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AUASB Glossary

Issued by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

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The Auditing and Assurance Standards Board issues the *AUASB Glossary* under its powers described in section 227B of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act).

The AUASB is a non corporate Commonwealth entity of the Australian Government established under section 227A of the ASIC Act. Under section 227B of the ASIC Act, the AUASB may formulate pronouncements for other purposes.

The *AUASB Glossary* is not issued under the *Corporations Act 2001*.

Main Features

The *AUASB Glossary* sets out terms defined, or used in, the suite of AUASB Standards.

The *AUASB Glossary* does not itself establish mandatory requirements for the performance of audit, review, other assurance or related services engagements.

The source(s) of terms in this Glossary is (are) indicated beside each term using the alpha-numeric prefix of the source standard(s) only. Where no source is indicated, a term has been retained in the Glossary because it provides useful guidance, although it may not be defined in the AUASB Standards.

A term may have more than one definition and should be read in the context of the AUASB Standard to which it applies. Such terms are notated with either bracketed words indicating the relevant standard – for example, “(in the context of ASQC 1) or, where there are several subject-matter specific definitions for the same term, a reference to all relevant sources is included – for example, “For subject matter specific definitions see: ASAE 3000 or ASAE 3150.”

Operative Date

The *AUASB Glossary* (last updated September 2018) supersedes AUASB Glossary (October 2009) from the date of issuance.

The AUASB intends to update the *AUASB Glossary* periodically.

Other Matters

When accounting terms have not been defined in the AUASB Standards, reference should be made to the *Glossary of Defined Terms* published by the Australian Accounting Standards Board (AASB).

The *Glossary of Defined Terms* is available on the AASB website: <http://www.aasb.gov.au/>

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) formulates *AUASB Glossary* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001*.

12 September 2018

R Simnett
Chair – AUASB

AUASB GLOSSARY

Terms	Source(s)
<p>Access control means procedures designed to restrict access to on-line terminal devices, programs and data. Access controls consist of “user authentication” and “user authorisation.” “User authentication” typically attempts to identify a user through unique logon identifications, passwords, access cards or biometric data. “User authorisation” consists of access rules to determine the computer resources each user may access. Specifically, such procedures are designed to prevent or detect:</p> <ul style="list-style-type: none"> • Unauthorised access to on-line terminal devices, programs and data; • Entry of unauthorised transactions; • Unauthorised changes to data files; • The use of computer programs by unauthorised personnel; and • The use of computer programs that have not been authorised. 	
<p>Accounting estimate means an approximation of a monetary amount in the absence of a precise means of measurement. This term is used for an amount measured at fair value where there is estimation uncertainty, as well as for other amounts that require estimation. Where this Auditing Standard addresses only accounting estimates involving measurement at fair value, the term <i>fair value accounting estimates</i> is used.</p>	ASA 540
<p>Accounting records mean the records of initial accounting entries and supporting records, such as cheques and records of electronic fund transfers; invoices; contracts; the general and subsidiary ledgers, journal entries and other adjustments to the financial report that are not reflected in journal entries; and records such as work sheets and spreadsheets supporting cost allocations, computations, reconciliations and disclosures</p>	ASA 500
<p>Activity means a government or private sector provision of products or services, system, operation, function or programme which may be conducted within a single entity or across multiple entities, departments, agencies, joint ventures or other organisations, within a single jurisdiction or across multiple jurisdictions.</p>	ASAE 3500
<p>Addressees mean the parties to whom the auditor addresses the comfort letter, and includes the requesting parties and the responsible party of the entity.</p>	ASRS 4450
<p>Agreed-upon procedures engagement means an engagement in which an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures may misinterpret the results.</p>	ASRS 4400

Terms	Source(s)
Analytical procedures mean evaluations of financial information through analysis of plausible relationships among both financial and non-financial data. Analytical procedures also encompass such investigation as is necessary of identified fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount.	ASA 520 ASRE 2400
Annual report means a document, or combination of documents, prepared typically on an annual basis by management or those charged with governance in accordance with law, regulation or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial report. An annual report contains or accompanies the financial report and the auditor's report thereon and usually includes information about the entity's developments, its future outlook and risks and uncertainties, a statement by the entity's governing body, and reports covering governance matters.	ASA 720
Anomaly means a misstatement or deviation that is demonstrably not representative of misstatements or deviations in a population.	ASA 530 ASAE 3150
Applicable criteria For subject-matter specific definitions see: ASAE 3410, ASAE 3420 or ASAE 3610.	
Applicable financial reporting framework means the financial reporting framework adopted by management and, where appropriate, those charged with governance in the preparation of the financial report that is acceptable in view of the nature of the entity and the objective of the financial report, or that is required by law or regulation. The term <i>fair presentation framework</i> means a financial reporting framework that requires compliance with the requirements of the framework and: <ul style="list-style-type: none"> (a) Acknowledges explicitly or implicitly that, to achieve fair presentation of the financial report, it may be necessary for management to provide disclosures beyond those specifically required by the framework; or (b) Acknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the financial report. Such departures are expected to be necessary only in extremely rare circumstances. The term <i>compliance framework</i> means a financial reporting framework that requires compliance with the requirements of the framework, but does not contain the acknowledgements in (a) or (b) above. (see <i>Fair Presentation framework</i>) For subject matter specific definitions see: ASA 600, ASRE 2410 or ASRS 4450.	ASA 200

Terms	Source(s)
<i>Application controls in information technology</i> means manual or automated procedures that typically operate at a business process level. Application controls can be preventative or detective in nature and are designed to ensure the integrity of the accounting records. Accordingly, application controls relate to procedures used to initiate, record, process and report transactions or other financial data.	
<i>Applied criteria</i>	
For subject matter specific definition see: ASA 810.	
<i>Appropriateness</i> (of audit evidence) means the measure of the quality of audit evidence; that is, its relevance and its reliability in providing support for the conclusions on which the auditor's opinion is based.	ASA 200 ASA 500
<i>Arm's length transaction</i> means a transaction conducted on such terms and conditions as between a willing buyer and a willing seller who are unrelated and are acting independently of each other and pursuing their own best interests.	ASA 550
<i>Assertions</i> mean representations by management and those charged with governance, explicit or otherwise, that are embodied in the financial report, as used by the auditor to consider the different types of potential misstatements that may occur.	ASA 315
For subject matter specific definitions see: ASAE 3410 or ASAE 3610.	
<i>Assess</i> means analyse identified risks to conclude on their significance. "Assess," by convention, is used only in relation to risk. (also see <i>Evaluate</i>)	
<i>Association</i> (see <i>Auditor association with financial information</i>)	
<i>Assumptions</i> mean expectations made by the responsible party as to future events and actions expected to take place as at the date the prospective financial information is prepared and exclude hypothetical assumptions, unless otherwise stated.	ASAE 3450
<i>Assurance</i> (see <i>Reasonable assurance</i>)	
<i>Assurance engagement</i> means an engagement in which an assurance practitioner expresses a conclusion designed to enhance the degree of confidence of the intended users, other than the responsible party, about the outcome of the evaluation or measurement of a subject matter against criteria. (see <i>Reasonable assurance engagement</i> and <i>Limited assurance engagement</i>).	ASQC 1
For subject matter specific definition see: ASAE 3000 or ASAE 3610.	
<i>Assurance engagement risk</i> means the risk that the practitioner expresses an inappropriate conclusion when the subject matter information is materially misstated.	
<i>Assurance practitioner</i> means an individual, firm, or other organisation, whether in public practice, industry and commerce, or the public sector conducting assurance engagements, or related services engagements (including engagements to perform agreed-upon procedures).	ASQC 1 ASA 102
For subject matter specific definitions see: ASA 220, ASAE 3000, ASAE 3500, ASAE 3610, ASRE 2400 or ASAS 4400.	

