



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **7.6.0**

Meeting Date: 6 March 2019

Subject: IESBA Restructured Code Amendments

Date Prepared: 28 February 2019

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Action Required

For Information Purposes Only

IAASB Project Objective	AUASB SMEs
<p>1. The objective of this project is to develop amendments to the International Standards to remove identified inconsistencies to make the International Standards not be in conflict with the IESBA Code.</p>	<p>Tim/TBD</p>
<p>AUASB Key Points</p>	
<p>Background</p> <p>2. The revised IESBA Code <i>International Code of Ethics for Professional Accountants</i> (IESBA Code) was issued in July 2018 with an effective date of 15 June 2019. The Australian equivalent of the IESBA Code, APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> was issued by the Accounting Professional & Ethical Standards Board (APESB) in November 2018 with an effective date of 1 January 2020.</p> <p>3. Throughout the suite of IAASB standards there are a number of references to the extant IESBA Code, which includes:</p> <ul style="list-style-type: none"> (a) references to the title of the IESBA Code; (b) paragraphs addressing compliance with principles of the code; (c) terminology used in the IESBA Code; and (d) footnote references to specific paragraphs of the IESBA Code. <p>4. The IAASB Staff, assisted by IESBA Staff, have begun an analysis of the suite of ISAs to identify areas which will require amendment to reflect the restructured IESBA Code.</p> <p>5. The standards which have been identified at this stage are:</p> <ul style="list-style-type: none"> (a) ISQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements</i>; 	

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<ul style="list-style-type: none"> (b) ISA 210 <i>Agreeing the Terms of Audit Engagements</i>; (c) ISA 220 <i>Quality Control for an Audit of Financial Statements</i>; (d) ISA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>; (e) ISA 250 (Revised) <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>; (f) ISA 260 (Revised) <i>Communication with Those Charged with Governance</i>; (g) ISA 300 <i>Planning an Audit of Financial Statements</i>; (h) ISA 510 <i>Initial Audit Engagements – Opening Balances</i>; (i) ISA 610 (Revised 2013) <i>Using the Work of Internal Auditors</i>; (j) ISA 620 <i>Using the Work of an Auditor's Expert</i>; (k) ISA 700 (Revised) <i>Forming an Opinion and Reporting on Financial Statements</i>; (l) ISA 720 (Revised) <i>The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements</i>; (m) ISRE 2400 (Revised) <i>Engagements to Review Historical Financial Statements</i>; (n) ISAE 3000 (Revised) <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>; (o) ISAE 3410 <i>Assurance Engagements on Greenhouse Gas Statements</i>; (p) ISAE 3420 <i>Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus</i>; and (q) ISRS 4400 <i>Engagements to Perform Agreed-Upon Procedures Regarding Financial Information</i>. 	
<p>6. The IAASB are planning to issue an ED with a 30-day comment period in June 2019. Final approval of the changes are anticipated in Q3/Q4 2019 with release of the changes to occur in Q4 2019 or Q1 2020.</p>	
<p>Issues Identified by ATG</p>	
<p>Timing of the proposed finalisation of amendments by the IAASB</p>	
<p>7. As outlined above, the IAASB Staff are aiming for finalisation and issuance of the changes in either Q4 2019 or Q1 2020.</p>	
<p>8. If the AUASB waits for the issuance of final changes by the IAASB in Q1 2020, this will result in a misalignment of when the restructured APES 110 is effective for practitioners and the version of the code referenced by the ASAs.</p>	
<p>What the ATG is seeking from the AUASB at this meeting:</p>	
<p>9. At this stage there are no actions for the AUASB. This paper has been prepared for information only. However, there are a number of actions for the ATG.</p>	

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<p>10. The actions for the ATG are:</p> <p>(a) Following the process set at the March 2018 AUASB meeting, prepare a revised ASA 102 for AUASB approval before the restructured code is effective; and</p> <p>(b) Prepare amendments to Australian Auditing Standards to be approved by the AUASB before the revised APES 110 is effective for practitioners. The ATG is proposing going ahead of the IAASB to ensure that there is no misalignment.</p>	
IAASB timeline and impact on AUASB activities/Next steps	
<p>11. The IAASB is aiming to approve an ED of the amendments for a 30 day comment period in June 2019, with final amendments to occur late 2019 or early 2020. As outlined above, the restructured APES 110 is effective for Australian practitioners 1 January 2020. A release of amendments in early 2020 will result in a misalignment of APES 110 and the standards.</p> <p>12. The ATG has outlined the immediate next steps in paragraph 10.</p>	

Material Presented

Agenda Paper 7.6.0

BMSP – IESBA Code Amendments

Action Required

No.	Action Item	Responsibility	Due Date
1.	Paper is for information only.	AUASB	N/A

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