



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5**
Meeting Date: 10 June 2014
Subject: Assurance Engagements on Controls
Date Prepared: 26 May 2014

Action Required

For Information Purposes Only

Agenda Item Objectives

To obtain approval of exposure draft ED 01/14 of proposed ASAE 34XX *Assurance Engagements on Controls* to issue for a 60 day comment period.

Background

In February 2012, the AUASB and subsequently the NZAuASB approved a joint project to revise AUS 810 *Special Purpose Reports on the Effectiveness of Control Procedures* (2002) and reissue as ASAE/SAE 34XX. The proposed ASAE/SAE 34XX was agreed to sit under ASAE/ISAE (NZ) 3000, with references to anchor to the overarching requirements in ASAE/ISAE (NZ) 3000. However, proposed ASAE/SAE 34XX is to sit alongside other Standards on Assurance Engagements, either carving out engagements from ASAE/SAE 34XX or from the other standard, when engagements may fall under multiple standards.

The AUASB Technical Group commenced drafting the revised standard in the first half of 2012, however following the April 2012 AUASB meeting, this project was put on-hold as resources were required on other high priority projects. Once those projects were completed, this project recommenced in February 2013. Drafts of the proposed standard on controls ASAE 34XX *Assurance Engagements on Controls* were considered at AUASB meetings on 17 June 2013, 29 July 2013, 28 October 2013, 24 February 2014 and 7 April 2014.

The Project Advisory Group met 4 times during 2013 and on 12 February and 1 May 2014, as well as considering drafts by email.

Matters to Consider

1. The operative date of the proposed ED of ASAE 34XX has been amended to 1 July 2015, as the earliest that it will be issued with a 60 day comment period would be September or October 2014, which allows limited time for assurance practitioners to consider the new requirements prior to 1 January 2015. As requested at the 7 April AUASB meeting, early adoption is permitted subject to adoption of revised ASAE 3000.

This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

2. Further amendments:

A number of matters were raised at the AUASB meeting on 7 April 2014, the PAG discussion on 1 May 2014 and in written comments from the Board and PAG members on subsequent drafts circulated, which have been addressed in amendments to the exposure draft, marked-up in Agenda Item 5.2.

Key matters raised by the PAG and Board members for which different views may be taken are noted in Agenda Item 5.1 and the approach taken in the drafting is explained in that attachment.

3. Revisions to ASAE 3000:

The proposed standard on controls is anchored to the revised ASAE 3000 which is due for release as a final standard at this Board meeting.

4. Exposure of ASAE 34XX:

The AUASB Technical Group recommends that the AUASB exposes ED 01/14 for 60 days to enable adequate time for stakeholders consider the proposed standard and for the AUASB to conduct roundtables within that time to obtain direct feedback from stakeholders and encourage discussion of the proposed standard.

The AUASB is asked to:

1. Confirm proposed operative date of 1 July 2015 in conjunction with the application of revised ASAE 3000.
2. Agree the approach to matters raised in the attachment, Agenda Item 5.1.
3. Approve ED 01/14 of ASAE 34XX, Agenda Item 5.3 to release, subject to final quality assurance procedures and any further amendments as a result of the approach agreed to matters raised in Agenda Item 5.1.

AUASB Technical Group Recommendations

The AUASB Technical Group recommends that ED 01/14 of ASAE 34XX is approved to issue for a 60 day comment period.

Material Presented

Agenda Item 5	AUASB Board Meeting Summary Paper
Agenda Item 5.1	Attachment to Board Meeting Summary Paper
Agenda Item 5.2	ED 01/14 of proposed ASAE 34XX <i>Assurance Engagements on Controls</i> (Marked Up Version) [Confidential]
Agenda Item 5.3	ED 01/14 of proposed ASAE 34XX <i>Assurance Engagements on Controls</i> (Clean Version) [Confidential] [electronic only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approval of ED 01/14 of ASAE 34XX.	Approval	AUASB	10 June 2014	Pending