



Subject: Minutes of the 58th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Ken Spencer Room, AUASB offices
Level 7, 600 Bourke St, Melbourne
Date: 23 July 2012 from 8.45 a.m. to 3.45 p.m.

All agenda items were discussed in public.

Attendance

Members present

- Ms Merran Kelsall (Chairman)
- Mr Jon Tyers (Deputy Chairman)
- Ms Dianne Azoor Hughes
- Mr Neil Cherry
- Ms Valerie Clifford (until 3.30 p.m.)
- Mr John Gavens
- Ms Elizabeth Johnstone
- Prof. Nonna Martinov-Bennie
- Mr Colin Murphy
- Mr Greg Pound
- Mr David Simmonds
- Mr Bernie Szentirmay
- Ms Kristen Wydell

In attendance

- Mr Richard Mifsud (Executive Director)
- Ms Anna Cooshna
- Ms Susan Fraser – in part
- Ms Claire Grayston – in part
- Ms Marina Michaelides – in part
- Mr Howard Pratt – in part
- Ms Patricia Wales – in part

Declarations of Interest

(Agenda item 1 – Minute 781)

“Declarations of Interests” forms for Members were tabled, amended and confirmed as appropriate.

Members have adopted the standing policy in respect of declarations of interests that a specific declaration will be made where there is a particular interest in an issue before the Board.

June 2012 Minutes

(Agenda item 2 – Minute 782)

The Board approved the minutes of the 57th meeting held on 4 June 2012 and special meeting held by teleconference on 21 June 2012.



Matters Arising and Action list

(Agenda item 3 – Minute 783)

The status of matters arising brought forward from previous AUASB meetings and action items were noted, with amendments to be carried forward as requested by the Board.

Report from AUASB Chairman on Recent Meetings, Corporate Matters and Correspondence for noting

(Agenda item 4 – Minute 784)

The Chairman reported on key meetings attended and presentations given since the last AUASB meeting, including:

- ASIC quarterly meeting on 6 June 2012
- IAASB meeting in Edinburgh on 11-15 June 2012
- FRC Audit Quality Taskforce teleconference on 15 June 2012
- FRC meeting held in Sydney on 26 June 2012
- NZAuASB meeting on 27 June 2012
- Audit Quality Task Force meeting in Chicago on 9-10 July 2012

APRA Related Guidance Statement on Superannuation

(Agenda item 5 – Minute 785)

The Board received an update on the project to issue a Guidance Statement dealing with Audit and Assurance Related Matters for Auditors of Registrable Superannuation Entities (RSEs), including Risk Management Framework (RMF) requirements in conformity with the APRA Prudential Standards. The project plan for the development of a Guidance Statement on the draft APRA standards was approved.

ASAE 3100 and ASAE 3500 Post Implementation Review Survey

(Agenda item 6 – Minute 786)

The Board received an update on the results and comments from the post implementation survey of ASAE 3100 *Compliance Engagements* and ASAE 3500 *Performance Engagements* assurance standards. The survey feedback will be considered further as part of the revision of the standards over the next year.



AUASB and New Zealand harmonisation of auditing and assurance standards

(Agenda item 7 – Minute 787)

The AUASB considered the latest draft joint policy paper on convergence with international standards and harmonisation of trans-Tasman standards. The paper was approved subject to some minor amendments.

AUASB Functions and Processes

(Agenda item 8 – Minute 788)

The Board considered the first draft paper on the *AUASB Functions and Processes*. The paper provides information about the AUASB's mandates, its operations and processes for the development of pronouncements and other publications. A further draft is to be considered at the next meeting on 10 September 2012.

Standard Business Reporting Program

(Agenda item 9 – Minute 789)

Mr Mark Sewell (Manager, SBR Policy Development Unit, The Treasury) presented to the Board on the Standard Business Reporting Program which commenced in July 2010. His presentation covered:

- The background leading to the adoption of SBR by the Australian Government;
- Participating agencies;
- The core components of the SBR program:
 - taxonomy harmonisation;
 - communication infrastructure;
 - Auskey.
- Progress to date, including information on software suppliers and SBR lodgements; and
- Strategy and future developments.

The Board thanked Mr Sewell for his presentation.

Fundraisings Project

(Agenda item 10 – Minute 790)

The AUASB received an update on ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*.

The Board considered the Issues Paper and the updated drafts of the Standards incorporating changes requested at the 4 June 2012 meeting. The Board requested that the Project Advisory Group and the Board be given further opportunity to review the proposed Standards and discuss the changes prior to the next meeting on 10 September 2012. The Board discussed whether the drafts needed re-exposure in light of the changes, and agreed that the decision of whether to re-expose them would be made at the 10 September 2012 meeting.



The proposed final standards with amendments are planned to be considered for approval at the 10 September 2012 AUASB meeting.

NGERS and Clean Energy Scheme and Greenhouse Gas Assurance

(Agenda item 11 – Minute 791)

The board approved the scope of the Guidance Statement as recommended by the Project Advisory Group, which will link the NGERS reporting requirements with the requirements of ASAE 3410 *Assurance on Greenhouse Gas Statements*.

International Matters

(Agenda item 12 – Minute 792)

- (a) The Board received a report on outcomes of the IAASB meeting, attended by the AUASB Chairman and Executive Director, which was held on 11-15 June 2012 in Edinburgh, Scotland. The AUASB noted the release since that meeting of the Invitation to Comment: *Improving the Auditor's Report*, which was issued recently by the IAASB. The AUASB will be conducting roundtables in September and early October to obtain Australian stakeholder views and input on the IAASB's Invitation to Comment.
- (b) The AUASB received reports on the IAASB projects: *Auditor Reporting*, *Audit Quality* and *ISA Implementation Monitoring*.
- (c) The AUASB noted the latest International Update being a report on recent activities of the IAASB and other national standard setters.
- (d) The AUASB noted the impending visit by the Chairman of the IAASB Prof. Arnold Schilder, who will be visiting Australia in early October and will meeting with the AUASB at a special meeting on Tuesday, 2 October 2012.

Other Matters

(Agenda item 13 – Minute 793)

- (a) **Audit Committees Best Practice Guide**
The Board noted the final version of *Audit Committees a Guide to Good Practice* – a joint publication with the Australian Institute of Company Directors (AICD) and The Institute of Internal Auditors-Australia (IIA-A), which will be released shortly.
- (b) **Assurance on Water Accounting Reports**
The AUASB received a further project update on the development of a standard for assurance engagements on general purpose water accounting reports.
- (c) **Integrated Reporting**
The Board received an update on progress on Integrated Reporting by the International Integrated Reporting Council (IIRC) and the Business Reporting Leaders Forum (BRLF), including the integrated reporting framework outline that was released by the IIRC in July 2012.



Next Meeting

The next meeting of the AUASB will be held on 10 September 2012.

The Chairman closed the meeting at 3:45 p.m.

Approval

Signed as a true and correct record.

M H Kelsall
Chairman

Date: 10 September 2012