Under quality control requirements for firms issued by a professional accounting body, firms are obliged to establish policies and procedures for the timely completion of the assembly of audit files. Ordinarily, 60 days after the date of the auditor's report is an

³ AUS 206 establishes the mandatory requirement for the auditor to review the audit work performed through review of the audit documentation, which involves the auditor documenting the extent and timing of the reviews. AUS 206 describes the nature of a review of work performed.

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appropriate time limit within which to complete the assembly of the final audit file.

- 32 The completion of the assembly of the final audit file after the date of the auditor's report is ordinarily an administrative process that does not involve the performance of new audit procedures or the drawing of new conclusions. Changes may, however, be made to the audit documentation during the final assembly process if they are administrative in nature. Examples of such changes include:
- Deleting or discarding superseded documentation.
 - Sorting, collating and cross-referencing working papers.
 - Signing off on completion checklists relating to the file assembly process.
 - Documenting audit evidence that the auditor has obtained, discussed and agreed with the relevant members of the audit team before the date of the auditor's report.
- 33 **After the assembly of the final audit file has been completed, the auditor shall not delete or discard audit documentation before the end of its retention period.**
- 34 Under section 307B of the *Corporations Act 2001*, the auditor or member of an audit firm is required to "retain all audit working papers prepared by or for, or considered or used by, the auditor in accordance with the requirements of the auditing standards until:
- (a) the end of 7 years after the date of the audit report prepared in relation to the audit or review to which the audit working papers relate; or
 - (b) an earlier date determined by ASIC for the audit working papers under subsection (6)".
- 35 For audits other than those conducted under the *Corporations Act 2001*, the auditor ordinarily retains all audit documentation for not less than 7 years from the date of the auditor's report.
- 36 **When the auditor finds it necessary to modify existing audit documentation or add new audit documentation after the assembly of the final audit file has been completed, the auditor shall, regardless of the nature of the modifications or additions, document:**

- (a) when and by whom they were made, and (where applicable) reviewed;
- (b) the specific reasons for making them; and
- (c) their effect, if any, on the auditor's conclusions.

Changes to Audit Documentation in Exceptional Circumstances after the Date of the Auditor's Report

37 When exceptional circumstances arise after the date of the auditor's report that require the auditor to perform new or additional audit procedures or that lead the auditor to reach new conclusions, the auditor shall document:

- (a) the circumstances encountered;
- (b) the new or additional audit procedures performed, audit evidence obtained, and conclusions reached; and
- (c) when and by whom the resulting changes to audit documentation were made, and (where applicable) reviewed.

38 Such exceptional circumstances include the discovery of facts regarding the audited financial information that existed at the date of the auditor's report that might have affected the auditor's report had the auditor then been aware of them.

Confidentiality, Safe Custody, Integrity, Accessibility and Retrievability of Audit Documentation

39 The auditor shall adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation.

40 Under quality control requirements for firms issued by a professional accounting body, firms are required to establish policies and procedures to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of audit documentation. Pursuant to AUS 206, the auditor is entitled to rely on the firm's systems.

Conformity with International Standards on Auditing

41 Except as noted below, this Auditing Standard conforms with International Standard on Auditing ISA 230, “Audit Documentation”, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants. The main differences between this Auditing Standard and ISA 230 are:

- This Auditing Standard makes reference to the quality control requirements for firms issued by a professional accounting body. ISA 230 refers to the International Standard on Quality Control (ISQC) 1 issued by the IAASB.
- This Auditing Standard includes a mandatory requirement that the auditor shall document discussions of significant matters with those charged with governance (paragraph 19). ISA 230 includes this as explanatory guidance.
- This Auditing Standard includes a mandatory requirement that the auditor shall document departures from mandatory requirements and is aligned to the wording contained in the “Preamble to AUASB Standards” (paragraph 25). ISA 230 also includes this as a mandatory requirement, however it uses the wording in the “Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services”.
- This Auditing Standard requires the auditor to adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation (paragraph 39). ISA 230 does not contain any requirement for the auditor to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation.

Compliance with this Auditing Standard enables compliance with ISA 230.

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|---|
| Table of Proposed Changes from AUS 208 Audit Documentation |
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Base Standard

Revised ISA 230 “Audit Documentation” was used as the base standard when revising this proposed Auditing Standard.

