

2018/19 AUASB Technical Work Program – Status Update for AUASB, November 2018



Priority 1: Issue Australian Auditing and Assurance Standards (ASAs, ASREs, ASAEs & ASRSs) based on IAASB equivalent standards in accordance with AUASB legislative drafting and registration requirements. *[Links to AUASB Strategic Objective 1]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Issue all IAASB related Australian equivalent Exposure Drafts on a timely basis (within three months of PIOB clearance or within 1 month of AUASB approval, as appropriate).			<ul style="list-style-type: none"> Exposure Drafts for ISA 315 and ASA 540 both released and subject to extensive consultation. Submission on ISA 315 deliberated at October 2018 AUASB meeting and sent on time to the IAASB on 2 November 2018. Revised ED exposure process implemented for ISA 315. Similar number of submissions received and positive feedback received from AUASB stakeholders. Global post implementation review of Auditor Reporting standards still to commence internationally.
○ ISQC 1/ASQC 1	●	MZ	
○ ISQC 2/ASQC 2	●	MM	
○ ISA 220/ASA 220	●	TA	
○ ISRS 4400/ASRS 4400	●	RH	
→ Develop and issue Australian Auditing and Assurance Standards following the release of their equivalent ISA, ensuring all Australian legislative and regulatory requirements are considered, including changes required via application of the 'compelling reason' test.			
○ ASA 540	●	RH	
→ Coordinate and develop the AUASB's response to existing and planned IAASB exposure drafts.			
○ ISA 315/ASA 315	●	Anne W	
○ ISQC 1/ASQC 1	●	MZ	
○ ISQC 2/ASQC 2	●	MM	
○ ISA 220/ASA 220	●	TA	
○ ISRS 4400/ASRS 4400	●	RH	
→ Develop high quality responses to other IAASB pronouncements or invitations to comment by the due date as they are released.			
○ Less Complex Entities Discussion Paper	●	MZ	
○ EER Issues Paper	●	MM	
○ IAASB Strategy Consultation Paper	●	MZ	
→ Conduct post-implementation reviews of IAASB equivalent issued AUASB Standards, as required.			
○ Enhanced Auditor Reporting Standards	●	Anne W	
→ Implement revised AUASB Process for exposing and issuing International Exposure Drafts concurrently with the IAASB.	●		

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Australian Government
Auditing and Assurance Standards Board

Priority 2: Develop, update and maintain Australian specific Standards and/or Guidance Statements for topics not specifically addressed by IAASB Standards as required. *[Links to AUASB Strategic Objective 1]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Develop and issue Australian specific Standards within one month of AUASB approval, in accordance with AUASB legislative drafting and registration requirements.			<ul style="list-style-type: none"> Project plan and stakeholder meetings to develop updated GS 012 <i>Prudential Reporting Requirements for Auditors of Authorised Deposit-taking Institutions</i> in progress for presentation at December 2018 AUASB Meeting. Updated AUASB Glossary approved at September 2018 AUASB Meeting. Post implementation reviews of ASAE 3100 and ASAE 3500 to occur in 2019.
○ ASRE 2410 (in conjunction with NZAuASB)	●	Anne W	
○ ASAE 3450 (in conjunction with NZAuASB)	●	TBD	
→ Review full suite of AUASB pronouncements, including revising out of date Guidance Statements to determine necessity and timing of updates required.			
○ GS012 Prudential Reporting	●	MZ	
○ GS019 Fundraisings	●	TA	
○ GS016 Bank Confirmations	●	TBD	
○ GS010 Questions at AGMs	●	Anne W	
→ Conduct post-implementation reviews of Australian specific AUASB Standards, as required.			
○ Enhanced Auditor Reporting Standards	●	Anne W	
○ ASAE 3100	●	MM	
○ ASAE 3500	●	MZ	
→ Review and update of AUASB Framework Pronouncements.			
○ AUASB Glossary	●	A Wu	