Terms	Source(s)
<i>Assurance practitioner's expert</i> means an individual or organisation possessing expertise in a field other than assurance, whose work in that field is used by the assurance practitioner to assist the assurance practitioner in obtaining sufficient appropriate evidence. An assurance practitioner's expert may be either an assurance practitioner's internal expert (who is a partner or staff, including temporary staff, of the assurance practitioner's firm or a network firm), or an assurance practitioner's external expert.	ASAE 3000 ASAE 3610
<i>Assurance report</i> means a written report prepared by an independent assurance practitioner that provides assurance on a single type of financial information (individual assurance report) or on multiple types of financial information (either a composite assurance report or separate assurance reports for each type of financial information). When prepared in connection with a fundraising it is often referred to as an "Independent Assurance Report" or "Investigating Accountant's Report".	ASAE 3450
<i>Assurance skills and techniques</i> mean those planning, evidence gathering, evidence evaluation, communication and reporting skills and techniques demonstrated by an assurance practitioner that are distinct from expertise in the underlying subject matter of any particular assurance engagement or its measurement or evaluation.	ASAE 3000 ASAE 3610
<i>Attestation engagement</i> means an assurance engagement in which a party other than the assurance practitioner measures or evaluates the underlying subject matter against the criteria. The outcome of that measurement or evaluation is often presented in a report or statement.	ASAE 3500
<i>Attestation engagement on compliance</i> means a reasonable or limited assurance engagement in which a party other than the assurance practitioner, being the responsible party or evaluator evaluates compliance with the compliance requirements. The outcome of that evaluation is provided in a Statement, which may either be available to the intended users or may be presented by the assurance practitioner in the assurance report. In an attestation engagement on compliance, the assurance practitioner's conclusion addresses whether the Statement is free from material misstatement. The assurance practitioner's conclusion may be phrased in terms of: (Ref: Para. 4(d), A4)	ASAE 3100
<ul style="list-style-type: none"> (i). The compliance outcome and the criteria; or (ii). A Statement made by the appropriate party. 	
<i>Attestation engagement on controls</i> mean a reasonable or limited assurance engagement in which a party other than the assurance practitioner, being the responsible party or evaluator, evaluates the design against the control objectives, and, if included in the scope of the engagement, the description, implementation or operating effectiveness of controls, against the design. The outcome of that evaluation is provided in a Statement, which may either be available to the intended users or may be presented by the assurance practitioner in the assurance report. The assurance practitioner's conclusion may be phrased in terms of: (Ref: Para. A6)	ASAE 3150
<ul style="list-style-type: none"> (i). the design, and/or description, implementation or operating effectiveness of controls and the control objectives; or (ii). the Statement of the responsible party or evaluator. 	

Terms	Source(s)
<p>AUASB Standards mean standards issued by the AUASB, comprising:</p> <ul style="list-style-type: none"> (a) Australian Auditing Standards which means the suite of auditing standards issued by the AUASB, comprising: <ul style="list-style-type: none"> • Auditing Standards made under section 336 of the Corporations Act 2001; • ASA 805 Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement; and • ASA 810 Engagements to Report on Summary Financial Statements. (b) Standards on Review Engagements; (c) Standards on Assurance Engagements; and (d) Standards on Related Services. 	<p>ASQC 1 ASAE 3450</p>
<p>Audit documentation means the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (terms such as “working papers” or “workpapers” are also sometimes used).</p>	<p>ASA 230</p>
<p>Audit engagement (see <i>Reasonable assurance engagement</i>)</p>	
<p>Audit evidence means information used by the auditor in arriving at the conclusions on which the auditor’s opinion is based. Audit evidence includes both information contained in the accounting records underlying the financial report and other information. For purposes of the Australian Auditing Standards:</p> <ul style="list-style-type: none"> (i). Sufficiency of audit evidence is the measure of the quantity of audit evidence. The quantity of the audit evidence needed is affected by the auditor’s assessment of the risks of material misstatement and also by the quality of such audit evidence. (ii). Appropriateness of audit evidence is the measure of the quality of audit evidence; that is, its relevance and its reliability in providing support for the conclusions on which the auditor’s opinion is based. 	<p>ASA 200</p>
<p>For subject matter specific definitions see: ASA 500.</p>	
<p>Audit file means one or more folders or other storage media, in physical or electronic form, containing the records that comprise the audit documentation for a specific engagement.</p>	<p>ASA 230</p>
<p>Audit firm (see <i>Firm</i>)</p>	
<p>Audit Opinion (see <i>Modified opinion</i> and <i>Unmodified opinion</i>)</p>	
<p>Audit risk means the risk that the auditor expresses an inappropriate audit opinion when the financial report is materially misstated. Audit risk is a function of the risks of material misstatement and detection risk.</p>	<p>ASA 200</p>
<p>Audit sampling (<i>sampling</i>) means the application of audit procedures to less than 100% of items within a population of audit relevance such that all sampling units have a chance of selection in order to provide the auditor with a reasonable basis on which to draw conclusions about the entire population.</p>	<p>ASA 530</p>
<p>Audited financial report means a financial report audited by the auditor in accordance with Australian Auditing Standards, and from which the summary financial statements are derived.</p>	<p>ASA 810</p>

Terms	Source(s)
<p>Auditing Standards mean auditing standards made under section 336 of the <i>Corporations Act 2001</i> (the “Act”), and include:</p> <ul style="list-style-type: none"> (a) ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i>; and (b) ASRE 2410 <i>Review of a Financial Report Performed by the Independent Auditor of the Entity</i>. <p>(see Australian Auditing Standards)</p>	ASA 101
<p>Auditor means the person or persons conducting the audit, usually the engagement partner or other members of the engagement team, or, as applicable, the firm. Where an Auditing Standard expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term “engagement partner” rather than “auditor” is used. “Engagement partner” and “firm” are to be read as referring to their public sector equivalents where relevant.</p>	ASA 200 ASA 102
For subject matter specific definitions see: ASRE 2415 or ASRS 4450.	
<p>Auditor association with financial information means an auditor is associated with financial information when the auditor attaches a report to that information or consents to the use of the auditor’s name in a professional connection.</p>	
<p>Auditor’s expert means an individual or organisation possessing expertise in a field other than accounting or auditing, whose work in that field is used by the auditor to assist the auditor in obtaining sufficient appropriate audit evidence. An auditor’s expert may be either an auditor’s internal expert (who is a partner or staff, including temporary staff, of the auditor’s firm or a network firm), or an auditor’s external expert. “Partner” and “firm” should be read as referring to their public sector equivalents where relevant.</p>	ASA 620
<p>Auditor’s point estimate or auditor’s range means the amount, or range of amounts, respectively, derived from audit evidence for use in evaluating management’s point estimate.</p>	ASA 540
<p>Auditor’s range (see <i>Auditor’s point estimate</i>)</p>	
<p>Auditor’s statement means a statement made by the auditor that based on the procedures performed, nothing has come to the auditor’s attention that caused the auditor to believe that specified matters do not meet specified criteria.</p>	ASRS 4450
<p>Australian Accounting Standards mean the Australian Accounting Standards issued by the Australian Accounting Standards Board.</p>	ASA 700 ASA 805

Terms	Source(s)
<p>Australian Auditing Standards mean the suite of auditing standards issued by the AUASB, comprising:</p> <ul style="list-style-type: none"> • Auditing Standards made under section 336 of the <i>Corporations Act 2001</i>; • ASA 805 <i>Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i>; and • ASA 810 <i>Engagements to Report on Summary Financial Statements</i>. <p>(see <i>Auditing Standards</i>)</p>	<p>ASA 101 ASA 220</p>
<p>Australian Water Accounting Standards (in the context of ASAE 3610) means water accounting standards issued by the Bureau of Meteorology in accordance with its functions under the Commonwealth Water Act 2007.</p>	<p>ASAE 3610</p>
<p>Base financial information means financial information that is used as the starting point for the application of pro forma adjustments⁴ by the responsible party. Base financial information is ordinarily historical in nature, however, it can also be prospective (for example a profit forecast). It may or may not have been previously audited or reviewed. Base financial information may also be referred to as unadjusted or source financial information.</p>	<p>ASAE 3450</p>
<p>Base year a specific year or an average over multiple years against which an entity's emissions are compared over time.</p>	<p>ASAE 3410</p>
<p>Bring down comfort letter means a letter prepared and issued by the auditor subsequent to the issuance of the initial comfort letter, that updates and reaffirms the results of the specified procedures described in that comfort letter as at a certain date.</p>	<p>ASRS 4450</p>
<p>Business risk means a risk resulting from significant conditions, events, circumstances, actions or inactions that could adversely affect an entity's ability to achieve its objectives and execute its strategies, or from the setting of inappropriate objectives and strategies.</p>	<p>ASA 315</p>
<p>Cap and trade means a system that sets overall emissions limits, allocates emissions allowances to participants, and allows them to trade allowances and emission credits with each other.</p>	<p>ASAE 3410</p>
<p>Carve-out method</p> <p>For subject matter specific definitions see: ASAE 3150 or ASAE 3402.</p>	
<p>Change period means the period specified by the requesting parties ending on the cut-off date and begins for balance sheet items, immediately after the date of the latest balance sheet, and for profit and loss items, immediately after the latest period for which such items are included in, or incorporated by reference, in the offering document and does not extend beyond the day before the date of the end of the entity's next financial reporting period.</p>	<p>ASRS 4450</p>
<p>Closing date means the date on which the issuer of the securities or selling security holder delivers the securities to the underwriter in exchange for the proceeds of the offering.</p>	<p>ASRS 4450</p>

