



**Subject:** Highlights of the 61<sup>st</sup> meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** Ken Spencer Room, AUASB offices  
Level 7, 600 Bourke St, Melbourne  
**Date:** 25 February 2013

## 1. Review Engagements

The AUASB considered comments received in respect of exposure drafts of the proposed revised review engagement standards ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity* (ED 02/12) and ASRE 2415 *Review of a Financial Report- Company Limited by Guarantee* (ED/03/12).

The Board agreed on proposed amendments including revision of ASRE 2415 to incorporate reviews of entities reporting under the *Australian Charities and Not-for-Profit Commission Act 2012* (commencing 1 July 2013) and requested an example Management Representation Letter to be included in ASRE 2400. The revised standard will be considered for out-of-session approval with release planned for March 2013, to be operative from 1 July 2013.

The AUASB also requested that guidance on the application of the Australian Standards on Review Engagements (ASRE's), which previously was included in an appendix to ASRE 2400, be further developed and separately released at a later date as a Guidance Statement.

## 2. Composite Audit and Assurance Reports

The AUASB considered a project plan to develop a Guidance Statement designed to assist auditors and assurance practitioners to prepare appropriate reports when reporting under more than one AUASB reporting framework, with focus on:

- Grant Acquittals; and
- Report formats prescribed by relevant organisations such as licencing authorities.

The Board requested a broadening of the proposed Guidance Statement to incorporate other considerations relating to these engagements. A revised plan will be considered for out-of-session approval and a project advisory group will be formed in due course.

## 3. GS 004 Audit Implications of Prudential Reporting Requirements for General Insurers

The AUASB received an update on the project to revise GS 004 and noted that a further meeting with the Project Advisory Group (PAG) will be held in the next month to further discuss key issues and review a draft of the proposed Guidance Statement. It is planned that the AUASB will consider a further draft at its next meeting on 29 April.

## 4. Engagements to Report on Controls

The AUASB received an update on the project to develop an assurance standard on *Engagements to Report on Controls* (revision of AUS 810) and agreed the timetable for the completion of the project. A first draft of the exposure draft for proposed standard will be considered at the 29 April 2013 AUASB meeting.



## 5. **NGERS, Carbon Pricing Mechanism and Related Schemes Assurance**

The AUASB received an update on liaison activities with the Clean Energy Regulator (CER) and the Department of Climate Change and Energy Efficiency (DCCEE) with respect to assurance under the *National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes*. It was noted that AUASB staff will be involved in CER assurance workshops to be held in March.

## 6. **International Matters**

- (a) The AUASB received a report on outcomes of the IAASB meeting held 12-14 February 2013 in Brussels.
- (b) The AUASB received reports on IAASB Task Forces dealing with the Auditor Reporting and ISA Implementation Monitoring projects.
- (c) The AUASB discussed its proposed submission on the IAASB exposure draft on ISA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report thereon*, and agreed to consider approve the final AUASB submission on an out-of-session basis by 8 March 2013.
- (d) The AUASB noted the release of the IAASB's Consultation Paper *A Framework for Audit Quality*. The Board agreed to hold roundtables with stakeholders to be held in Melbourne and Sydney on 20 and 21 March, in conjunction with CPA Australia and the Institute of Chartered Accountants in Australia, to provide input to the development of a submission to the IAASB.
- (e) The AUASB noted the latest International Update being a report on recent activities of the IAASB and other international bodies, including national standards setters.

## 7. **ASA 610 Using the Work of Internal Auditors**

The AUASB received an update on the decision taken by the IAASB at its February 2013 meeting that approved the release of the revised ISA 610 *Using the Work of Internal Auditors*, which includes new provisions to allow for direct assistance by internal auditors on external audits.

The AUASB considered its approach to the impending revision of the equivalent ASA 610 in Australia, and the corresponding amendments to ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*.

After considerable discussion, the AUASB formed the view that the IAASB's amendments to ISA 610 to allow direct assistance by internal auditors on external audit engagements are inappropriate in the context of independent external audits undertaken in Australia. Accordingly, the AUASB agreed, by majority vote, not to adopt the IAASB's direct assistance provisions in the recently-issued ISA 610, but to incorporate the other revisions in a revised ASA 610 to be released later this year following exposure.

The AUASB has agreed to consult with stakeholders at roundtables to be held in Melbourne and Sydney on 20 and 21 March, on its proposed amendments to ASA 610 and ASA 315.



**8. Other Matters**

(a) ACNC Not-for-profit Entities

The AUASB received an update on recent developments, which included the AUASB's submission on the proposed ACNC Regulations and Explanatory Material.

(b) Integrated Reporting

The AUASB received an update on recent international and local developments on integrated reporting.

(c) SBR/XBRL

The AUASB received an update on recent developments in this area, and noted that an AUASB submission will be made in respect of the Treasury Options Paper: Use of Standard Business Reporting (SBR) for Financial Reports, with comments due by 15 March 2013.

(d) Water Assurance

The AUASB noted that a joint AUASB-WASB information session was held on 21 February 2013 in relation to ED 04/12 *Assurance Engagements for General Purpose Water Accounting Reports*.

***The next meeting of the AUASB will be held on 29 April 2013  
at Level 7, 600 Bourke Street, Melbourne***

***The meeting will be open to the public***