Priority 3: Monitor the Assurance Environment, considering the implications for Australian auditing and assurance standards and guidance and responding as appropriate. *[Links to all 7 AUASB Strategic Objectives]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Conduct regular AUASB Agenda Consultation Forums in various locations, either face to face or electronically, and update AUASB Work plan as required based on relevant feedback.	●	MZ	<ul style="list-style-type: none"> AUASB Work Program update provided to stakeholders at ISA 315 and ASA 540 Roundtable events held in September and October 2018. Regular engagement held with CA ANZ and CPA Australia in respect of the current AUASB exposure drafts and quarterly meeting held with CPA Australia. AUASB Chair to be keynote speaker at upcoming ANU ANCAAR Conference and presenting sessions at World Congress of Accountants. Development of AUASB Research Strategy currently in progress. Ongoing collaboration with the FRC on Audit Quality matters, including the ACC and Investor Surveys on perceptions of Audit Quality. AUASB Bulletin addressing the different types of assurance engagements that may be performed under the AUASB assurance framework currently under development. No explicit assurance implications arising from the Royal Commission into Misconduct in the Financial Services Industry noted to date. Awaiting new CA ANZ Assurance Leader to be appointed so regular meetings can resume with CA ANZ. Awaiting next white paper from Monitoring Group to determine next steps in global standard setting governance arrangements.
→ Hold quarterly meetings with the professional accounting bodies to discuss trends in assurance environment and identify impact for AUASB Agenda and Work plan.	●	RS/MZ	
→ Ensure AUASB attendance and presentations at a number of research events (e.g. AFAANZ Conference and AFAANZ Auditing and Assurance Special Interest Group, the UNSW Audit Research Roundtable, and the ANU ANZAAR Conference).	●	RS/MZ	
→ Develop and implement AUASB Research Strategy.	●	A Wu	
→ Work with the FRC to implement the elements of the FRC Audit Quality Plan that are the responsibility of the AUASB.	●	Anne W	
→ Monitor key international regulator developments (including IOSCO, PCAOB and IFIAR Monitoring Group) and consider impact for the local auditing and assurance environment.			
○ Joint Climate related disclosures (with the AASB)	●	MM	
→ Develop updated guidance on the application of the Assurance Framework for various non-audit assurance engagements			
○ Encourage the increased application and understanding of review engagements	●	TBD	
○ Other assurance and related services options for a range of different underlying subject matters	●	TA	
→ Consider audit quality and implementation issues associated with the audit and assurance issues specific to the financial services sector, including any matters arising from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.	●	TBD	
○ ASIC Assurance requirements for Managed Investment Schemes	●	RH	

Priority 4: Build, maintain and enhance key international relationships around key focus areas with both global (e.g. IAASB, IFAC, IIRC) and national standard setters and professional bodies (e.g. FRC, PCAOB, CPAC, IRBA). *[Links to AUASB Strategic Objectives 3 & 4]*

Current Priorities & KPIs	Status	Resp.	Comments
→ AUASB to be represented at all IAASB meetings.	●	RS/MZ	<ul style="list-style-type: none"> AUASB Chair attended September IAASB Meeting in New York. AUASB deliberated on all major IAASB projects at its September 2018 Board Meeting AUASB Chair attended by teleconference latest meetings of IIRC working group, and WBCSD assurance task force Arrangements for NSS Meeting jointly hosted with the NZAuASB held in Sydney at the same time as the World Congress of Accountants on 5 November all in place. AUASB Chair, EER specialist Board member and staff attending IAASB EER Roundtable on 2 November 2018.
→ Arrange for AUASB review of relevant IAASB board papers on a timely basis and share feedback on key matters with regional IAASB members before each IAASB meeting.	●	MZ	
→ Attend and present relevant topics at regional and global IAASB NSS meetings.			
○ WCOA NSS Forum	●	RS/MZ	
○ IAASB NSS Meeting	●	RS/MZ	
→ With the IAASB and NZAuASB, identify and implement initiatives to drive increased sharing and collaboration across the National Standards Setting network.	●	RS/MZ	
→ Attend and contribute to other IAASB or International Standard Setting forums as appropriate.	●	RS/MZ	
→ Review and contribute as appropriate to other global initiatives, such as IIRC, GRI and WBCSD, on assurance issues.	●	RS	
→ Engage with the Global EER Project Advisory Panel and support associated regional activities and local panel members.	●	MM	