Terms	Source(s)
Comfort letter means a letter issued by an auditor in accordance with this ASRS under the terms of the engagement letter to requesting parties in relation to an entity's financial information related to, and/or included in an offering document.	ASRS 4450
Company limited by guarantee means a company limited by guarantee whose obligations are set out in section 285A of the Act.	ASRE 2415
Comparative financial reports mean comparative information where amounts and other disclosures for the prior period are included for comparison with the financial report of the current period but, if audited, are referred to in the auditor's opinion. The level of information included in those comparative financial reports is comparable with that of the financial report of the current period.	ASA 710
Comparative information means the amounts and disclosures included in the financial report in respect of one or more prior periods in accordance with the applicable financial reporting framework.	ASA 710
For subject matter specific definitions see: ASAE 3410 or ASAE 3610.	
Comparison date and comparison period mean the dates as of which, and periods for which, data at the cut-off date and data for the change period are to be compared.	ASRS 4450
Compensating control means a control which makes up for a deficiency in another control in mitigating the risks that threaten achievement of a control objective.	ASAE 3150
Complementary user entity controls mean controls that the service organisation assumes, in the design of its service, will be implemented by user entities, and which, if necessary to achieve control objectives, are identified in the description of its system.	ASA 402
For subject matter specific definitions see: ASAE 3150 or ASAE 3402.	
Complete set of financial statements mean financial statements and related notes as determined by the requirements of the applicable financial reporting framework. For example, a complete set of financial statements as described in Accounting Standard AASB 101 <i>Presentation of Financial Statements</i> ¹ includes:	ASA 200
<ul style="list-style-type: none"> (a) a statement of financial position as at the end of the period; (b) a statement of comprehensive income for the period; (c) a statement of changes in equity for the period; (d) a statement of cash flows for the period; and (e) notes, comprising a summary of significant accounting policies and other explanatory information. 	
For subject matter specific definition see: ASRE 2400.	
Compliance means adherence by the entity to the requirements as measured by the suitable criteria.	ASAE 3100
Compliance activity (<i>subject matter</i> or underlying subject matter) means the activity that is undertaken to meet the compliance requirement(s).	ASAE 3100

¹ See ASA 101 *Presentation of Financial Statements*, paragraph 10.

Terms	Source(s)
Compliance engagement means an assurance engagement in which an assurance practitioner expresses a conclusion, after evaluating an entity's compliance with the requirements.	ASAE 3100
Compliance framework (see <i>Applicable financial reporting framework</i> and <i>General purpose framework</i>)	
For subject matter specific definitions see: ASA 200 or ASAE 3100.	
Compliance outcome (<i>subject matter information</i>) means the outcome of the evaluation of the underlying subject matter (compliance activity) against the compliance requirements, using the criteria. The compliance outcome is the Statement of the responsible party or evaluator in an attestation engagement on compliance, or the assurance practitioner's conclusion in a direct engagement on compliance, providing the outcome of their evaluation.	ASAE 3100
Compliance requirement(s) means the requirements established in law, regulations, other statutory requirements (e.g. ASIC Class Orders and Regulatory Guides and APRA Prudential Standards), contractual arrangements, ministerial directives, industry or professional obligations or internally via entity policies, procedures and frameworks.	ASAE 3100
Component means an entity or business activity for which group or component management prepares financial information that should be included in the group financial report.	ASA 600
Component auditor means an auditor who, at the request of the group engagement team, performs work on financial information related to a component for the group audit.	ASA 600
Component management means management, or those charged with governance, responsible for the preparation of the financial information of a component.	ASA 600
Component materiality means the materiality level for a component determined by the group engagement team.	ASA 600
Components of control means the integrated components which comprise the system of control, as defined by the control framework applied.	ASAE 3150
Computer-assisted audit techniques mean applications of auditing procedures using the computer as an audit tool (also known as CAATs).	
Concise financial report means a financial report for the year referred to in the <i>Corporations Act 2001</i> drawn up in accordance with accounting standard AASB 1039 <i>Concise Financial Reports</i> .	
The consolidation process includes:	ASA 600
<ul style="list-style-type: none"> (a) The recognition, measurement, presentation, and disclosure of the financial information of the components in the group financial report by way of consolidation, proportionate consolidation, or the equity or cost methods of accounting; and (b) The aggregation in combined financial reports of the financial information of components that have no parent but are under common control. 	
Control activities mean the actions established by policies and procedures that help ensure that management directives to mitigate the risks to the achievement of objectives are carried out.	ASAE 3610

Terms	Source(s)
Control environment means the governance and management functions and the attitudes, awareness and actions of those charged with governance and management concerning the entity's internal control and its importance in the entity. The control environment is a component of internal control.	ASAE 3610
Control objective means the aim or purpose of a particular aspect of controls. Control objectives relate to risks that controls seek to mitigate and may be categorised by the framework applied, such as operational (economy, effectiveness and efficiency), reporting (statutory or management, financial or non-financial) or compliance (adherence to laws and regulations or contractual obligations).	ASAE 3150
For subject matter specific definition see: ASAE 3402.	
Control risk (see <i>Risk of material misstatement</i>)	
Controls at a subservice organisation means controls at a subservice organisation to provide reasonable assurance about the achievement of a control objective.	ASAE 3402
Controls at the service organisation means controls over the achievement of a control objective that is covered by the service auditor's assurance report.	ASAE 3402
Corporate fundraising ("fundraising") means any transaction involving shares, debentures, units or interests in a management investment scheme undertaken to raise debt or equity funds, or issue equity, and/or offer and/or respond to an offer of, cash and/or scrip consideration to effect a transaction through the issuance of a public or non-public document. It includes initial public offerings, fundraisings ⁵ , takeovers, schemes of arrangement or other corporate restructures.	ASAE 3450
Corporate governance (see <i>Governance</i>)	
Corresponding figures mean comparative information where amounts and other disclosures for the prior period are included as an integral part of the current period financial report, and are intended to be read only in relation to the amounts and other disclosures relating to the current period (referred to as "current period figures"). The level of detail presented in the corresponding amounts and disclosures is dictated primarily by its relevance to the current period figures.	ASA 710
Criteria means the benchmarks used to measure or evaluate the underlying subject matter. The "applicable criteria" are the criteria used for the particular engagement.	ASAE 3000 ASAE 3150 ASAE 3402
For subject matter specific definitions see: ASAE 3100, ASAE 3500 or ASAE 3610.	
Cross-border offering means an offering or listing that occurs in a jurisdiction other than the entity's domicile, and which may or may not occur concurrently in the entity's domicile.	ASRS 4450
Cut-off date means the date to which certain procedures performed on change period financial information, as described in the comfort letter, are to relate.	ASRS 4450
Date of approval of the financial report means the date on which all the statements that comprise the financial report, including the related notes, have been prepared and those with the recognised authority have asserted that they have taken responsibility for that financial report.	ASA 560
Date of report means the date the assurance practitioner signs the report.	ASQC 1

Terms	Source(s)
<i>Date of the auditor's report</i> means the date the auditor dates the report on the financial report in accordance with ASA 700.	ASA 560
<i>Date of the financial report</i> means the date of the end of the latest period covered by the financial report.	ASA 560
<i>Date the financial report is issued</i> means the date that the auditor's report and audited financial report are made available to third parties.	ASA 560
<i>Deficiency in design of controls</i> mean an inadequacy or omission in the design of a control/s that, in the assurance practitioner's professional judgement, means the control/s is not designed suitably to mitigate the risks that threaten achievement of the identified control objectives.	ASAE 3150
<i>Deficiency in implementation of controls</i> mean instances where a control was not implemented as designed that, in the assurance practitioner's professional judgement, mean the control/s, once in operation, may not operate effectively as designed to achieve the identified control objectives.	ASAE 3150
<i>Deficiency in internal control</i> means: <ul style="list-style-type: none"> (a) A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or (b) A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing. 	ASA 265
<i>Description of the system</i> means a document prepared by the responsible party and provided to users, if included in the scope of the engagement, describing the entity's system, within which the controls to be concluded upon operate, including identification of: the functions or services covered; the period or date to which the description relates; control objectives and details of, or reference to documentation detailing, the controls designed to achieve those objectives. The entity's functions or services may be identified by geographic, operational or functional boundaries. A description of the system is distinct from documentation prepared by the responsible party or assurance practitioner, as the description is part of the subject matter of the engagement, which, if included in the scope of the engagement, is made available to users and concluded upon by the assurance practitioner. A description may be included in the scope of an attestation or direct engagement, however in a direct engagement no attestation is provided by the responsible party or evaluator with respect to whether the description is fairly presented.	ASAE 3150
<i>Detection risk</i> means the risk that the procedures performed by the auditor to reduce audit risk to an acceptably low level will not detect a misstatement that exists and that could be material, either individually or when aggregated with other misstatements.	ASA 200
<i>Deviation in operating effectiveness of controls</i> mean instances where a control was not operating as designed.	ASAE 3150
<i>Different elements of prospective financial information</i> means: <ul style="list-style-type: none"> (i). the assumptions used in the preparation of the prospective financial information; (element 1) (ii). the stated basis of preparation and the assumptions referred to in (i) above; (element 2) and (iii). its reasonableness (element 3). 	ASAE 3450

