



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5.0**

Meeting Date: 12-13 June 2019

Subject: Guidance Statement Revision Plan

Date Prepared: 29 May 2019

Prepared by: Tim Austin/Jean You

Action Required

For Information Purposes Only

Agenda Item Objectives

1. The objective of **Agenda Item 5** is for the AUASB to:
 - (a) Assess which AUASB Guidance Statements should be updated or withdrawn; and
 - (b) Determine the priority of the actions as a result of 1(a).

Background

2. As agreed at April 2019 AUASB Meeting, the AUASB Technical Group (ATG) undertook an initial review of all AUASB Guidance Statements (GSs) issued prior to 2015 based on the following criteria:
 - (a) Have there been changes in relevant legislation/regulation. If so, are the changes administrative only or substantially change the subject matter or assurance requirements?
 - (b) Have there been changes in relevant auditing standards or reporting standards? If so, are administrative only or substantial impact on assurance procedures?
 - (c) Have there been changes in practice which require a Guidance Statement to be updated or no longer relevant?
3. The ATG's initial assessment of the guidance statements was provided to the AUASB out-of-session for feedback. Feedback from AUASB Members will be used to update the ATG's assessment table and influence the priority of GSs. The ATG's assessment table will be provided when each GS revision plan is brought to the AUASB for consideration.

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.

4. As outlined at the April 2019 AUASB Meeting, the ATG’s assessment did not include GS 005¹, GS 009² and GS 012³, as separate projects to revise these guidance statements have already been initiated. In addition to this, the ATG has already commenced updating GS 008 *The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001* to align the guidance statement with changes to the relevant legislation and AASB standards. A project plan for this Guidance Statement has been included as **Agenda Item 6**.

Matters to Consider

5. Based on the ATG’s assessment of the changes in relevant legislation, standards and other factors for each GS, the ATG have prepared the attached table outlining the “ATG initial assessment” of the action (update or withdraw) and priority for each Guidance Statement.
6. Guidance Statements which are an immediate priority will have projects established and project plans brought to the AUASB for consideration and approval.

Questions

1. Do the AUASB have any additional factors other than those identified by ATG for a particular Guidance Statement which should be considered?
2. Do the AUASB agree with the ATG’s initial assessment of action and priority for each Guidance Statement?
3. Which Guidance Statements do the AUASB consider to be the highest priority to revise?

¹ GS 005 Using the Work of a Management’s Expert.

² GS 009 Auditing Self-Managed Superannuation Funds.

³ GS 012 Prudential Reporting and Requirements for Auditors of Authorised Deposit-taking Institutions.



Full List of AUASB Guidance Statements

No.	Title	Issue Date	ATG Initial Assessment		
			Action	Priority	Comment
GS 001	<i>Concise Financial Reports Under the Corporations Act 2001</i>	May 2017	No Action	N/A	GS recently issued and relevant legislation and standards have not changed.
GS 002	<i>Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities</i>	Jan 2014	Update	Low priority	Relevant legislation and standards have changed. At present stakeholders have not requested this to be updated.
GS 003	<i>Assurance Relating to Australian Financial Services Licences issued under the Corporations Act 2001</i>	Sep 2015	Update	Low priority	Relevant legislation and standards have not changed. However, there is content relating to the “Reporting Entity” concept. Will need to be amended based on the AASB’s removing special purpose project.
GS 004	<i>Audit Implications of Prudential Reporting Requirements for General Insurers and Insurance Groups</i>	May 2013	Update	Low priority	Relevant legislation and standards have changed. At present stakeholders have not requested this to be updated.
GS 005	<i>Using the Work of a Management's Expert</i>	Mar 2015	Update	In-progress	Refer to Agenda Item 4 .
GS 006	<i>Electronic Publication of the Auditor's Report</i>	Mar 2010	Withdraw	Low priority	ATG view that the issues in the GS no longer require a GS.
GS 007	<i>Audit Implications of the Use of Service Organisations for Investment Management Services</i>	Oct 2011	Update	Low priority	Relevant legislation and standards have changed.
GS 008	<i>The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001</i>	Mar 2010	Update	In-progress	Refer to Agenda Item 6 .
GS 009	<i>Auditing Self-Managed Superannuation Funds</i>	Sep 2015	Update	In-progress	Separate project in-progress.
GS 010	<i>Responding to Questions at an Annual General Meeting</i>	Mar 2009	Update	High Priority	AUASB decision after auditor reporting standards issued to defer updating this GS due to other priorities.

