



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **2.1**

Meeting Date: 26 June 2019

Subject: EDs – Quality Management suite of standards

Date Prepared: 19 June 2019

Action Required

For Information Purposes Only

Agenda Item Objectives

1. **Consider and provide input** into the AUASB response to the IAASB on the IAASB's Exposure Drafts on the Quality Management suite of standards including:
 - (a) ISQM 1 *Quality Management for Firms that Perform Audit of Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (Agenda Item 2.2)
 - (b) ISQM 2 *Engagement Quality Reviews* (Agenda Item 2.3)
 - (c) ISA 220 *Quality Management at the Engagement Level* (Agenda Item 2.4)
 - (d) Overall Questions on suite of standards (Agenda Item 2.5)
2. **Consider and provide input** into the AUASB covering letter to the IAASB on the IAASB's Exposure Drafts on the Quality Management suite of standards (Agenda Item 2.6); and
3. **To consider responses and disposition of responses received** (Agenda Item 2.7) on the Quality Management Suite of Exposure Drafts.

Background

1. Three Exposure Drafts (ED) on the IAASB Quality Suite of Standards: ED ISQM 1, ED ISQM 2 and ED ISA 220 were issued on 26 March 2019 for a 90 day exposure period that ended 5 June 2019. Each ED comprised an explanatory memorandum (EM) supporting a proposed revised standard. Each EM contained the IAASB questions on exposure as well as a series of Australian specific questions based upon a listing of issues identified by the AUASB.
 2. The AUASB Audit Technical Group (ATG) held a series of outreach sessions in Melbourne, Sydney and Brisbane. These roundtable meetings were attended by over 50 stakeholders representing a broad range of backgrounds, including assurance providers from a range of audit firms, professional accounting bodies and academics. Additionally, the ATG held a meeting with the Large National Network Firms in Melbourne.
 3. The AUASB received 1 formal submission (Agenda Item 2.7).
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Considerations

Submissions Received

The ATG received 1 formal submission in relation to the exposure drafts. The disposition of all comments received is included as Agenda Item 2.7.

Feedback from Roundtables

Stakeholder feedback was collated, summarised and considered by the ATG as part of the disposition of comments and draft submission to the IAASB. The feedback summary was shared with the AUASB at the 12 June 2019 AUASB meeting at [Agenda Item 3.4](#)

Approach to drafting submission

The AUASB Technical Group (ATG) did not receive detailed feedback on this series of exposure drafts. Feedback was at a high level and was largely consistent across all outreach sessions. The ATG has considered all feedback from the roundtables as well as AUASB feedback from the 12 June 2019 AUASB meeting.

NZAuASB

The ATG have reviewed and considered the NZAuASB draft submission on the IAASB Exposure Drafts. The ATG raises several matters raised in the NZAuASB draft submission that is either not currently included in the draft AUASB submission or is inconsistent with the draft AUASB submission. This is included in Agenda Item 2.2.

“Compelling Reasons” Assessment

The ATG will continue to monitor the matters raised in the submission to the IAASB and if they are addressed to meet the needs of the AUASB and Australian stakeholders.

Material Presented

2.1	AUASB Board Meeting Summary Paper – EDs on Quality Management Suite of Standards
2.2.0	ISQM 1 Board Meeting Summary Paper
2.2.1	ISQM 1 Draft Submission to IAASB
2.3.0	ISQM 2 Board Meeting Summary Paper
2.3.1	ISQM 2 Draft Submission to IAASB
2.4.0	ISA 220 Board Meeting Summary Paper
2.4.1	ISA 220 Draft Submission to IAASB
2.5	Overall Questions on QM Suite
2.6	Draft Cover letter to IAASB
2.7	Summary of Comments Received