Terms	Source(s)
Direct assistance means the use of internal auditors to perform audit procedures under the direction, supervision and review of the external auditor.	ASA 610
Direct controls mean controls which directly address the risks of a control objective not being achieved, by detecting, preventing or correcting a failure to achieve a control objective on a timely basis.	ASAE 3150
Direct engagement on compliance means a reasonable or limited assurance engagement in which the assurance practitioner evaluates whether the compliance requirements have been met. The compliance outcome of the assurance practitioner's evaluation (the subject matter information) is expressed in the assurance practitioner's conclusion.	ASAE 3100
Direct engagement on controls mean a reasonable or limited assurance engagement in which the assurance practitioner evaluates the design of the controls against the control objectives, and, if included in the scope of the engagement, the description, implementation and/or operating effectiveness of controls against the design. The outcome of the assurance practitioner's evaluation (the subject matter information) is expressed in the assurance practitioner's conclusion.	ASAE 3150
Direct engagement on performance means a reasonable assurance engagement in which the assurance practitioner evaluates the activity's performance against the identified criteria. The outcome of the assurance practitioner's evaluation is expressed in the assurance practitioner's conclusion.	ASAE 3500
Document means a public document or non-public document related to a corporate fundraising or other document containing prospective financial information.	ASAE 3450
Domestic offering means a securities offering that occurs in Australia.	ASRS 4450
Economy means the performance principle relating to the minimisation of the costs of resources, within the operational requirements of timeliness and availability of required quantity or quality.	ASAE 3500
Effectiveness means performance principle relating to the extent to which the intended objectives at a program or entity level are achieved.	ASAE 3500
Efficiency means performance principle relating to the minimisation of inputs employed to deliver the intended outputs in terms of quality, quantity and timing.	ASAE 3500
Element (see <i>Element of a financial statement</i>)	
Element of a financial statement means an element, account or item of a financial statement.	ASA 805
Emissions mean the GHGs that, during the relevant period, have been emitted into the atmosphere or would have been emitted into the atmosphere had they not been captured and channelled into a sink. Emissions can be categorised as: <ul style="list-style-type: none"> • Direct emissions (also known as Scope 1 emissions), which are emissions from sources that are owned or controlled by the entity. • Indirect emissions, which are emissions that are a consequence of the activities of the entity, but which occur at 	ASAE 3410

Terms	Source(s)
<p>sources that are owned or controlled by another entity. Indirect emissions can be further categorised as:</p> <ul style="list-style-type: none"> ○ Scope 2 emissions, which are emissions associated with energy that is transferred to and consumed by the entity. ○ Scope 3 emissions, which are all other indirect emissions. 	
<p>Emissions deduction means Any item included in the entity’s GHG statement that is deducted from the total reported emissions, but which is not a removal; it commonly includes purchased offsets, but can also include a variety of other instruments or mechanisms such as performance credits and allowances that are recognised by a regulatory or other scheme of which the entity is a part.</p>	ASAE 3410
<p>Emissions factor means a mathematical factor or ratio for converting the measure of an activity (for example, litres of fuel consumed, kilometres travelled, the number of animals in husbandry, or tonnes of product produced) into an estimate of the quantity of GHGs associated with that activity.</p>	ASAE 3410
<p>Emissions trading scheme means a market-based approach used to control greenhouse gases by providing economic incentives for achieving reductions in the emissions of such gases.</p>	ASAE 3410
<p>Emphasis of Matter paragraph means a paragraph included in the auditor’s report that refers to a matter appropriately presented or disclosed in the financial report that, in the auditor’s judgement, is of such importance that it is fundamental to users’ understanding of the financial report.</p>	ASA 706
<p>Engagement circumstances means the broad context defining the particular engagement, which includes: the terms of the engagement; whether it is a reasonable assurance engagement or a limited assurance engagement, the characteristics of the underlying subject matter; the measurement or evaluation criteria; the information needs of the intended users; relevant characteristics of the responsible party, the measurer or evaluator, and the engaging party and their environment; and other matters, for example events, transactions, conditions and practices, that may have a significant effect on the engagement.</p>	ASAE 3000
<p>Engagement documentation means the record of work performed, relevant evidence obtained, and conclusions the assurance practitioner reached (terms such as “working papers” or “<u>workpapers</u>” are sometimes used).</p>	ASQC 1
<p>Engagement letter means the written terms of an engagement in the form of a letter.</p>	
<p>Engagement partner means the partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement partner” should be read as referring to a public sector equivalent where relevant.</p>	ASQC 1 ASA 220
<p>Engagement quality control review means a process designed to provide an objective evaluation, on or before the date of the report, of the significant judgements the engagement team made and the conclusions it reached in formulating the report. The engagement quality control review process is for</p>	ASQC 1 ASA 220

Terms	Source(s)
audits of financial reports of listed entities and those other engagements, if any, for which the firm has determined an engagement quality control review is required.	
Engagement quality control reviewer means a partner, other person in the firm, suitably qualified external person, or a team made up of such individuals, none of whom is part of the engagement team, with sufficient and appropriate experience and authority to objectively evaluate the significant judgements the engagement team made and the conclusions it reached in formulating the report.	ASQC 1 ASA 102 ASA 220
Engagement risk means the risk that the assurance practitioner expresses an inappropriate conclusion when the subject matter information is materially misstated.	ASAE 3000 ASAE 3500 ASRE 2400
For subject matter specific definitions see: ASAE 3610.	
Engagement team (in the context of ASQC 1) means all partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes an auditor's external expert engaged by the firm or by a network firm.	ASQC 1 ASA 220
For subject matter specific definitions see: ASAE 3000 or ASAE 3610.	
Engaging party means the party (ies) that engages the assurance practitioner to perform the assurance engagement.	ASAE 3000 ASAE 3100 ASAE 3150 ASAE 3610
For subject matter specific definitions see: ASAE 3450, ASAS 3500 or ASRS 4400.	
Enquiry (in the context of ASRE 2400) means enquiry consists of seeking information of knowledgeable persons from within or outside the entity.	ASRE 2400
Entity subject matter specific definitions see: ASAE 3100, ASAE 3410, ASAE 3450 or ASRS 4450.	
Entity's risk assessment process means a component of internal control that is the entity's process for identifying business risks relevant to financial reporting objectives and deciding about actions to address those risks, and the results thereof.	
Entity's system (or the system) means the policies and procedures designed and implemented by the entity to provide the functions or services covered by the assurance practitioner's report, including the control objectives which address the overall objectives relevant to those functions or services and the controls designed to mitigate the risks that threaten achievement of those objectives.	ASAE 3150
Environmental risk means in certain circumstances, factors relevant to the assessment of inherent risk for the development of the overall audit plan may include the risk of material misstatement of the financial statements due to environmental matters.	
Error means an unintentional misstatement in a financial report, including the omission of an amount or a disclosure.	
Estimation uncertainty means the susceptibility of an accounting estimate and related disclosures to an inherent lack of precision in its measurement.	ASA 540

Terms	Source(s)
Evaluate means identify and analyse the relevant issues, including performing further procedures as necessary, to come to a specific conclusion on a matter. “Evaluation,” by convention, is used only in relation to a range of matters, including evidence, the results of procedures and the effectiveness of management’s response to a risk. (also see <i>Assess</i>)	
Event(s) or transaction(s) means underlying event(s) or transaction(s) that is (are):	ASAE 3450
<ul style="list-style-type: none"> (i). primarily the subject of the document; or (ii). not the subject of the document but the effect(s) of which have been reflected in the financial information. 	
Evidence means information used by the assurance practitioner in arriving at the assurance practitioner’s conclusion. Evidence includes both information contained in relevant information systems, if any, and other information. For purposes of the ASAEs:	ASAE 3000
<ul style="list-style-type: none"> (i). Sufficiency of evidence is the measure of the quantity of evidence. (ii). Appropriateness of evidence is the measure of the quality of evidence 	
Exception means a response that indicates a difference between information requested to be confirmed, or contained in the entity’s records, and information provided by the confirming party.	ASA 505
Experienced auditor means an individual (whether internal or external to the firm) who has practical audit experience, and a reasonable understanding of:	ASA 230
<ul style="list-style-type: none"> (a) Audit processes; (b) Australian Auditing Standards and applicable legal and regulatory requirements; (c) The business environment in which the entity operates; and (d) Auditing and financial reporting issues relevant to the entity’s industry. 	
Expert (see <i>Auditor’s expert</i> and <i>Management’s expert</i>)	
Expertise means skills, knowledge and experience in a particular field.	ASA 620
External confirmation means audit evidence obtained as a direct written response to the auditor from a third party (the confirming party), in paper form, or by electronic or other medium.	ASA 505
Fair presentation framework (see <i>Applicable financial reporting framework</i> and <i>General purpose framework</i>)	ASA 200
Financial forecast means financial information of a predictive character prepared based on assumptions made by the entity as to future events, expected to take place on the dates described, and the actions expected to be taken at the date the financial information is prepared.	ASRS 4450
Financial information means information of a financial nature prepared by the responsible party in the form of:	ASAE 3450
<ul style="list-style-type: none"> (i). base financial information; (ii). historical financial information; 	

