



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **6**

Meeting Date: 24 February 2013

Subject: Conforming Amendments to ASAEs 3402, 3410 and 3420

Date Prepared: 17 February 2014

Action Required

For Information Purposes Only

Agenda Item Objectives

1. To provide the AUASB with a summary paper on significant matters to consider and a comments received and proposed disposition paper on ED 07/13 Conforming Amendments for consideration and critical assessment at 24 February meeting.

Background

1. At the 2 December 2013 meeting, the AUASB were presented with three exposure drafts which mirrored ISAE 3000, International Assurance Framework and conforming amendments except for the following:
 - Term ‘practitioner’ was changed to ‘assurance practitioner’ and minor changes to the definition were made to ensure consistency with ASQC 1. This change also reflects the current position in extant ASAE 3000 where the term ‘assurance practitioner’ has been used to accommodate a broader application of the AUASB standards to professionals from disciplines other than professional accountants.
 - Where there was a reference to “Parts A and B of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA Code) related to assurance engagements, or other professional requirements or requirements in law or regulation, that are at least as demanding” these were changed to be consistent with the suite of Australian Auditing Standards and ASAE’s which use the terminology “relevant ethical requirements related to assurance engagements” (as defined in *ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*).

No other changes were proposed in the initial EDs presented to the AUASB at this meeting.

2. In addition to the recommendations made by the Technical Group (as noted above at 1) to the AUASB at the meeting on 2 December 2013, the following change was made at the request of the Board which resulted in the additional Aus paragraphs and references being included in ED 07/13, having taken into account the proposed changes to be made by the NZAuASB, as reflected in ED NZAuASB 2014-1.

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- Use of the term “lead assurance practitioner” in place of the “engagement partner” to accommodate a broad application of the AUASB standards to professionals from other disciplines in addition to professional accountants.
3. The AUASB recommendation as noted above was adopted and reflected in ED 07/13 Conforming Amendments which along with ED 05/13 ASAE 3000 and ED 06/13 Assurance Framework were finalised and issued on 11 December 2013 with a comment period open until 3 February 2014. Ten submissions were received by the AUASB from ACAG, Deloitte, E&Y, Grant Thornton, ICAA and CPA, IIA-Australia, KPMG, Macquarie University, PwC and IPA. Refer Agenda Item 5 for a discussion on ED 05/13 and ED 06/13.

Matters to Consider

Part A – General

1. No general comments were received from constituents in respect of ED 07/13. Additionally, in providing answers to specific questions asked, constituents did not recommend any changes be made to ED 07/13. Refer to the comments received and proposed disposition paper at Agenda Item 5.3 for a summary.

Part B – NZAuASB

2. Refer attached comments received and proposed disposition paper at agenda item 5.3 for matters to consider.

Part C – “Compelling Reasons” Assessment

3. Refer attached comments received and proposed disposition paper at agenda item 5.3 for matters to consider.

The proposed changes conform with IAASB modification guidelines for NSS?

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AUASB Technical Group Recommendations

1. The AUASB Technical Group recommends retention of the changed definition of assurance practitioner and references to ASA 102 and ASQC 1 for all assurance practitioners undertaking assurance engagements and for the changes to be carried through to the consequential amendments to ASAEs 3402, 3410 and 3420.

Material Presented

Agenda Item 6 AUASB Board Meeting Summary Paper
 Refer Agenda Item 5.3 AUASB comments received and proposed disposition paper

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	AUASB to decide final wording to be reflected in conforming amendments	Decision on final wording to be reflected in conforming amendments	AUASB	24 February 2013	O/S

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