Priority 5: Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols.
[Links to AUASB Strategic Objectives 1 & 3]

Current Priorities & KPIs	Status	Resp.	Comments
→ AUASB Chair and/or Technical Director to attend all NZAuASB meetings.	●	RS/MZ	<ul style="list-style-type: none"> AUASB Chair attended October NZAuASB Meeting in Wellington. AUASB responses on ISA 315 and ISA.ASA 540 developed with regard to NZ AU/NZ harmonisation requirements.
→ Ensure standards and guidance are issued in accordance with AU/NZ harmonisation requirements.	●	MZ	<ul style="list-style-type: none"> AUASB staff working with NZAuASB staff on the update of Review Standard ASRE 2410 and consulting with NZ FMA on development of an audit quality survey similar to that performed with the FRC. AUASB staff working with NZAuASB staff on assurance of charities initiative.
→ Contribute to and work in parallel on a number of NZAuASB projects, such as Auditor Reporting FAQs, and the Audit of Service Performance Information standard.	●	TBD	<ul style="list-style-type: none"> AUASB and NZAuASB Chairs and Technical Directors collaborated on the planning and conduct of the NSS Meeting held in Sydney at the same time as the World Congress of Accountants on 5 November.
→ Work collaboratively with NZAuASB Technical Staff to ensure co-operation and co-ordination between the AUASB and NZAuASB's activities (e.g. joint research programs and joint contributions on key focus areas, such as Assurance requirements for NFP's and Charities).	●	MZ	<ul style="list-style-type: none"> AUASB and NZAuASB staff to review corresponding work programs to look for greater opportunities for collaboration and joint resourcing of projects in early 2019.

Priority 6: Complete a number of strategic projects addressing current areas of auditing and assurance thought leadership and emerging issues, in particular the areas of external reporting beyond financial reporting (e.g. EER) and the impact of changing technologies (e.g. Data Analytics). *[Links to AUASB Strategic Objectives 2, 5 & 6]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Scope and implement strategic projects in the following areas:			<ul style="list-style-type: none"> Meetings held with ASIC and large audit firms to review common issues associated with inspections findings, resulting in updated AUASB guidance on the use of experts currently in development. AASB and AUASB Joint publication developed on insights and research findings on climate-related disclosures for Australian listed entities and the application of APS 2 to financial reporting and assurance on climate-related risks. Consultations held with ACNC & input into AASB paper on Audit requirements under revised NFP reporting framework. Meetings held with representatives from large firm and ACAG to discuss Phase 2 of Use of Technology in the Audit including Data Analytics project. AUASB and NZAuASB leading initiative to increase engagement between IAASB and NSS representatives on common auditing implementation issues (to be discussed at NSS Forum in November). Ongoing support to Australian IAASB EER Advisory Group members and attendance at IAASB EER Roundtable in Sydney in November 2018. Project Advisory Group with representatives from ACAG and other public sector auditors being put in place to assist AUASB with public sector project. Some Strategic Projects tracking slower than planned with focus on International Projects over September & October.
○ Auditor Reporting Implementation	●	Anne W	
○ Audit Quality / Coordination and cooperation with Regulators	●	Anne W / RH	
○ Assurance over Emerging Forms of External Reporting (EER)	●	MM	
○ Financial Reporting and Assurance Frameworks	●	Anne W / TA	
○ Public Sector Auditing and Assurance Issues	●	MZ	
○ Prescribed Reports	●	RH	
○ Consideration of matters related to small and medium practices (SMPs) and audits of small- and medium-sized entities (SMEs)	●	MZ	
○ Use of Technology in the Audit including Data Analytics	●	RH / TA	
→ Develop and maintain contact with other key national standard setters and identify opportunities to collaborate on key international auditing and assurance focus areas.	●	RS/MZ	
→ Work with relevant local and international stakeholders to influence and support emerging forms of assurance (e.g. IIRC).	●	RS/MM	