Terms	Source(s)
<p>(iii).pro forma historical financial information;</p> <p>(iv).prospective financial information; or</p> <p>(v). a pro forma forecast.</p> <p>For subject matter specific definition see: ASRE 4450.</p> <p>Financial report means, for the purpose of the <i>Corporations Act 2001</i>, financial statements for the year or the half-year, and notes to the financial statements, and the directors' declaration about the statements and notes.</p> <p><i>Financial report</i> means, for purposes other than the <i>Corporations Act 2001</i>, a complete set of financial statements and an assertion statement by those responsible for the financial report.</p>	<p>ASA 200</p> <p>ASA 700</p>
<p>For subject matter specific definitions see: ASRE 2400, ASRE 2410 or ASRE 2415.</p> <p>Financial statements mean a structured representation of historical financial information, including disclosures, intended to communicate an entity's economic resources or obligations at a point in time, or the changes therein for a period of time, in accordance with a financial reporting framework. The term "financial statements" ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial reporting framework, but can also refer to a single financial statement. Disclosures comprise explanatory or descriptive information, set out as required, expressly permitted or otherwise allowed by the applicable financial reporting framework, on the face of a financial statement, or in the notes, or incorporated therein by cross-reference.</p> <p>For subject matter specific definitions see: ASA 800 or ASRE 2400.</p> <p>Firm means a sole practitioner, partnership or corporation or other entity of assurance practitioners. Firm should be read as referring to a public sector equivalent where relevant.</p>	<p>ASA 200</p> <p>ASQC 1</p> <p>ASA 102</p> <p>ASA 220</p> <p>ASAE 3000</p> <p>ASAE 3100</p> <p>ASAE 3150</p> <p>ASAE 3610</p>
<p>Forecast (see <i>Prospective financial information</i>)</p> <p>Fraud means an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.</p> <p>For subject matter specific definition see: ASAE 3610.</p> <p>Fraud risk factors mean events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.</p>	<p>ASA 240</p> <p>ASAE 3150</p> <p>ASAE 3410</p> <p>ASA 240</p> <p>ASAE 3150</p>

Terms	Source(s)
<i>Fraudulent financial reporting</i> means financial reporting involving intentional misstatements, including omissions of amounts or disclosures in a financial report, to deceive financial report users.	
<i>Further procedures</i> mean procedures performed in response to assessed risks of material misstatement, including tests of controls (if any), tests of details and analytical procedures.	ASAE 3410 ASAE 3610
<i>General IT controls</i> mean policies and procedures that relate to many applications and support the effective functioning of application controls by helping to ensure the continued proper operation of information systems. General IT controls commonly include controls over data center and network operations; system software acquisition, change and maintenance; access security; and application system acquisition, development, and maintenance.	
<i>General purpose financial report</i> means a financial report prepared in accordance with a general purpose framework.	ASA 700
<i>General purpose financial statements</i> mean financial statements prepared in accordance with a general purpose framework.	ASRE 2400
<i>General purpose framework</i> means a financial reporting framework designed to meet the common financial needs of a wide range of users. The financial reporting framework may be a fair presentation framework or a compliance framework. (see <i>Applicable financial reporting framework</i>)	ASA 700
The term “fair presentation framework” is used to refer to a financial reporting framework that requires compliance with the requirements of the framework and:	
<ul style="list-style-type: none"> (i). Acknowledges explicitly or implicitly that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by the framework; or (ii). Acknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the financial statements. Such departures are expected to be necessary only in extremely rare circumstances. 	
The term “compliance framework” is used to refer to a financial reporting framework that requires compliance with the requirements of the framework, but does not contain the acknowledgements in (i) or (ii) above.	
For subject matter specific definition see: ASRE 2400.	
<i>General purpose water accounting report</i> means a water accounting report intended to meet the information needs common to users who are unable to command the preparation of water accounting reports tailored to satisfy their information needs. A general purpose water accounting report is prepared in accordance with Australian Water Accounting Standards. AWAS 1 states that a general purpose water accounting report comprises the water accounting statements, accompanying note disclosures, accountability statement and contextual statement. This Standard deals with assurance engagements to report on the water accounting statements, note disclosures and accountability statement only. It does not cover the contextual statement, which is not subject to assurance. Accordingly, where appropriate in this Standard, the term “general purpose water accounting report” is to be read as meaning those components that are covered by the assurance engagement.	ASAE 3610

Terms	Source(s)
GHG statement means a statement setting out constituent elements and quantifying an entity's GHG emissions for a period (sometimes known as an emissions inventory) and, where applicable, comparative information and explanatory notes including a summary of significant quantification and reporting policies. An entity's GHG statement may also include a categorised listing of removals or emissions deductions. Where the engagement does not cover the entire GHG statement, the term "GHG statement" is to be read as that portion that is covered by the engagement. The GHG statement is the "subject matter information" of the engagement.	ASA 240 ASAE 3410
Governance means the role of person(s) or organisation(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity.	
Greenhouse gases (GHGs) means carbon dioxide (CO ₂) and any other gases required by the applicable criteria to be included in the GHG statement, such as: methane; nitrous oxide; sulfur hexafluoride; hydrofluorocarbons; perfluorocarbons; and chlorofluorocarbons. Gases other than carbon dioxide are often expressed in terms of carbon dioxide equivalents (CO ₂ -e).	ASAE 3410
Group means all the components whose financial information is included in the group financial report. A group always has more than one component.	ASA 600
Group audit means the audit of a group financial report.	ASA 600
Group audit opinion means the audit opinion on the group financial report.	ASA 600
Group engagement partner means the partner or other person in the firm who is responsible for the group audit engagement and its performance, and for the auditor's report on the group financial report that is issued on behalf of the firm. Where joint auditors conduct the group audit, the joint engagement partners and their engagement teams collectively constitute the group engagement partner and the group engagement team. This Auditing Standard does not, however, deal with the relationship between joint auditors or the work that one joint auditor performs in relation to the work of the other joint auditor.	ASA 600
Group engagement team means partners, including the group engagement partner, and staff who establish the overall group audit strategy, communicate with component auditors, perform work on the consolidation process, and evaluate the conclusions drawn from the audit evidence as the basis for forming an opinion on the group financial report.	ASA 600
Group financial report means a financial report that includes the financial information of more than one component. The term "group financial report" also refers to combined financial reports aggregating the financial information prepared by components that have no parent but are under common control.	ASA 600
Group management means management, or those charged with governance, responsible for the preparation of the group financial report.	ASA 600
Group-wide controls mean controls designed, implemented and maintained by group management over group financial reporting.	ASA 600
Historical financial information means information expressed in financial terms in relation to a particular entity, derived primarily from that entity's accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.	ASA 200 ASAE 3000
For subject matter specific definition see: ASAE 3450.	

Terms	Source(s)
<p>Historical financial information, other than a financial report (in the context of ASRE 2405) includes:</p> <ul style="list-style-type: none"> (a) Specific components, elements, accounts or items of a financial report, such as: <ul style="list-style-type: none"> (i).A single financial statement, for example, an income statement or balance sheet. (ii).Accounts receivable. (iii).Impairment of asset accounts. (iv).Inventory. (v).The liability for accrued benefits of a defined benefits plan. (vi).The recorded value of identified intangible assets. (vii).Pro-forma historical financial information and adjustments. (viii).The liability for “incurred but not reported” claims in an insurance portfolio, including related explanatory notes. (b) Other information derived from financial records, such as: <ul style="list-style-type: none"> (i).A schedule of externally managed assets and income of a private pension plan, including related explanatory notes. (ii).A schedule of net tangible assets, including related explanatory notes. (iii).A schedule of disbursements in relation to a leased property, including related explanatory notes. (iv).A schedule of profit participation or employee bonuses, including related explanatory notes. (c) Financial statements prepared in accordance with a financial reporting framework that is not designed to achieve fair presentation, such as condensed financial statements and an entity’s internal management accounts. 	ASRE 2405
<p>Hypothetical assumptions mean assumptions made by the responsible party in preparing prospective financial information in the form of a projection about future events and management actions which may not necessarily be expected to take place or that may be expected to take place, and may not be based on reasonable grounds.</p>	ASAE 3450
<p>Implementation means the process of putting controls into effect by deployment or roll-out of controls to enable their operation as designed.</p>	ASAE 3150
<p>Inclusive method means method of dealing with the services provided by a subservice organisation, whereby the service organisation’s description of its system includes the nature of the services provided by a subservice organisation, and that subservice organisation’s relevant control objectives and related controls are included in the service organisation’s description of its system and in the scope of the service auditor’s engagement.</p> <p>For subject matter specific definition see: ASAE 3150.</p>	ASAE 3402
<p>Indirect controls mean controls which do not directly address the risks of a control objective not being achieved, but have an impact on the effectiveness</p>	ASAE 3150

