



**Subject:** Minutes of the 75<sup>th</sup> meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** Ken Spencer Room, AUASB offices  
Level 7, 600 Bourke St, Melbourne  
**Date:** 9 June 2015 from 10.30 a.m. to 4.00 p.m.

All Agenda Items were discussed in public.

### Attendance

AUASB Members: Ms Robin Low (Deputy Chairman)  
Ms Jo Cain (until 3:30pm)  
Ms Valerie Clifford  
Mr John Gavens  
Mr Chris George  
Prof. Nonna Martinov-Bennie  
Ms Jane Meade  
Mr Colin Murphy  
Mr Bernie Szentirmay

Apologies Ms Merran Kelsall (Chairman)  
Mr Neil Cherry  
Ms Caithlin Mc Cabe

AUASB Technical Group: Mr Richard Mifsud (Executive Director)  
Ms Susan Fraser (in part)  
Ms Claire Grayston (in part)  
Ms Rene Herman  
Ms Marina Michaelides (in part)  
Mr Howard Pratt (in part)

### Declarations of Interest

#### (Agenda Item 1 – Minute 985)

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

### Minutes

#### (Agenda Item 2 – Minute 986)

Subject to a minor editorial, the AUASB approved the minutes of the 74<sup>th</sup> meeting held on 21 April 2015 and the Special Meeting by teleconference held on 19 May 2015.



## **Matters Arising and Action list**

### **(Agenda Item 3 – Minute 987)**

The status of matters arising brought forward from previous AUASB meetings and action items were noted.

## **Grant Acquittals and Multi-Scope Engagements**

### **(Agenda Item 4 – Minute 988)**

The AUASB considered the final draft of GS 022 *Grant Acquittals and Multi-Scope Engagements*. Discussion included consideration of the term “hybrid” which is used in the 15-19 June 2015 IAASB meeting papers. The AUASB decided that “hybrid” was not as appropriate as the chosen term “multi-scope” and the proposed name of the Guidance Statement should remain.

The AUASB enquired as to the plan for communicating the issuance of the Guidance Statement to stakeholders and the proposals for part 2 of the project, the strategy for influencing consistency. During its discussion, the AUASB was informed that the CA ANZ had submitted to the Financial Reporting Council, a comprehensive study of State and Federal legislative requirements for audit. That study indicated significant levels of inconsistency in requirements, scope of work and terminology. So as to enhance the topical importance and practical benefits of GS 022, the AUASB requested that reference to this study should be included in communicating the issuance of GS 022.

The AUASB was informed of emails from the three AUASB members who were not in attendance. The matters raised were predominantly editorial in nature, however, the NZAuASB Chairman had indicated that the Guidance Statement was lengthy and ran the risk of being considered a complete source of requirements. The AUASB discussed this point and concluded, on balance, that the document was an appropriate length for the topic. All 3 non-attendees had stated support for issuance of GS 022.

After further brief discussion, the AUASB unanimously approved issuance of GS 022 subject to editorial changes raised by AUASB members; and final internal quality control procedures.

## ***GS 003 Audit and Review Requirements for Australian Financial Services Licensees under the Corporations Act 2001***

### **(Agenda Item 5 – Minute 989)**

The AUASB was informed of the status of the impending new ASIC Audit Report Form FS 71. The AUASB reviewed the draft report and discussed that the form does not reflect the fundamental audit and assurance concept of materiality, as it does not express the opinion/conclusion sections throughout the report “in all material respects”. The AUASB commented that although ASIC recognises in the FS 71 draft guide on materiality, that practitioners plan and perform their audit to a determined materiality threshold, it does not obviate the need for the expression of the opinion/conclusion sections throughout the report as being expressed “in all material respects”. The AUASB agreed to formalise a letter to ASIC to address the Board’s concerns with the proposed Form FS 71.



## **GS 009 Auditing Self-Managed Superannuation Funds**

### **(Agenda Item 6 – Minute 990)**

The AUASB considered and approved the project plans to revise GS 009 *Auditing Self-Managed Superannuation Funds*. The AUASB approved the project plan and timeline but noted that timeline may need to be extended depending on the availability of the Project Advisory Group members over the July 2015 period.

## **GS 018 Franchising Code of Conduct – Auditor’s Report**

### **(Agenda Item 7 – Minute 991)**

The AUASB approved the issuance of GS 018 Franchising Code of Conduct – Auditor’s Report with removal of the auditor requirement to report to the ACCC (para 28 of the final draft) removed and subject to final editorials and quality procedures being completed. The revised guidance statement will be issued in the week of 15 June 2015.

## **International**

### **(Agenda Item 8 – Minute 992)**

#### **(a) IAASB Meeting 15-19 June 2015**

The AUASB received a report on key matters to be discussed at the IAASB meeting to be held on 15-19 June 2015 in New York including :

- Non-Compliance with Laws and Regulations;
- Data Analytics;
- ISA 810 Summary Financial Statements;
- Group Audits;
- Agreed Upon Procedures;
- Combined Discussion Paper;
- Financial Institutions; and
- Audit Quality

#### **(b) IAASB – NSS Meeting 7-8 May 2015**

The AUASB received a report on key matters discussed at the NSS meeting held on 7-8 May 2015 in New York

## **Other Auditing and Assurance Matters**

### **(Agenda Item 9 – Minute 993)**

#### **(a) ASAE 3100 Compliance Engagements**

The AUASB received an update on the progress of the ASAE *Compliance Engagements* project.



(b) *ASAE 3500 Performance Engagements*

The AUASB received an update on the progress of the ASAE *Performance Engagements* project and focused on how this ASAE will link to the Performance Reporting standard being developed by NZAuASB.

(c) *Research project on the Australian Financial Reporting Framework*

The AUASB considered the briefing paper on the AASB's project to reform the Australian Financial Reporting Framework. The AUASB agreed to a more detailed discussion around the audit issues at the 28 July 2015 AUASB meeting.

(d) *Integrated Reporting*

The AUASB received an update on current assurance related <IR> activities being undertaken both internationally and within Australia.

## Corporate Matters

### (Agenda Item 10 – Minute 994)

(a) *Report from AUASB Chairman on Recent Meetings*

The AUASB noted the Chairman's key meetings attended and presentations given since the last AUASB meeting.

(b) *Report from NZAuASB Chairman on Recent Activities*

The Deputy Chairman updated the AUASB as to the status of activities in New Zealand including the Statement of Service Performance project.

(c) *Consultative Meeting – Report on Feedback*

The AUASB noted the Report on Feedback from the 20 April 2015 Consultative Meeting. The AUASB agreed to revert to more open discussion with less presentation time and to seek more involvement from ASIC and AICD.

(d) *AUASB Strategy 2015-2019 and updated Technical Work Program*

The AUASB noted the *AUASB Strategy 2015-2019* document and updated *AUASB 2014-2015 Technical Program*. The AUASB was advised that the work program for the 2015/2016 financial year would be brought to the 25 July 2015 AUASB meeting.

(e) *Current AUASB PAG memberships*

The AUASB noted the current PAG membership listing.

## Other Matters

The Deputy Chairman thanked Mr John Gavens who will retire from the AUASB on 30 June 2015, for his significant contribution to the working of the AUASB over the past seven years.

## Next Meeting

The next meeting of the AUASB will be held on Tuesday, 28 July 2015 commencing at 10.00 a.m.



## **Close of Meeting**

The Deputy Chairman closed the meeting at 4.00 p.m.

## **Approval**

Signed as a true and correct record.

M H Kelsall  
*Chairman*

Date: 28 July 2015