



Subject:	111 th Meeting of the Auditing and Assurance Standards Board - Highlights
Venue:	Rattigan Room, Level 12, 530 Collins St, Melbourne
Meeting Date:	Tuesday 10 September 2019 1:00pm – 5:45pm and Wednesday 11 September 2019 9:00 am – 5:00pm

Further discussion of the meeting highlights are available via the meeting podcast on the AUASB Website [here](#) featuring the AUASB Chair and Technical Staff Members.

1. Parliamentary Inquiry into the Regulation of Auditing in Australia

The AUASB meeting welcomed the Chair of the Financial Reporting Council, Bill Edge, for a discussion on the AUASB's planned submission to the Parliamentary Inquiry into the Regulation of Auditing in Australia. The AUASB confirmed its support for all activities that promote continuous improvement in audit quality, transparency and profession conduct across the auditing profession, and is looking forward to making a valuable contribution to this inquiry.

2. Review of September 2019 IAASB Papers

The AUASB were informed about, and discussed, the key matters on the IAASB's September 2019 Agenda, being:

- ISA 315 *Identifying and Assessing the Risks of Material Misstatement* which is being presented at the IAASB September 2019 meeting for approval as a standard. The AUASB generally considered that the significant matters raised in its submission to the IAASB on ED 315 had been substantially addressed, however provided feedback on draft ISA 315 to Roger Simnett to consider in his capacity as an IAASB member. The key areas of feedback from the AUASB will also be provided directly to the IAASB's ISA 315 Task Force prior to the IAASB September 2019 meeting.
- An update on ISA 600 *Group Audits*, particularly in the areas of special considerations in a group audit; access; materiality; and stand back requirements. The AUASB supported the direction that the ISA 600 Task Force was taking and supported the need for additional guidance on component materiality.
- The feedback received from respondents to the IAASB ED on ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; and updated the AUASB as to the Task Force's proposed way forward and revised timelines. The AUASB Audit Technical Group noted that the feedback received by the IAASB from respondents was largely aligned with the AUASB submission on ED-ISQM 1, with the main areas of concern focusing around scalability and prescriptiveness.

The AUASB noted that the IAASB ISQM 1 Task Force was considering a new standard (potentially to be known as 'ISQM 3') to apply specifically to related services engagements, that way aiding in the scalability aspects of ISQM 1. The AUASB did not support this suggestion as the AUASB considers that ISQM 1 should be scalable enough to cover related services engagements.

The other topics discussed by the AUASB as part of its review of September 2019 IAASB Papers were ISQM 2, ISA 220, Extended External Reporting and the IAASB Strategy.



3. AUASB Technical Matters

ASRE 2410 ED

The AUASB and the NZAuASB are working together to update ASRE 2410 *Review of a Financial Report Performed by the Auditor of the Entity* to align the format and content of the auditor's review report, with the enhanced annual auditor's report, as relevant to a limited assurance engagement. The AUASB and the NZAuASB have alternate views on how to describe, in the auditor's review report, the auditor's responsibility relating to going concern. The AUASB considered the alternate descriptions as well as feedback received from stakeholders on this matter. The AUASB's view is consistent with feedback from its stakeholders, that the NZAuASB's description was not consistent with the existing requirements in ASRE 2410. The AUASB will now wait for the NZAuASB to receive feedback from their stakeholders and reconsider this matter. The AUASB discussed the importance of the AUASB and the NZAuASB continuing to work together to arrive at a mutually acceptable position on this issue.

Assurance Framework Publications Project Plan

The AUASB was presented with a Project Plan outlining three publications covering assurance basics, guidance for prescribers of assurance and other assurance. The AUASB were supportive of the publications and provided feedback on the content of each publication as well as the proposed timeframe for completion.

LCE Discussion Paper Survey and Submission

The AUASB discussed and approved the submission to the IAASB's Discussion Paper on Audits of Less Complex Entities. The AUASB was pleased with the level of engagement on the topic through the AUASB's survey.

Guidance Statement Revision

The AUASB reviewed and provided feedback on the Guidance Statement Revision Discussion Paper developed by the AUASB Technical Group. This Discussion Paper is designed to capture stakeholders' views identifying whether relevant legislation / regulation or relevant standards had changed and therefore which GSs required update or withdrawal. The Discussion Paper and a related survey will be made available in October 2019.

4. GS 005 *Using the Work of Management's Expert*

The AUASB considered and discussed the progress of the GS 005 *Using the Work of a Management's Expert* project. The AUASB provided input into the way forward to progress the finalisation of GS 005 which the Audit Technical Group aims to bring to the December 2019 AUASB meeting for approval to issue.

The next AUASB regular meeting will be held in Melbourne on the 3rd & 4th December 2019 commencing at 9:00 am.

The meeting will be open to the public. Please register via the AUASB website (www.auasb.gov.au) or send an email to enquiries@auasb.gov.au if you wish to attend.