Terms	Source(s)
of direct controls in detecting, preventing or correcting a failure to achieve a control objective on a timely basis.	
Information system relevant to financial reporting means a component of internal control that includes the financial reporting system, and consists of the procedures and records established to initiate, record, process and report entity transactions (as well as events and conditions) and to maintain accountability for the related assets, liabilities and equity.	
Inherent risk (see <i>Risk of material misstatement</i>)	
Initial assurance engagement means an engagement in which either:	ASAE 3610
(i). the general purpose water accounting report has been prepared and assured for the first time;	
(ii). the general purpose water accounting report for the prior period was not assured; or	
(iii). the general purpose water accounting report for the prior period was assured by a predecessor assurance practitioner.	
Initial audit engagement means an engagement in which either:	ASA 510
(a) The financial report for the prior period was not audited; or	
(b) The financial report for the prior period was audited by a predecessor auditor.	
Inspection means in relation to completed engagements, procedures designed to provide evidence of compliance by engagement teams with the firm's quality control policies and procedures.	ASQC 1 ASA 220
For subject matter specific definition see: ASA 500.	
Intended users mean the individual(s) or organisation(s), or group(s) thereof that the practitioner expects will use the assurance report. In some cases, there may be intended users other than those to whom the assurance report is addressed.	ASAE 3000 ASAE 3100 ASAE 3150
For subject matter specific definitions see: ASAE 3500 or ASRS 4400.	
Interim financial information or statements mean financial information (which may be less than a complete set of financial statements as defined above) issued at interim dates (usually half-yearly or quarterly) in respect of a financial period.	
Interim financial report means a financial report that is prepared in accordance with an applicable financial reporting framework ² for a period that is shorter than the entity's financial year.	ASRE 2410
Internal audit function means a function of an entity that performs assurance and consulting activities designed to evaluate and improve the effectiveness of the entity's governance, risk management and internal control processes.	ASA 610 ASAE 3000 ASAE 3100 ASAE 3150 ASAE 3402

² See for example, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Terms	Source(s)
<p>Internal auditors mean those individuals who perform the activities of the internal audit function. Internal auditors may belong to an internal audit department or equivalent function.</p> <p>For subject matter specific definition see: ASAE 3150.</p>	<p>ASA 610 ASAE 3402</p>
<p>Internal control means the process designed, implemented and maintained by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The term "controls" refers to any aspects of one or more of the components of internal control.</p> <p>For subject matter specific definition see: ASAE 3150.</p>	<p>ASA 315</p>
<p>International Financial Reporting Standards mean the International Financial Reporting Standards issued by the International Accounting Standards Board.</p>	<p>ASA 700</p>
<p>International Public Sector Accounting Standards mean the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board.</p>	<p>ASA 700</p>
<p>Investigate means to enquire into matters arising from other procedures to resolve them.</p>	
<p>IT environment means the policies and procedures that the entity implements and the IT infrastructure (hardware, operating systems, etc.) and application software that it uses to support business operations and achieve business strategies.</p>	
<p>Key audit matters mean those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report of the current period. Key audit matters are selected from matters communicated with those charged with governance.</p>	<p>ASA 701</p>
<p>Lead assurance practitioner means The person in the firm who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. The "lead assurance practitioner" should be read as referring to its public sector equivalents where relevant.</p>	<p>ASAE 3000 ASAE 3610</p>
<p>Limited assurance means the level of assurance obtained where engagement risk is reduced to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for expressing a conclusion in accordance with this ASRE. The combination of the nature, timing and extent of evidence gathering procedures is at least sufficient for the assurance practitioner to obtain a meaningful level of assurance. To be meaningful, the level of assurance obtained by the assurance practitioner is likely to enhance the intended users' confidence about the financial statements.</p>	<p>ASRE 2400</p>
<p>Limited assurance engagement—An assurance engagement in which the assurance practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the assurance practitioner's attention to cause the assurance practitioner to believe the compliance</p>	<p>ASAE 3100 ASAE 3150 ASAE 3500</p>

Terms	Source(s)
<p>requirements have not been met, in all material respects. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the assurance practitioner's professional judgement, meaningful. To be meaningful, the level of assurance obtained by the assurance practitioner is likely to enhance the intended users' confidence about the compliance outcome to a degree that is clearly more than inconsequential. (see Assurance engagement)</p> <p>For subject matter specific definitions see: ASQC 1 or ASAE 3450.</p>	
<p>Listed entity means an entity whose shares, stock or debt are quoted or listed on a recognised stock exchange, or are marketed under the regulations of a recognised stock exchange or other equivalent body.</p>	<p>ASQC 1 ASA 220</p>
<p>Long-form report means assurance report including other information and explanations that are intended to meet the information needs of users but not to affect the assurance practitioner's conclusion. In addition to the matters required to be contained in the assurance practitioner's report long-form reports may describe in detail matters such as:</p> <ul style="list-style-type: none"> (i). the terms of the engagement; (ii). the criteria being used, such as the specific control objectives and controls as designed to achieve each objective; (iii). descriptions of the tests of controls that were performed; (iv). findings relating to the the tests of controls that were performed or particular aspects of the engagement; (v). details of the qualifications and experience of the assurance practitioner and others involved with the engagement; (vi). disclosure of materiality levels; or (vii). recommendations. <p>The assurance practitioner may find it helpful to consider the significance of providing such information to meet the needs of the intended users. Additional information is clearly separated from the assurance practitioner's conclusion and worded in such a manner as make it clear that it is not intended to alter or detract from that conclusion.</p>	<p>ASAE 3100 ASAE 3150</p>
<p>Management means the person(s) with executive responsibility for the conduct of the entity's operations. For some entities in some jurisdictions, management includes some or all of those charged with governance, for example, executive members of a governance board, or an owner-manager.</p> <p>For subject matter specific definitions see: ASA 580, ASAE 3450 or ASAE 3610.</p>	<p>ASA 200 ASA 260</p>
<p>Management bias means a lack of neutrality by management in the preparation of information.</p>	<p>ASA 540</p>
<p>Management's expert means an individual or organisation possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial report.</p>	<p>ASA 500 ASA 620</p>
<p>For subject matter specific definition see: ASAE 3610.</p>	

Terms	Source(s)
Management's point estimate means the amount selected by management for recognition or disclosure in the financial report as an accounting estimate.	ASA 540
Material (in the context of a compliance engagement) means	ASAE 3100
(i) in relation to potential (for risk assessment purposes) or detected (for evaluation purposes) matter(s) of non-compliance – instance(s) of non-compliance that are significant, individually or collectively, in the context of the entity's compliance with compliance requirements, and that might influence relevant decisions of intended users or affect the assurance practitioner's conclusion; and/or	
(ii) in relation to the compliance framework and controls – instance(s) of deficiency that are significant in the context of the entity's control environment and that may raise the compliance engagement risk sufficiently to affect the assurance practitioner's conclusion.	
Material control means a control which is necessary to mitigate the risk of a control objective not being achieved and for which there are no or insufficient compensating controls. The relevant control objectives are those at the level to be concluded on in the assurance report, whether overall or specific control objectives.	ASAE 3150
Material inconsistency means information within the document that materially contradicts the financial information that is the subject of the assurance report.	ASAE 3450
Materiality (in the context of ASAE 3500) (see also <i>Performance materiality</i>) means variations in performance of an activity evaluated against the identified criteria which, have the potential to affect the economy, efficiency and/or effectiveness of the activity and be reasonably expected to influence relevant decisions of the intended users or the discharge of accountability by the responsible party or governing body of the entity. (see also <i>Performance materiality</i>)	ASAE 3500
For subject matter specific definitions see: ASAE 3450 or ASAE 3610.	
Measurer or evaluator (in the context of ASAE 3000) means the party(ies) who measures or evaluates the underlying subject matter against the criteria. The measurer or evaluator possesses expertise in the underlying subject matter.	ASAE 3000 ASAE 3150
For subject matter specific definition see: ASAE 3100.	
Misappropriation of assets mean the theft of an entity's assets and is often perpetrated by employees in relatively small and immaterial amounts. However, it can also involve management who are usually more capable of disguising or concealing misappropriations in ways that are difficult to detect.	ASA 240
Misstatement means a difference between the amount, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.	ASA 200 ASA 450
When the auditor expresses an opinion on whether the financial report is presented fairly, in all material respects, or gives a true and fair view, misstatements also include those adjustments of amounts, classifications, presentation, or disclosures that, in the auditor's judgement, are necessary for	

