



The Chairman

Auditing and Assurance Standards Board

By Email: [edcomments@auasb.gov.au](mailto:edcomments@auasb.gov.au)

6 February 2014

Dear Merran,

Macquarie University's Department of Accounting and Corporate Governance is pleased to provide the Auditing and Assurance Standards Board (AUASB) with its comments on:

- (a) ED 05/13 Proposed Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*
- (b) ED 06/13 *Proposed Framework for Assurance Engagements*
- (c) ED 07/13 *Proposed Conforming Amendments to ASAE 3402, ASAE 3410 and ASAE 3420 as a Result of Proposed Re-issuance of ASAE 3000*

Macquarie University's response reflects our position as a leading educator to the Australian and global community. This submission has benefited with input from discussions with key constituents.

## **1. Inconsistent Australian auditing requirements to the International Auditing Standard**

The arguments for increasing the auditing requirements in the EDs for both limited assurance and reasonable assurance engagements would seem to blur the important distinction between a reasonable assurance engagement (an audit) compared to a limited assurance engagement where no audit opinion is given. If anything, the AUASB's proposed amendments seem to be increasing the scope of limited assurance towards that of reasonable assurance. Given the long debates at the IAASB on the need for clear differentiation between 'limited' and 'reasonable' assurance, we are perplexed as to the AUASB's thinking, particularly when the IAASB has not made such changes.



Therefore we do not support these proposed AUASB amendments to the issued International Auditing Standards as those issues have been debated and presumably rejected by the IAASB given the AUASB's submissions to the IAASB and AUASB involvement at IAASB meetings.

If the AUASB believes that some additional guidance is needed to explain particular issues, we suggest that the AUASB may wish to engage with Australian constituents, and if there is an agreed need, to then issue such non-mandatory guidance, but not impose additional requirements on Australian constituents which in our view results in un-necessary red tape compliance costs.

## **2. Support for issuing the EDs as Auditing Standards apart from additional Australian requirements**

Apart from the additional Australian requirements (see 1 above), we support the issue of equivalent Australian Auditing Standards to those that were issued by the IAASB on 9 December 2013.

If you require any further information or comment, please contact me.

A handwritten signature in black ink that reads "Keith Reilly". The signature is written in a cursive, flowing style.

Keith Reilly

Industry Fellow (International Governance & Reporting)

Department of Accounting and Corporate Governance - Macquarie University

[keith.reilly@mq.edu.au](mailto:keith.reilly@mq.edu.au)