Priority 7: Achieve a high level of stakeholder satisfaction through increased engagement (i.e. events and publications) that demonstrate the AUASB has a thorough awareness of ideas and concerns of Australian stakeholders. *[Links to AUASB Strategic Objective 4]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Hold quarterly meetings with key stakeholders (CPA, CA ANZ, APESB, ASIC) and ensure regular contact with other stakeholders (ACAG, ACNC, CER, APRA, AICD & IPA) as required to: <ul style="list-style-type: none"> gather timely and relevant feedback on AUASB activities; and ensure the AUASB Work plan is responsive to user needs. 	●	RS/MZ	<ul style="list-style-type: none"> AUASB Meeting Register discussed and reviewed at September 2018 meeting. Regular meetings held with CPA Australia, APESB and ASIC. AUASB Chair attended and presented on Audit Committee Chairs report at September ASIC Standing Committee; AUASB Technical Director presented at a number of industry forums Planning for AUASB involvement in 2019 CA ANZ Audit Conference currently underway. Communications from September 2018 AUASB meeting all issued as required and on time. Awaiting new CA ANZ Assurance Leader to be appointed so regular meetings can resume with CA ANZ. Meetings with other stakeholders to be arranged following development of the AUASB Meeting Register. No major articles or publications produced in last two months. Next quarterly AUASB Update Newsletter to be released in November 2018. Departure of AASB-AUASB Communications Manager means there has been no progress on the Stakeholder Database and other communications tools. Recruitment for replacement Communications Manager to being shortly.
→ Attend and present at regular professional and regulatory forums (e.g. ASIC Standing Committee, Emerging Accounting and Auditing, Issues Discussion Group, BLRF etc.).	●	RS/MZ	
→ AUASB Board members or staff to present at a number of auditing or assurance related events/conferences.	●	RS/MZ	
→ Author or contribute to multiple articles on major auditing and assurance developments for CPA Australia and CA ANZ professional bulletins and other publication outlets.	●	MZ	
→ Complete quarterly reports for the FRC and obtain positive feedback from FRC members on AUASB activities.	●	RS/MZ	
→ Develop and distribute a quarterly AUASB update.	●	A Wu	
→ In conjunction with the AASB, conduct regular AUASB Stakeholder satisfaction surveys.	●	DP	
→ Create and maintain details of AUASB stakeholders in the new AASB/AUASB Stakeholder Database.	●	A Wu	
→ Contribute to the planning of the new AASB/AUASB website.	●	RH	
→ With the AASB/AUASB Communications Manager, implement initiatives to monitor and grow stakeholder engagement, measured via increased media mentions, social media activity and level of participation at AUASB events.	●	MZ	
→ Ensure all AUASB meeting board papers are available on the AUASB website a week in advance.	●	MZ	
→ Ensure all AUASB meeting highlights/podcast available within two working days after each meeting.	●	MZ	



Priority 8: Conduct awareness initiatives, such as webinars and presentations for new Standards issued, and promote the development of education initiatives by others (e.g. professional bodies, regulators, accounting firms, tertiary institutions) by providing technical input to their initiatives and co-presenting at their education sessions. *[Links to AUASB Strategic Objectives 4 & 7]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Record and release AUASB podcasts and/or webcasts for all AUASB meetings on all major audit and assurance pronouncements.	●	MZ	<ul style="list-style-type: none"> Podcast for September 2018 AUASB meeting recorded and released Planning for AUASB involvement in 2019 CA ANZ Audit Conference currently underway. AUASB Chair keynote speaker at upcoming ANU ANCAAR Conference and charring sessions at World Congress of Accountants. Assisting academic projects in relation to Assurance Frameworks and Auditor Reporting No actions undertaken in relation to auditing and assurance professional program course materials or contributions to external articles or bulletins.
→ Engage with the CA ANZ and CPA Australia to support the currency and appropriateness of auditing and assurance professional program course materials.	●	RS/MZ	
→ AUASB Board members or staff to present at a number of auditing or assurance related events/conferences (e.g. CA ANZ Audit Conference; CPA Congress).	●	RS/MZ	
→ Author or contribute to multiple articles on major auditing and assurance developments for CPA Australia and CA ANZ professional bulletins.	●	MZ	
→ Identify opportunities to present guest lectures or be represented on advisory panels for auditing and assurance topics at major tertiary institutions.	●	MZ	
→ Partner with respected auditing and assurance academics on AUASB strategic projects and research activities, for example on Auditor Reporting implementation.	●	Anne W	

