



**Subject:** Highlights of the 66th meeting of the Auditing and Assurance Standards Board (AUASB)  
**Venue:** Ken Spencer Room, AUASB offices  
Level 7, 600 Bourke St, Melbourne  
**Date:** 28 October 2013

**1. Revision of ASA 610 *Using the Work of Internal Auditors* and Amendment to ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information and Other Assurance Engagements***

- (a) After considering the comments received on ED 02/13 and ED 03/13 and the proposed disposition of those comments, the AUASB unanimously approved auditing standards ASA 610 *Using the Work of Internal Auditors* and ASA 2013-2 *Amendments to Australian Auditing Standards* for issue. The standards are expected to be released in early November 2013.
- (b) The AUASB considered constituent comments received on ED 04/13 ASA 2013-4 which were supportive of the proposed amendments to incorporate related services within its scope and application. The AUASB also approved a change to the definition of “related services” within the AUASB Glossary to clarify its meaning for the purposes of AUASB Pronouncements.

**2. Assurance Engagements on Controls**

The AUASB considered a further draft of proposed Standard for Assurance Engagements on Controls. The AUASB agreed that the proposed standard, following further drafting, would be brought back for further consideration at the 24 February 2014 AUASB meeting.

**3. Revision of GS 002 *Prudential Requirements for RSEs***

The AUASB considered a first draft of the revision on GS 002 *Prudential Requirements for RSEs*. It is planned that a final draft of GS 002 will be considered for approval at the 2 December 2013 AUASB meeting. Final issuance of GS 002 will be subject to the finalisation of an Approved Audit Report for 2013-2014 by APRA.

**4. International Matters**

- (a) The AUASB received a report on key matters discussed and outcomes of the IAASB meeting held on 16-20 September 2013 in New York including the approval of revised ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.
- (b) *Auditor Reporting (IAASB Exposure Draft)*

The AUASB was apprised of the ongoing outreach program which included two roundtable and two forum meetings in Melbourne and Sydney and an ICAA facilitated videoconference with constituents in Perth, Adelaide and Brisbane. The AUASB was also informed of two reports on field tests that have been received. Further interviews are scheduled. The AUASB received a brief summary of the outreach programme conducted in New Zealand and of preliminary discussions by the NZAuASB.

The AUASB considered and discussed a summary of the main points raised by constituents to date. The AUASB discussed the approach to be taken in the submission to the IAASB



and identified the more important messages that need to be included. A completion timetable was agreed which enabled AUASB members to provide input to the submission.

- (c) The AUASB noted the latest International Update being a report on recent activities of the IAASB and other international bodies, including national standards setters.
- (d) *Trans-Tasman harmonisation*

The AUASB considered and discussed a revised paper, developed by the NZAuASB staff, which proposed communication protocols for a communications policy between the AUASB and the NZAuASB. The AUASB agreed to the proposals.

The AUASB also considered, and supported, proposed changes to the Principles of Convergence and Harmonisation policy paper which was signed by both boards in November 2012. The amendments comprised clarification of the “compelling reasons” criteria for making changes to an international standard.

The AUASB will consider a revised Australian version of this document at its next meeting.

## 5. Assurance on Water Accounting Reports

The AUASB considered, and provided feedback on, the draft standard ASAE 3xxx/AWAS 2 *Assurance Engagements on General Purpose Water Accounting Reports* (current as at September 2013). It is anticipated that a further draft of the standard will be considered by the AUASB at its meeting on 2 December 2014 and that, following approval by the AUASB, WASB and the Bureau of Meteorology, it will be issued after 24 February 2014.

## 6. Other Matters

- (a) *GS 003 Audits and Review Requirements for Australian Financial Services of AFSL Licensees under the Corporations Act 2001*

The AUASB approved the project plan to update Guidance Statement GS 003 *Audits and Review Requirements for Australian Financial Services of AFSL Licensees under the Corporations Act 2001*. The revised Guidance Statement is expected to be finalised by early April for release in April 2014.

- (b) *Integrated Reporting*

The AUASB received an update on recent meetings held with the IIRC and noted an upcoming Business Reporting Leaders Forum meeting to be held on 31 October 2013.

- (c) *Assurance under the Carbon Pricing Mechanism, NGERs and related Schemes*

The AUASB received an update on the Clean Energy Regulator’s activities and noted that a revised NGERs Audit Handbook was issued by the CER in September 2013, in consultation with the AUASB and other stakeholders.

- (d) *AUASB Updated Work Program*

The AUASB noted the updated AUASB Work Program for 2013-14.

***The next meeting of the AUASB will be held on 2 December 2013  
at Level 7, 600 Bourke Street, Melbourne***

***The meeting will be open to the public***