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			ATG Initial Assessment		
No.	Title	Issue Date	Action	Priority	Comment
GS 011	<i>Third Party Access to Audit Working Papers</i>	Apr 2009	Update	Low priority	Changes appear to be administrative only. ATG view that updating to be done once new APES Code effective.
GS 012	<i>Prudential Reporting Requirements for Auditors of Authorised Deposit-taking Institutions</i>	Jun 2009	Update	In-progress	Separate project in-progress.
GS 013	<i>Special Considerations in the Audit of Compliance Plans of Managed Investment Schemes</i>	Aug 2009	Update	High Priority	Relevant legislation and standards have changed. ATG view that this GS should be initial focus to update for the introduction of Passport Funds.
GS 014	<i>Auditing Mortgage Schemes</i>	Aug 2009	Withdraw	High Priority	ATG view that GS should be withdrawn and content merged with GS 013.
GS 015	<i>Audit Implications of Accounting for Investments in Associates</i>	Nov 2009	Update	Low priority	ATG view that this GS requires administrative changes only. Accounting has not changed.
GS 016	<i>Bank Confirmation Requests</i>	Jun 2010	Update	High Priority	Relevant practice has changed. Stakeholders have requested this to be updated.
GS 017	<i>Audit Implications for Prudential Reporting Requirements of a Life Company</i>	Dec 2014	Update	Low priority	Relevant legislation has not changed. At present stakeholders have not requested this to be updated.
GS 018	<i>Franchising Code of Conduct – Auditor's Reports</i>	Jun 2015	Upcoming update ⁴	Low priority	Update will be required in the future to take into account changes to relevant legislation based on Fairness in Franchising review. Defer until legislation amendments.
GS 019	<i>Auditing Fundraising Revenue of Not-for-Profit Entities</i>	Apr 2011	Update	High Priority	Relevant legislation and standards have changed. Stakeholders have requested this to be updated.
GS 020	<i>Special Considerations in Auditing Financial Instruments</i>	Mar 2012	Update	High Priority	Relevant accounting and auditing standards have changed. IAASB will update IAPN 1000 <i>Special Considerations in Auditing Financial Instruments</i> to reflect the revised ASA 540. ATG view that update be deferred to leverage IAASB work.

⁴ The Parliamentary Joint Committee on Corporations and Financial Services released the report into Fairness in Franchising in March 2019. In this report, the AUASB is recommended to issue audit guidance for auditors to prepare audit reports in particular to marketing or cooperative funds. GS 018 *Franchising Code of Conduct – Auditor's Reports* may require revision after the prospective amendments on the relevant clauses of the Franchising Code of Conduct.

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			ATG Initial Assessment		
No.	Title	Issue Date	Action	Priority	Comment
GS 021	<i>Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes</i>	Nov 2012	Withdraw	Low priority	Relevant legislation and standards have changed. Clean Energy Regulator issues their own guidance which references relevant AUASB Standards.
GS 022	<i>Grant Acquittals and Multi-Scope Engagements</i>	Jun 2015	Update	Low priority	Relevant legislation and standards have not changed. Stakeholders have requested this to be updated. ATG view that the grant acquittals content should be split into a separate GS.

Material Presented

Agenda Item 5.0	AUASB BMSP Guidance Statement Revision
Agenda Item 5.1	ATG Initial Assessment of Guidance Statements

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider and provide feedback.	Approval	AUASB	13 June 2019	Pending

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