



Subject:	Highlights of the 105 th Meeting of the Auditing and Assurance Standards Board
Venue:	TEQSA, Level 14, 530 Collins Street, Melbourne
Meeting Date:	Tuesday 4 December 2018 and Wednesday 5 December 2018

Further discussion of the meeting highlights are available via [the meeting podcast](#) (6 minutes) featuring AUASB Technical Director **Matthew Zappulla** and AUASB Members **Ashley Wood** and **Gareth Bird**.

1. Audit Quality Plan Update (in camera session)

The Chair of the Financial Reporting Council (FRC) Bill Edge, provided an update to the AUASB on the FRC's Audit Quality initiatives. The FRC Chair outlined the FRC's holistic approach to understanding and assessing audit quality throughout Australia, including the public-sector, and where the AUASB can assist the FRC in the future. Other FRC priorities were also discussed with AUASB Members, with Mr Edge noting the FRC were very satisfied with the manner in which the AUASB performed its functions in 2018.

2. Review of December 2018 IAASB Papers

The AUASB Technical Group provided a summary of the latest Exposure Drafts for the IAASB's Quality Control Standards (ISQM 1, ISQM 2 and ISA 220), along with IAASB papers on EER guidance, the proposed IAASB Strategy and the IAASB's initial considerations of responses to Proposed ISA 315 *Identifying and Assessing the Risks of Material Misstatement*. AUASB Members raised concerns with the scalability of ISQM 1 and the impact of its perceived prescriptive nature. Concerns were also raised with requirements of ISQM 2 and ISA 220. The AUASB will comment on the proposed IAASB strategy, due to be discussed at the IAASB December 2018 meeting.

3. Agreed-Upon Procedures Engagements

The AUASB considered the project plan for the release of the Australian Exposure Draft equivalent to Proposed ISRS 4400 *Agreed-Upon Procedures Engagements*. The AUASB will issue a Consultation Paper seeking stakeholder feedback on the Proposed ISRS 4400 with particular emphasis on where ISRS 4400 differs from ASRS 4400 *Agreed-Upon Procedures to Report Factual*.

4. ASA 540 – Approval

The AUASB approved for issue ASA 540 *Auditing Accounting Estimates and Related Disclosures* as well as Amending Standard ASA 2018-1 *Amendments to Australian Auditing Standards*. The AUASB highlighted several editorial amendments to the related Explanatory Statement. The Standards will be released before the end of 2018 with the Compiled Standards prepared in early 2019.

5. ASRE 2410 – Project Plan

The AUASB considered proposed updates to ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* to align the reporting requirements in the standard to be consistent with the amendments made to the Auditing Standards resulting from the auditor reporting project, and to consider if any other amendments are required. This project will be conducted in conjunction with NZAuASB.



6. GS 005 *Management's Experts*

The AUASB approved the project plan to consider revising GS 005 *Using the Work of a Management's Expert*. A Project Advisory Group will be established, and a call for nominations issued shortly, to assist the AUASB Technical Group and AUASB to determine whether amendments are required and the appropriate nature of those amendments.

7. GS 012 – Prudential report requirements for auditors of ADIs

AUASB members considered and approved the commencement of a project to update Guidance Statement GS 012 *Prudential Reporting Requirements for Auditors of Authorised Deposit-taking Institutions* to reflect new and updated requirements for appointed auditors who are required to collect and report on Economic and Financial Statistics (EFS) to the Australian Prudential Regulation Authority (APRA), Reserve Bank of Australia (RBA) and Australian Bureau of Statistics (ABS).

The next AUASB regular meeting will be held in Sydney on the 6th March 2019 commencing at 9:00 am.

The meeting will be open to the public.