



Subject: Highlights of the 63rd meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Ken Spencer Room, AUASB offices
Level 7, 600 Bourke St, Melbourne
Date: 17 June 2013

1. ASA 610 Using the Work of Internal Auditors

Following the 29 April 2013 AUASB meeting, the AUASB discussed further issues relevant to the revision of ASA 610, in particular the matter of “direct assistance” in using the work of internal auditors. The AUASB considered a technical paper and a draft exposure draft of a revised ASA 610 presented to the meeting. The AUASB was informed that the UK FRC has decided to ban “direct assistance” on external audits and will reflect this by way of amendment to its version of ISA 610. The AUASB was also informed that a number of European jurisdictions, including France, Germany and others, similarly have existing prohibitions on “direct assistance”.

It was agreed that Option 1, as outlined in the technical paper, i.e. making no reference to “direct assistance” in a revised ASA 610, should not be supported. A majority of AUASB members expressed indicative support for banning “direct assistance”, subject to further information being provided by the APESB and ASIC on this issue, following recent discussions with these bodies.

Accordingly, the AUASB has agreed to defer finalisation of the draft exposure drafts of ASA 610 and consequential changes to other standards until the 29 July 2013 meeting. At that time, it should be known what position the APESB has taken in relation to any related changes to APES 110 *Code of Ethics for Professional Accountants*, which may impact on the revision of ASA 610, as well as ASIC’s formal position on this matter, which should be known after its Commission meeting later this month.

2. Assurance Engagements on Controls

The AUASB considered a first draft of the exposure draft of the proposed assurance standard on *Assurance Engagements on Controls* (revision of AUS 810). The AUASB noted that the proposed standard will be anchored to the proposed revised ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

A revised draft, following consideration by the relevant Project Advisory Group, will be considered at the 29 July 2013 AUASB meeting.

3. Explanatory Guide to Review Engagement Standards

The AUASB considered the proposed *Explanatory Guide to Review Engagement Standards* and agreed not to proceed with the issue of this explanatory guide, on the basis that there was sufficient guidance contained in the revised review standards and in documents which accompanied their release.

4. Integrated Reporting Framework

The AUASB considered a draft submission to the International Integrated Reporting Council (IIRC) *Consultation Draft of the International (IR) Framework*.

The AUASB agreed to make further amendments to the submission to enable its lodgement by 15 July 2013.



5. International Matters

- (a) The AUASB received a report on key matters discussed and outcomes of the IAASB National Standards Setters meeting held on 30-31 May 2013 in New York.
- (b) The AUASB considered key papers for the IAASB meeting to be held 24-28 June 2013 in New York.
- (c) The AUASB noted the latest International Update being a report on recent activities of the IAASB and other international bodies, including national standards setters.

6. GS 009 Auditing Self-Managed Superannuation Funds

The Board approved the project plan to update Guidance Statement GS 009 *Auditing Self-Managed Superannuation Funds*. The revised Guidance Statement is expected to be finalised by late August for release in September.

7. Other Matters

- (a) *Updated Strategic Plan for 2013-2016 and AUASB Work Plan for 2013-2014*

The AUASB approved revised drafts of the Strategic Plan for the period 1 July 2013 to 30 June 2016 and the AUASB Work Plan for the year ending 30 June 2014, noting that the latter may change as the IAASB's work program for 2014 changes.

- (b) *Auditing Managed Investment Schemes*

The AUASB received an update on the project to revise Guidance Statement GS 013 *Special Considerations in the Audit of Compliance Plans of Managed Investment Schemes*.

- (c) *Assurance under the Carbon Pricing Mechanism, NGERS and related Schemes*

The AUASB received an update on the policy development and regulation of the schemes. The Clean Energy Regulator is in the process of developing standard form assurance reports for each of the schemes it regulates.

- (d) *Assurance on Water Accounting Reports*

The AUASB received an update on the project to issue a joint AUASB/WASB auditing standard on Assurance on Water Accounting Reports. The Project Steering Committee will consider a draft of the proposed standard in mid-July. This will include amendments following Exposure Draft ED 04/12 *Assurance Engagements for General Purpose Water Accounting Reports*. A final draft will be considered by the two Boards in September 2013.

- (e) *Joint Meeting with NZAuASB*

It was agreed that the 10 September meeting would be a joint meeting with the NZAuASB to be held in Melbourne.

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

The meeting will be open to the public