Priority 9: Analyse regulator inspection findings to identify AUASB actions that help improve audit quality and the consistency of audit execution, predominately through the development of new publications (such as AUASB Bulletins and frequently asked questions ('FAQs')) that facilitate the consistent application of auditing and assurance standards. *[Links to AUASB Strategic Objective 7]*

Current Priorities & KPIs	Status	Resp.	Comments
→ Increased and timelier engagement with ASIC and other regulators responsible for audit and assurance inspections.	●	RH	<ul style="list-style-type: none"> Meetings held with ASIC and large audit firms to review common issues associated with inspections findings, resulting in updated AUASB guidance on the use of experts currently in development. AUASB Bulletin addressing the different types of assurance engagements that may be performed under the AUASB assurance framework currently under development. Ongoing discussions with ASIC on issues arising from upcoming December 2018 Reporting on audit inspection findings. AUASB staff working with NZAuASB staff on the update of Review Standard ASRE 2410 and consulting with NZ FMA on development of an audit quality survey similar to that performed with the FRC. No additional Auditor Reporting FAQs issued over the last 2 months.
→ Assess and respond to implementation issues and identify opportunities to create additional AUASB guidance to address inspection findings.	●	RH	
→ Hold quarterly meetings with ASIC and meet at least annually with other regulators (APRA, CER) to discuss audit inspection developments and identify opportunities for AUASB staff involvement.	●	RS/MZ	
→ In conjunction with the NZAuASB, issue new and revised Auditor Reporting FAQs based on stakeholder feedback and issues noted by AUASB staff.	●	Anne W	
→ Develop and issue AUASB Bulletins to provide guidance to Stakeholders as required on AUASB Pronouncements and topical/emerging auditing and assurance issues and in conjunction with the release of all major AUASB standards and guidance statements.	●	TBD	
→ Monitor global audit inspection developments and trends and consider impact for Australian auditing and assurance environment.	●	RS/MZ	



AUASB Team Members

Roger Simnett (Chair)	RS
Matthew Zappulla (Technical Director)	MZ
Rene Herman	RH
Anne Waters	Anne W
Marina Michealides	MM
Tim Austin	TA
Anne Wu	A Wu
Damian Paull (AASB-AUASB National Director)	DP

Key to Status:

○	Ongoing / Operational
●	Yet to commence
●	Not completed / outstanding
●	Partially completed/in progress
●	Completed/ On-track



2018-19 AUASB Strategic Objectives (extract from AUASB 2018-19 Corporate Plan)

1. Develop, issue and maintain high quality Australian auditing and assurance standards that meet the needs of report users. Use IAASB Standards – where they exist, modified as necessary – or develop Australian-specific standards and guidance.
2. With the AASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on:
 - who prepares external reports (including financial reports)
 - the nature and extent of assurance required on external reports.
3. Actively influence international auditing and assurance standards and guidance by demonstrating thought leadership and enhancing key international relationships.
4. Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.
5. Influence initiatives to develop assurance standards and guidance that meet user needs for external reporting beyond financial reporting.
6. Monitor and respond to emerging issues impacting the development of auditing and assurance standards and guidance, including changing technologies.
7. Develop guidance and education initiatives, or promote development by others, to enhance consistent application of auditing and assurance standards and guidance.