



# AUASB Board Meeting Summary Paper

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**AGENDA ITEM NO.**        **2.1**

**Meeting Date:**            29 October 2018

**Subject:**                    ED ASA 315 *Identifying and Assessing the Risks of Material Misstatement*

**Date Prepared:**            24 October 2018

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**Action Required**

**For Information Purposes Only**

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## Agenda Item Objectives

1. **To consider responses and disposition of responses received** (Agenda Item 2.3) on Exposure Draft 01/18 Proposed Auditing Standard ASA 315 *Identifying and Assessing the Risks of Material Misstatement* (ED 01/18) and Exposure Draft 02/18 Proposed Auditing Standard 2018-1 *Amendments to Australian Auditing Standards* (ED 02/18); and
2. **Consider and provide input** into the AUASB response to the IAASB on the IAASB's ED ISA 315 (Agenda Item 2.2).

## Background

1. Exposure drafts ED 01/18 and ED 02/18 were issued on 7 August 2018 for a 70 day exposure period that ended 15 October 2018. The ED comprised an explanatory memorandum supporting a revised ASA 315 and an amending standard dealing with conforming amendments.
2. The AUASB received submissions from 7 stakeholders.

## Considerations

### *Submissions Received*

The AUASB technical group (ATG) received 7 formal submissions in relation to ED ASA 315. The disposition of all comments received is included as Agenda Item 2.3.

### *Feedback from Roundtables*

The ATG held roundtables in Perth, Hobart, Canberra, Brisbane, Sydney and Melbourne in September and October 2018 where ED ASA 315 was discussed in detail and questions on exposure considered by stakeholders.

Stakeholder feedback was collated, summarised and considered by the ATG as part of the disposition of comments and draft submission to the IAASB.

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### ***Approach to drafting submission***

The AUASB received very detailed feedback on ED 315, and at times inconsistent feedback between stakeholders. The AUASB Technical Group (ATG) have considered all submissions and the feedback from the roundtables, and where there is consistent matters raised, these are in the draft submission for the AUASB's consideration. Where a matter has been raised by one stakeholder only, these have not been included this in the submission. The AUASB Comments and Proposed Disposition Paper details the points which are and are not in the draft submission for the AUASB's consideration.

### ***Other National Standard Setters***

#### ***NZAuASB***

The ATG have reviewed and considered the NZAuASB draft submission on the IAASB Exposure Draft. There were no matters raised in the NZAuASB draft submission that have not been considered by the ATG.

### **“Compelling Reasons” Assessment**

Based on the ATG's assessment of submissions received and feedback from the roundtables the AUASB technical group have not at this stage identified any compelling reasons, in accordance with the [Principles of Convergence to International Standards of the International Auditing and Assurance Standards Board \(IAASB\) and Harmonisation with the Standards of the New Zealand Auditing and Assurance Standards Board \(NZAuASB\) \(August 2014\)](#), that would need to be made to modify IAASB proposed standard.

### **Material Presented**

2.1	AUASB Board Meeting Summary Paper - ED ASA 315 Identifying and Assessing the Risks of Material Misstatements
2.2	Draft AUASB Submission
2.3	AUASB Comments Received and Proposed Disposition Paper
2.3.1	Comment letter from Deloitte
2.3.2	Comment letter from Respondent 2 (Board Only)
2.3.3	Comment letter from KPMG
2.3.4	Comment letter from UNSW
2.3.5	Comment letter from ACAG
2.3.6	Comment letter from IIA
2.3.7	Comment letter from Respondent 7 (Board Only)
2.4	ED 315 Roundtables - Summary of Feedback

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