



# AUASB Board Meeting Summary Paper

---

**AGENDA ITEM NO.**           **5.1.0**

**Meeting date:**               4 December 2018

**Subject:**                       Evidence-Informed Standard Setting (EISS) Strategy

**Date prepared:**             26 November 2018

**Prepared by:**                Anna Wu, Anne Waters

---

**Action Required**

**For Information Purposes Only**

---

## Agenda Item Objectives

1. For the AUASB to consider and provide comments on the AUASB Evidence-Informed Standard Setting Strategy.

## Background

2. As part of the development of the 2017-21 AUASB Strategy ‘research’ was identified as one of the main enablers to achieve the seven strategic objectives. A project to develop an AUASB Research Strategy was accordingly added to the AUASB Technical Work Program for 2017-18. A formal AUASB Research Strategy has not been prepared in the past.
3. At its meeting on 17 April 2018, the AUASB discussed a Research Strategy issues paper including why we need a research strategy. The AUASB supported the need for research to support strong evidence based decisions being made, and whilst agreeing that research had a key role to play, there was discussion regarding whether a formal research strategy document needs to be developed or whether research should be built into the processes that the ATG go through when preparing papers. Integrating the research strategy into the Project Plan for each strategic priority was discussed as a more effective approach to embedding research into the AUASB approach across the board.
4. After consideration of this feedback, and in recognition that evidence gathering is achieved through both stakeholder engagement and research, the ATG have prepared an “Evidence-Informed Standard Setting” strategy, which incorporates both of these elements. This strategy supports the International Strategy and will itself be further supported by an AUASB / AASB Communications Strategy, which is expected to be developed jointly with the AASB in the first half of 2019.
5. The objective of the Evidence Informed Standard Setting Strategy is to ensure a robust and transparent evidence gathering process to inform and support decision making that contributes to the development, issuing and maintenance in the public interest of high quality Australian auditing and

---

*This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.*

assurance standards and guidance that meets user needs and enhance audit and assurance consistency and quality.

6. The success of the National Standard Setters meeting at the World Congress of Accountants Forum in November 2018 has given rise to more opportunities for collaboration on research activities, and stronger need for evidence-informed decision making to be able to form an independent and influential voice on international matters.
7. An evidence-informed standard setting strategy is also consistent with similar strategies currently being developed (e.g. IAASB) or in place e.g. (AASB, FRC UK, PCAOB) of other standard setters.,
8. Where appropriate we have considered and leveraged off the AASB Research Strategy, which is currently being revised.

#### *Next steps*

9. Obtain and consider feedback from the AUASB.
10. Develop the Evidence-Informed Standard Setting strategy process, including how this will be embedded into the AUASB's work plan and the Project Plans for each strategic priority.
11. Discuss the Evidence-Informed Standard Setting strategy with the Auditing and Assurance stakeholder representatives (including but not restricted to other NSS, accounting bodies, and the academic community), and how the objectives of the Evidence Informed Standard Setting Strategy can be achieved for mutual benefit.

#### **AUASB Technical Group Recommendations**

12. AUASB to provide feedback on the Evidence-Informed Standard Setting strategy.

#### **Material Presented**

Agenda Item	5.1.0 AUASB Board Meeting Summary Paper
Agenda Item	5.1.1 EISS Strategy

---

#### **Action Required**

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Provide feedback on the Evidence-Informed Standard Setting strategy.	Updated AUASB EISS Strategy	AUASB	4 December 2018	Pending

---