Terms	Source(s)
the financial report to be presented fairly, in all material respects, or to give a true and fair view.	
For subject matter specific definitions see: ASAE 3000, ASAE 3100 or ASAE 3150.	
Misstatement in the description of the system means an inaccuracy, inadequacy or omission in the description, including in the identification of the boundaries and other identifying characteristics of the system, the control components described, the areas of activity encompassed and the controls as designed and/or implemented.	ASAE 3150
Misstatement of fact means information that is incorrectly stated or presented in the document. A material misstatement of fact may undermine the credibility of financial information that is the subject of the assurance report.	ASAE 3450
For subject matter specific definition see: ASAE 3000.	
Misstatement of the other information means a misstatement of the other information exists when the other information is incorrectly stated or otherwise misleading (including because it omits or obscures information necessary for a proper understanding of a matter disclosed in the other information).	ASA 720
Modified opinion means a qualified opinion, an adverse opinion or a disclaimer of opinion on the financial report.	ASA 705
Monitoring means a process comprising an ongoing consideration and evaluation of the firm's system of quality control, including a periodic inspection of a selection of completed engagements, designed to provide the firm with reasonable assurance that its system of quality control is operating effectively.	ASQC 1 ASA 220
Monitoring of controls mean a process to assess the effectiveness of internal control performance over time. It includes assessing the design and operation of controls on a timely basis and taking necessary corrective actions modified for changes in conditions. Monitoring of controls is a component of internal control.	
Multiple types of financial information mean financial information that involves more than one type.	ASAE 3450
Negative confirmation request means a request that the confirming party respond directly to the auditor only if the confirming party disagrees with the information provided in the request.	ASA 505
Network means a larger structure:	ASQC 1 ASA 220
(a) That is aimed at cooperation, and	
(b) That is clearly aimed at profit or cost-sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand name, or a significant part of professional resources.	
Network firm means a firm or entity that belongs to a network.	ASQC 1 ASA 220
Non-compliance means acts of omission or commission, intentional or unintentional, committed by the entity, or by those charged with governance, by management or by other individuals working for or under the direction of	ASA 250

Terms	Source(s)
the entity, which are contrary to the prevailing laws or regulations. Non-compliance does not include personal misconduct unrelated to the business activities of the entity. For subject matter specific definition see: ASAE 3100.	
Non-IFRS financial information means financial information that is presented other than in accordance with all relevant accounting standards.	ASAE 3450
Non-public document means a document in relation to a fundraising or a document containing prospective financial information, which is not a public document. It is not prepared in accordance with the Corporations Act 2001.	ASAE 3450
Non-response means a failure of the confirming party to respond, or fully respond, to a positive confirmation request, or a confirmation request returned undelivered.	ASA 505
Non-sampling risk means the risk that the auditor reaches an erroneous conclusion for any reason not related to sampling risk.	ASA 530
Objective of a performance engagement is to evaluate the performance of an activity or activities, with respect to economy, efficiency and/or effectiveness against the identified criteria.	ASAE 3500
Observation means looking at a process or procedure being performed by others, for example, the auditor's observation of inventory counting by the entity's personnel, or of the performance of control activities.	ASA 500
Offering means the making available of an entity's equity or debt securities to parties (who may be in overseas jurisdictions) ordinarily through: <ul style="list-style-type: none"> (i). the sale of securities to the public under a prospectus; (ii). foreign offerings; (iii). an exempt transaction or offering (for example, a private placement of equity or debt securities to a limited number of investors, or an offering of debt securities issued or backed by public sector entities); (iv). certain securities transactions covered by specific laws or regulations (for example, exchange of shares in merger transactions); or (v). acquisition transactions in which there is an exchange of equity. 	ASRS 4450
Opening balances mean those account balances that exist at the beginning of the period. Opening balances are based upon the closing balances of the prior period and reflect the effects of transactions and events of prior periods and accounting policies applied in the prior period. Opening balances also include matters requiring disclosure that existed at the beginning of the period, such as contingencies and commitments. For subject matter specific definition see: ASAE 3610.	ASA 510
Organisational boundary means the boundary that determines which operations to include in the entity's GHG statement.	ASAE 3410
Other financial information means historical financial information and information other than historical financial information (for example prospective financial information)	ASQC 1

Terms	Source(s)
<p>Other information means financial and non-financial information (other than the financial report and the auditor's report thereon) included in the entity's annual report.</p> <p>For subject matter definition see: ASAE 3000.</p>	ASA 720
<p>Other Matter paragraph means a paragraph included in the auditor's report that refers to a matter other than those presented or disclosed in the financial report that, in the auditor's judgement, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.</p>	ASA 706
<p>Outcome of an accounting estimate means the actual monetary amount which results from the resolution of the underlying transaction(s), event(s) or condition(s) addressed by the accounting estimate.</p>	ASA 540
<p>Overall control objectives mean explicit or implicit assertions by the responsible party with respect to the subject matter, that in an assurance engagement on controls, represent the broad objectives or purpose of the controls, in the context of the control component and system included in the scope of the engagement.</p>	ASAE 3150
<p>Partner means any individual with authority to bind the firm with respect to the performance of an audit, review or other assurance engagement or related services engagement. "Partner" should be read as referring to a public sector equivalent where relevant.</p>	ASQC 1 ASA 220
<p>Performance engagement means an assurance engagement to conclude on the performance (expressed as either economy, efficiency and/or effectiveness) of all or a part of the activity or activities of an entity or across multiple entities as evaluated by identified criteria, commonly referred to as a performance audit.</p>	ASAE 3500
<p>Performance materiality means the amount or amounts set by the auditor at less than materiality for the financial report as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial report as a whole. If applicable, performance materiality also refers to the amount or amounts set by the auditor at less than the materiality level or levels for particular classes of transactions, account balances or disclosures.</p> <p>For subject matter specific definitions see: ASAE 3410 or ASAE 3610.</p>	ASA 320
<p>Personnel means partners and staff.</p>	ASQC 1 ASA 220
<p>Pervasive</p> <p>For subject matter specific definition see: ASA 705 and ASAE 3150.</p>	
<p>Population means the entire set of data from which a sample is selected and about which the auditor wishes to draw conclusions.</p> <p>For subject matter specific definition see: ASAE 3150.</p>	ASA 530
<p>Positive confirmation request means a request that the confirming party respond directly to the auditor indicating whether the confirming party agrees or disagrees with the information in the request, or providing the requested information.</p>	ASA 505
<p>Practitioner means a professional accountant in public practice.</p>	
<p>Preconditions for an audit means the use by management of an acceptable financial reporting framework in the preparation of the financial report and</p>	ASA 210

Terms	Source(s)
the agreement of management and, where appropriate, those charged with governance to the premise on which an audit is conducted.	
Predecessor assurance practitioner means the assurance practitioner from a different firm who conducted the assurance engagement on the general purpose water accounting report.	ASAE 3610
Predecessor auditor means the auditor from a different audit firm, who audited the financial report of an entity in the prior period and who has been replaced by the current auditor.	ASA 510
Premise, relating to the responsibilities of management and, where appropriate, those charged with governance, on which an audit is conducted means that management and, where appropriate, those charged with governance have acknowledged and understand that they have the following responsibilities that are fundamental to the conduct of an audit in accordance with Australian Auditing Standards. That is, responsibility: <ul style="list-style-type: none"> (a) For the preparation of the financial report in accordance with the applicable financial reporting framework; including where relevant, their fair presentation; (b) For such internal control as management and, where appropriate, those charged with governance determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error, and (c) To provide the auditor with: <ul style="list-style-type: none"> (i). Access to all information, of which management and, where appropriate, those charged with governance are aware that is relevant to the preparation of the financial report such as records, documentation and other matters; (ii). Additional information that the auditor may request from management and, where appropriate, those charged with governance, for the purposes of the audit; and (iii). Unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain audit evidence. <p>In the case of a fair presentation framework, (a) above may be restated as “for the preparation and fair presentation of the financial report in accordance with the financial reporting framework”, or “for the preparation of the financial report <i>that gives a true and fair view</i> in accordance with the financial reporting framework”.</p> <p>The “premise, relating to the responsibilities of management and, where appropriate, those charged with governance, on which an audit is conducted” may also be referred to as the “premise.”</p>	ASA 200
Private placement means securities offered for sale or issue in a prospectus to a limited number of investors, which are exempt, by law or regulation from certain content, distribution or registration requests in certain jurisdictions (“exempt offering”).	ASRS 4450
Pro forma adjustments	

Terms	Source(s)
For subject matter specific definitions see: ASAE 3420 or ASAE 3450.	
<i>Pro forma financial information</i>	
For subject matter specific definitions see: ASAE 3420, ASAE 3450 or ASRS 4450.	
<i>Procedures</i> mean procedures performed by the auditor which are specified by the requesting parties. The auditor does not determine whether the extent of such procedures is sufficient for the purposes of the requesting parties. Procedures may also be referred to as agreed-upon procedures.	ASRS 4450
<i>Procedures of an assurance nature</i> means procedures performed by an assurance practitioner which are the same or similar to procedures performed in an assurance engagement.	ASRS 4400
<i>Professional accountant</i> means an individual who is a member of an accounting professional body.	
<i>Professional accountant in public practice</i> means a professional accountant, irrespective of functional classification (for example, audit, tax or consulting) in a firm that provides professional services. This term is also used to refer to a firm of professional accountants in public practice.	
<i>Professional judgement</i> means the application of relevant training, knowledge and experience, within the context provided by assurance and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the engagement.	ASA 200 ASAE 3000 ASAE 3100 ASAE 3610 ASARE 2400
<i>Professional scepticism</i> means an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.	ASA 200
For subject matter specific definitions see: ASAE 3000, ASAE 3100, ASAE 3500 or ASAE 3610.	
<i>Professional standards</i> mean Australian Standards on Auditing (ASAs) and relevant ethical requirements.	
<i>Professional standards</i> (in the context of ASQC 1) means AUASB Engagement Standards, as defined in the AUASB's Preface to the Australian Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, and relevant ethical requirements.	ASQC 1
<i>Prospective financial information</i> means of a predictive character prepared based on assumptions made by the responsible party, in accordance with the stated basis of preparation. Prospective financial information may be either:	<u>ASAE 3450</u>
(i) a forecast which is prepared based on the responsible party's assumptions as to future events expected to take place on the dates, or in the period, described and the actions expected to be taken at the date the financial information is prepared. It is commonly referred to as a —directors' forecast; or	
(ii) a projection which is prepared based on the responsible party's material hypothetical assumptions, or a mixture of assumptions and material hypothetical assumptions as to future events which are not necessarily expected to take place on the dates, or in the period, described and the actions not necessarily expected to be taken at the date the financial information is prepared (a —what-if scenario).	

