



Subject: Minutes of the 99th meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: ASIC, Level 5, 100 Market Street, Sydney NSW 2000
Date: Wednesday 7 March 2018 9.00am to 5.00pm

Attendance

AUASB Members: Professor Roger Simnett (Chair)
Ms Robin Low (Deputy Chair)
Mr Robert Buchanan
Ms Jo Cain (via teleconference)
Ms Julie Crisp
Mr Chris George
Dr Noel Harding
Ms Carolyn Ralph
Mr Justin Reid
Mr Ashley Wood

AUASB Technical Group: Mr Matthew Zappulla
Ms Rene Herman
Ms Marina Michaelides
Ms Anne Waters
Mr Tim Austin

Apologies: Mr Gareth Bird

Observers: Ms Sylvia Van Dyk (Agenda Item 5 - via teleconference)

Minutes

(Agenda Item 1 – Minute 1192) Agenda and introduction

Professor Roger Simnett (Chair) welcomed members to the meeting and new members Noel Harding and Julie Crisp to their first meeting.

(Agenda Item 1(c) – Minute 1193) Minutes of Previous AUASB Meetings on 28 November and 5 December 2017

Draft minutes were discussed and the AUASB requested minor editorials which will be updated by the AUASB Technical Group and approved by the Chair out of session.

(Agenda Item 2 – Minute 1194) Audit Quality Plan Update (in camera session)

The AUASB received an update on the Financial Reporting Council's (FRC) audit quality initiatives and discussed how the AUASB and FRC are working together on this project. The Board expressed support for the FRC plan, provided feedback on certain aspects and suggested additional key stakeholders to engage with on the topic.

The AUASB discussed and agreed the proposed approach to the *Audit Quality – Working Collaboratively with Audit Regulators* strategic project and requested minor amendments to the project outline. The AUASB will be provided with an update of this project at the 17-18 April 2018 AUASB meeting.



(Agenda Item 3 – Minute 1195) Australian Financial Reporting Framework Project

Kris Peach (AASB Chair) provided an update to the AUASB on the AASB's Australian Financial Reporting Framework Project. Members were provided an overview of the key issues for consideration in Australia as a result of the impending release of the International Accounting Standards Board's Revised Conceptual Framework.

(Agenda Item 4 – Minute 1196) AUASB Technical Work Program Update

The AUASB Technical Group provided a status update to the AUASB on the 2017-18 Technical Work Program and how this is being updated following the feedback from stakeholders at the AUASB Agenda Consultation Meetings held in November 2017. It was agreed that the AUASB would be presented with a quarterly status update of this document at future meetings.

Data Analytics

The AUASB considered and discussed the Draft 'Data Analytics' strategic project outline. The AUASB acknowledges requests from our stakeholders in multiple forums for the AUASB to provide some level of guidance as to the effective use of data analytics on external audit engagements, but needs to consider how best this can be achieved.

The AUASB agreed in principle to further investigating how the use of data analytics on external audit engagements can be mapped to the current suite of standards, as well as understanding where efficiencies in complying with the ASAs could be achieved when using data analytics. Additionally, the AUASB requested the Chair raise data analytics as an agenda item for discussion at the IAASB National Standard Setters meeting in May 2018.

The AUASB requested an updated project outline be brought back to the April 2018 AUASB meeting for further discussion.

Public Sector Audit Issues

The AUASB considered and discussed the Draft 'Public Sector Audit Issues' strategic project outline. The AUASB were informed this project plan will be further developed with input from new AUASB member and NT Auditor-General, Julie Crisp. In addition the plan will be presented to the Auditing Standards Subcommittee of the Australasian Council of Auditors-General in late March for their feedback and input. An updated project outline will be brought back to the April 2018 AUASB meeting for further discussion.

Prescribed Reports

The AUASB considered and discussed the 'Prescribed Reports' strategic project outline. The AUASB requested several amendments to the project outline, including:

- that the project does not scope out any regulators;
- the public benefits section is expanded to include that having prescribed reports not in accordance with AUASB standards erodes the integrity of the profession; and
- revisit any guides and circulars issued by The Department of Finance in this area.

Other Strategic Projects

The AUASB was provided with a verbal update on the remaining strategic projects. The AUASB requested the AUASB Technical Group include updates on each strategic project as a standing agenda item at future meetings. Those strategic projects not covered in detail at this meeting will have a greater proportion of time allocated to them at the April 2018 AUASB meeting.



(Agenda Item 5 – Minute 1197) International Matters

The AUASB received a summary of developments at the IAASB December 2017 meeting.

An updated AUASB International Strategy was presented for discussion with AUASB members providing further feedback for the AUASB Technical Group to consider. A further update to the Strategy will be presented for discussion at the April 2018 AUASB meeting.

Designated Board Members and AUASB Technical Group staff provided a summary of the papers relating to each major agenda item for the upcoming IAASB March 2018 meeting. The AUASB discussed key matters within each paper and agreed the key points for the AUASB Chair to communicate to IAASB members when he attends the meeting as an observer the following week.

As part of the updated AUASB International Strategy the AUASB requested the AUASB Technical Group provide an assessment of the impact the AUASB's feedback to IAASB members and staff has had subsequent to each IAASB meeting.

(Agenda Item 6 – Minute 1198) Revision of ASA102: Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements

The AUASB were presented with a proposed revised version of ASA 102. The Board identified minor editorials in the standard and unanimously agreed to issue the standard, subject to confirmation of what the correct application date should be. The AUASB Technical Group will complete investigations into this issue and have the matter approved by the AUASB Chair out of session.

Next Meeting

The next regular meeting of the AUASB will be held in Melbourne, on Tuesday, 17 April 2018 commencing at 10.00 a.m.

Close of Meeting

The Chair closed the meeting at 5.00 p.m.

Approval

Signed as a true and correct record.

Roger Simnett
Chair

Date: 17 April 2018