



Subject: 121st Meeting of the Auditing and Assurance Standards Board - Highlights
Venue: Via Zoom Teleconference
Meeting Date: Tuesday 1 December 2020, 9:00am – 4:30pm; and
Friday 4 December 2020, 9:00am – 12:00pm

Further discussion of the meeting highlights is available via the [AUASB December 2020 Meeting Podcast](#) featuring the AUASB Chair and Technical Staff Members.

1. FRC and Audit Quality Update

The AUASB received an update on the final report of the Parliamentary Inquiry into the Regulation of Auditing in Australia issued in November 2020 and actions being coordinated with the FRC and other stakeholders to coordinate responses to recommendations in the final report.

The AUASB also received updates on the status of the Audit Committee Chairs Audit Quality survey and research being conducted by the AUASB Technical Group (ATG) on auditor reporting during COVID-19, which will be finalised and published as an AUASB Research Report in December 2020.

2. AASB Chair Update

The AUASB welcomed the Chair of the Australian Accounting Standards Board (AASB), Dr Keith Kendall, to provide an update on current AASB activities. Dr Kendall updated the AUASB on the suite of current AASB projects. He also presented on future AASB projects, current IASB priorities and the upcoming AASB Agenda Consultation process, as well as responding to many questions from AUASB members.

3. IAASB Discussion Paper on Fraud and Going Concern

The Board were presented with a summary of key themes and detailed feedback from the respective Fraud and Going Concern Roundtable events for consideration as the basis for the AUASB submission to the IAASB on its Fraud and Going Concern Discussion Paper. The Board provided feedback on the overarching themes they would like to see emphasised in the AUASB submission. The AUASB discussed the importance of looking holistically at the roles of all parties in the financial reporting ecosystem when considering how to address the expectation gap in relation to the auditor's responsibilities in relation to fraud and going concern in a financial statement audit. AUASB comments will be addressed by the ATG as they finalise the AUASB's submission later this month.

4. International Matters

The AUASB was provided with an update on the main topics to be discussed at the IAASB meeting being held from 7-11 December 2020 including: Less Complex Entities, Group Audits, Audit Evidence and Fraud. As part of the AUASB International Influencing Strategy, the AUASB provided feedback into the matters for discussion on those topics.

5. Due Process Framework and Conformance and Harmonisation Policy with the NZAuASB

The AUASB considered and approved the *Due Process Framework for Developing, Issuing and Maintaining AUASB Pronouncements and Other Publications*, which will replace the existing *AUASB Functions and Processes* publication. The final version of the document will be published on the AUASB website in December 2020 for a short comment period.

The AUASB also reviewed an updated version of the AUASB/NZAuASB joint policy on Conformance and Harmonisation of Standards, which was provisionally approved subject to additional modifications being considered by a sub-committee of the AUASB.

The next AUASB regular meeting will be held on 10th and 12th March 2021.

AUASB Meetings are open to the public. Please register via the AUASB website (www.ausb.gov.au) or send an email to enquiries@ausb.gov.au if you wish to attend.