



Subject: Highlights of the 88th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: TEQSA Boardroom, Level 14, 530 Collins Street, Melbourne
Meeting Date: 1 March 2017

1. Welcome

The AUASB Chairman welcomed Professor Roger Simnett (AUASB Chair from 1 April 2017) and Fiona Campbell (IAASB Member) who attended the AUASB meeting as observers, and Matthew Zappulla (AUASB Technical Director) to his first meeting.

2. Auditor Reporting Implementation

The AUASB continued their discussions on the communication of key audit matters for parent entity financial statements, stapled security groups and condensed interim financial reports. The discussion included a review of the legal advice received by the AUASB on these matters and focused on both the technical and practical issues arising.

Whilst there was significant progress made, the AUASB requested technical staff conduct additional research with a view to finalising these matters at the next meeting of the AUASB on 26 April 2017.

The AUASB supported the development of a new series of Auditor's Responsibilities Statements that include generic terminology to describe the type of entity and those charged with governance.

3. GS 001 Concise Financial Reports

The AUASB approved for issue the revised version of GS 001 *Concise Financial Reports Under the Corporations Act* subject to final editorials and quality review being completed. The revised guidance statement will be released during April 2017.

4. Revision of Audit Committees – A Guide to Good Practice, 3rd edition

The AUASB considered and provided input into the draft *Audit Committees – A Guide to Good Practice*. The AUASB made further suggestions for consideration by the technical staff and the other co-authors of the guide (the Australian Institute of Company Directors and the Institute of Internal Auditors). The next version of the guide will be circulated to the AUASB for out of session review and approval in order to meet the proposed publishing timetable.

5. International Update

The AUASB discussed a number of upcoming submissions to the IAASB in relation to Data Analytics, Agreed-Upon Procedures and Emerging Forms of External Reporting. The AUASB recommended a number of changes that will be incorporated prior to submission to the IAASB.

An AUASB Member provided the board with a summary of their attendance at the IAASB SMP Conference held in Paris on 26 & 27 January 2017.

6. ASAE 3500 Compliance Engagements

The AUASB considered an initial version of the revised exposure draft of ASAE 3500 *Compliance Engagements*. The AUASB complimented the work done to date by the Project Advisory Group and technical staff, provided feedback and requested that an updated exposure draft be provided for the 26 April 2017 AUASB meeting.



7. Other Business

The AUASB were provided with a summary of the technical staff's consultations on the AASB Tentative Agenda Decision addressing Materiality of KMP related party transactions for public sector entities.

Updates were also provided to the AUASB of recent interactions technical staff have had with the Australian Prudential Regulation Authority and Australian Charities and Not-for-profits Commission.

In Camera Sessions:

8. Other AUASB Board Matters

The AUASB approved changes to policies and procedures in relation to the required quorum and voting requirements for future AUASB meetings.

Proposed updates to the AUASB's vision, mission and strategic objectives were discussed and will be considered further at the next meeting of the AUASB on 26 April 2017.

The AUASB congratulated and thanked Merran Kelsall for the significant contribution she has made as Chairman of the AUASB over the past twelve and a half years. Merran is finishing her term as Chairman of the AUASB on 31 March 2017.

The AUASB welcomed Professor Roger Simnett who will become the new Chair of the AUASB on 1 April 2017.

The next meeting of the AUASB will be held in Sydney (location to be determined), on Wednesday, 26 April 2017 commencing at 8.30 am. The meeting will be open to the public.