Main differences between the Base Standard and the existing AUS 208

The main differences between the amended ISA 230 and the existing AUS 208 are:

1. ISA 230 contains the following mandatory requirements, whereas the existing AUS 208 does not:
 - a. the auditor shall prepare, on a timely basis, audit documentation that provides a sufficient and appropriate record of the basis for the auditor’s report, and evidence that the audit was carried out in accordance with Auditing Standards and applicable legal and regulatory requirements (paragraph 5);
 - b. the auditor shall prepare audit documentation so as to enable an experienced auditor, having no previous connection with the audit, to understand the audit work performed, the results and audit evidence obtained, and the significant matters identified and conclusions reached thereon (paragraph 12);
 - c. where, in rare and exceptional circumstances, factors outside the auditor’s control prevent the auditor from complying with a relevant mandatory requirement, the auditor shall document the circumstances surrounding the inability to comply, the reasons for the inability to comply and justification of how alternative audit procedures achieve the objectives of the mandatory requirement (paragraph 25);
 - d. Establishes new requirements regarding the form, content and extent of audit documentation in regard to: identifying characteristics, discussions with those charged with governance, management and others, contradictory information and identification of preparer and reviewer (paragraphs 15, 19, 21 and 28);
 - e. the auditor shall complete the assembly of the final audit file on a timely basis after the date of the auditor’s report (paragraph 30);
 - f. the auditor shall not delete or discard audit documentation before the end of its retention period, and shall document all modifications and additions (paragraphs 33 and 36);
 - g. when exceptional circumstances arise after the date of the auditor’s report that require the auditor to perform new or additional audit procedures or that lead the auditor to new conclusions the auditor shall document certain matters (paragraph 37);
 - h. the auditor shall adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation (paragraph 39)
2. ISA 230 contains the following explanatory guidance paragraphs, whereas the existing AUS 208 does not: paragraphs 6-8, 9(b), 10, 11, 13, 14, 16-18, 20, 22-24, 26, 27, 29, 31, 32, 38, 40 and 41.

Table of proposed changes from the Base Standard

The table below details the proposed changes from the base standard, ISA 230 (excluding changes to reflect Australian terminology and references to Auditing Standards in Australia).

| Paragraph No. in Proposed Exposure Draft | Status (Requirement, Guidance, Footnote or Appendix) | Description of Proposed Change(s) |
|---|--|--|
| 1, 2 | Requirement / Guidance | New Application paragraphs. |
| 3 | Requirement | Re-position Operative Date paragraph. |
| 5, 12, 15, 19, 21, 25, 28, 30, 33, 36, 37 | Requirement | Replace “should” with “shall” |
| 14, 31, 32, 35 | Guidance | Insert “ordinarily,” to remove implied obligations |
| 7, 20, 23, 24, 26, 27, 40 | Guidance | Insert: “pursuant to..... the auditor is required to” |
| 8(e), 31 | Guidance | Replace reference to ISQC1 with “quality control requirements for firms issued by a professional accounting body” |
| 19 | Requirement | Insert: “those charged with governance” into mandatory requirement to document discussions of significant matters. |
| 23, 24, 25, 26, 27 | Guidance / Requirement | Modify heading and paragraphs to follow wording in Preamble. New paragraphs reflect wording in revised Preamble and AUS 202. |

| Paragraph No. in Proposed Exposure Draft | Status (Requirement, Guidance, Footnote or Appendix) | Description of Proposed Change(s) |
|--|--|---|
| 34 | Guidance | <p>Remove reference to ISQC1 and replace with <i>Corporations Act 2001</i> reference: Under section 307B of the <i>Corporations Act (2001)</i>, the auditor or member of an audit firm is required to “retain all audit working papers prepared by or for, or considered or used by, the auditor in accordance with the requirements of the auditing standards until:</p> <p>(a) the end of 7 years after the date of the audit report prepared in relation to the audit or review to which the audit working papers relate; or</p> <p>(b) an earlier date determined by ASIC for the audit working papers under subsection (6)”</p> |
| 39 | Requirement | <p>Insert: “The auditor shall adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation.”</p> |
| 40 | Guidance | <p>Insert: “Under quality control requirements for firms issued by a professional accounting body firms are required to establish policies and procedures to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of audit documentation. Pursuant to AUS 206, the auditor is entitled to rely on the firm’s systems.”</p> |
| 41 | Guidance | <p>Insert conformity statement</p> |
| | Appendix | <p>Delete Appendix 1</p> |
| 35 | Guidance | <p>Insert: For audits other than those conducted under the <i>Corporations Act 2001</i>, the auditor ordinarily retains all audit documentation for not less than 7 years from the date of the auditor’s report.</p> |
| 4 | Guidance | <p>Delete reference to appendix</p> |