



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **7(e)**
Meeting Date: 27 February 2012
Subject: Professional Scepticism
Date Prepared: 9 February 2012

Action Required

For Information Purposes Only

Agenda Item Objectives

To: approve issuance of an AUASB bulletin on professional scepticism.

Background

The IAASB staff have developed a question and answer paper titled *Professional Skepticism in an Audit of Financial Statements*. The first draft of the paper was discussed by the IAASB at the December 2011 meeting. The second draft is attached as Agenda Item 7(e).1 and the final version is scheduled for release at the end of February.

The paper seeks to highlight important messaging about the topic; illustrate the linkage between professional scepticism and other key concepts, such as professional judgement; emphasise how firms, partners and individual auditors can help enhance professional scepticism; avoid addressing matters beyond the ISAs; identify aspects of the audit where professional scepticism is particularly important (e.g. fraud, estimates); and highlight the critical role of regulators, oversight bodies and those charged with governance in supporting sceptical behaviour in audits.

Matters to Consider

1. The AUASB is asked to approve the development of an AUASB bulletin comprising:
 - (a) An introduction by the AUASB Chairman;
 - (b) the (final) IAASB staff paper (with references to “ISAs” amended to “ASAs”); and

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- (c) an acknowledgement that the paper is an IAASB staff paper (maybe included in the AUASB Chairman's introduction?).
2. In the interests of a quick turn-a-round, it is suggested that the Chairman approves the bulletin for publication.

AUASB Technical Group Recommendations

The AUASB should approve publication of an AUASB bulletin to be prepared once the IAASB staff paper is issued.

Material Presented

Agenda Item 7(e) AUASB Board Meeting Summary Paper

Agenda Item 7e).1 Draft IAASB staff paper

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approve an AUASB bulletin	Approval	AUASB	27 February 2012	o/s

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