Terms	Source(s)
Prospectus means a document issued pursuant to applicable law or regulation relating to the entity's securities on which it is intended that a third party should make an investment decision.	ASAE 3420
Public document For subject matter specific definitions see: ASAE 3420 or ASAE 3450.	
Public sector means national governments, regional (for example, state, provincial, territorial) governments, local (for example, city, town) governments and related governmental entities (for example, agencies, boards, commissions and enterprises).	
Published financial information means financial information of the entity or of an acquiree or a divestee that is made available publicly.	ASAE 3420
Purchased offset means an emissions deduction in which the entity pays for the lowering of another entity's emissions (emissions reductions) or the increasing of another entity's removals (removal enhancements), compared to a hypothetical baseline.	ASAE 3410
Quantification means the process of determining the quantity of GHGs that relate to the entity, either directly or indirectly, as emitted (or removed) by particular sources (or sinks).	ASAE 3410
Reasonable assurance means a high, but not absolute, level of assurance.	ASQC 1 ASAE 3000 ASAE 3100
For subject matter specific definition see: ASA 200.	
Reasonable assurance engagement means an assurance engagement in which the assurance practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis the assurance practitioner's conclusion. The assurance practitioner's conclusion is expressed in a form that conveys the assurance practitioner's opinion on the outcome of the evaluation of the compliance activities against compliance requirements.(see Assurance engagement)	ASAE 3100 ASAE 3150
For subject matter specific definitions see: ASAE 3150 or ASAE 3450.	
Reasonable grounds means, in relation to a statement made, that there must be a sufficient objective foundation for that statement.	ASAE 3450
Recalculation means checking the mathematical accuracy of documents or records.	ASA 500
Registered company auditor includes an individual who meets the requirements of section 324BE of the Act.	ASRE 2415
Related party means a party that is either:	ASA 550
(i) A related party as defined in the applicable financial reporting framework; or	
(ii) Where the applicable financial reporting framework establishes minimal or no related party requirements:	
a. A person or other entity that has control or significant influence, directly or indirectly through one or more intermediaries, over the reporting entity;	
b. Another entity over which the reporting entity has control or significant influence, directly or indirectly through one or more intermediaries; or	

Terms	Source(s)
<p>c Another entity that is under common control with the reporting entity through having:</p> <ul style="list-style-type: none"> i Common controlling ownership; ii Owners who are close family members; or iii Common key management. <p>However, entities that are under common control by a state (that is, a national, regional or local government) are not considered related unless they engage in significant transactions or share resources to a significant extent with one another</p> <p>Related services mean agreed-upon procedures and compilations.</p> <p>Relevant Date means as applicable:</p> <ul style="list-style-type: none"> (i). the allotment date; (ii). the effective date of the relevant proposed fundraising; (iii). the implementation date of the relevant proposed merger transaction; or (iv). in the case of a scheme of arrangement, the date of the shareholders or unit-holders meeting to vote on the scheme. <p>Relevant ethical requirements mean ethical requirements that apply to the auditor, assurance practitioner, engagement quality control reviewer and firm. In Australia, these include the applicable requirements of APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, the applicable provisions of the Corporations Act 2001 and other applicable law or regulation.</p> <p>Removal means the GHGs that the entity has, during the period, removed from the atmosphere, or that would have been emitted to the atmosphere had they not been captured and channelled to a sink.</p> <p>Reperformance means the assurance practitioner's independent execution of procedures or controls that were originally performed by the responsible party.</p> <p>Report on the description and design of controls at a service organisation (referred to in ASA 402 as a type 1 report) means a report that comprises:</p> <ul style="list-style-type: none"> (a) A description, prepared by management of the service organisation, of the service organisation's system, control objectives and related controls that have been designed and implemented as at a specified date; and (b) A report by the service auditor with the objective of conveying reasonable assurance that includes the service auditor's opinion on the description of the service organisation's system, control objectives and related controls and the suitability of the design of the controls to achieve the specified control objectives <p>Report on the description and design of controls at a service organisation (referred to in this ASAE as a "type 1 report") (in the context of ASAE 3402) means a report that comprises:</p> <ul style="list-style-type: none"> (i). The service organisation's description of its system; 	<p>ASAE 3450</p> <p>ASA 102 ASA 220 ASQC 1 ASRE 2400</p> <p>ASAE 3410</p> <p>ASA 500 ASAE 3610</p> <p>ASA 402</p> <p>ASAE 3402</p>

Terms	Source(s)
<ul style="list-style-type: none"> (ii). A written statement by the service organisation that, in all material respects, and based on suitable criteria: <ul style="list-style-type: none"> a. The description fairly presents the service organisation's system as designed and implemented as at the specified date; and b. The controls related to the control objectives stated in the service organisation's description of its system were suitably designed as at the specified date; and (iii). A service auditor's assurance report that conveys a reasonable assurance conclusion about the matters in (ii)a.-b. above. 	
<p><i>Report on the description, design, and operating effectiveness of controls at a service organisation (referred to in this Auditing Standard as a type 2 report)</i> means a report that comprises:</p> <ul style="list-style-type: none"> (i). A description, prepared by management of the service organisation, of the service organisation's system, control objectives and related controls, their design and implementation as at a specified date or throughout a specified period and, in some cases, their operating effectiveness throughout a specified period; and (ii). A report by the service auditor with the objective of conveying reasonable assurance that includes: <ul style="list-style-type: none"> a. The service auditor's opinion on the description of the service organisation's system, control objectives and related controls, the suitability of the design of the controls to achieve the specified control objectives, and the operating effectiveness of the controls; and b. A description of the service auditor's tests of the controls and the results thereof. 	ASA 402
<p><i>Report on the description, design and operating effectiveness of controls at a service organisation (referred to in this ASAE as a "type 2 report")</i> (in the context of ASAE 3402) means a report that comprises:</p> <ul style="list-style-type: none"> (i). The service organisation's description of its system; (ii). A written statement by the service organisation that, in all material respects, and based on suitable criteria: <ul style="list-style-type: none"> a. The description fairly presents the service organisation's system as designed and implemented throughout the specified period; b. The controls related to the control objectives stated in the service organisation's description of its system were suitably designed throughout the specified period; and c. The controls related to the control objectives stated in the service organisation's description of its system 	ASAE 3402

Terms	Source(s)
<p>operated effectively throughout the specified period; and</p> <p>(iii). A service auditor's assurance report that:</p> <ol style="list-style-type: none"> Conveys a reasonable assurance conclusion about the matters in (ii)a.-c. above; and Includes a description of the tests of controls and the results thereof. 	
Reporting period means the period for which a water accounting report is prepared.	ASAE 3610
Representation means statement by the responsible party, either oral or written, provided to the assurance practitioner to confirm certain matters or to support other evidence. A representation is additional to but may be provided in combination with the responsible party's or evaluator's Statement provided in an attestation engagement.	ASAE 3100 ASAE 3150
For subject matter specific definition see: ASAE 3500.	
Representation letter means a letter prepared by the entity at the request of the auditor that confirms to the auditor specific matters relating to the comfort letter engagement.	ASRE 4450
Requesting parties mean third party underwriter(s) and/or other parties involved with the entity's securities offering (such as financial intermediaries, buyers, sellers, brokers or selling agents or group or component auditors) that have agreed to be bound by the auditor's engagement letter (including by authorising the lead manager to sign on their behalf) in order to request the auditor's comfort letter, and may receive the comfort letter if they sign the auditor's engagement letter.	ASRS 4450
Responsible party means the party (ies) responsible for the underlying subject matter.	ASAE 3000
For subject matter specific definitions see: ASAE 3100, ASAE 3150, ASAE 3450, ASAE 3500 or ASAE 3610.	
Responsible party of the entity means those charged with governance of the entity (ordinarily the Board of Directors) who are responsible for the preparation of the offering document, and who engage the auditor to issue a comfort letter to the requesting parties and provide a copy to the responsible party.	ASRS 4450
Review engagement (see <i>Limited assurance engagement</i>)	ASRE 2400 ASRE 2405 ASRE 2410 ASAE 3000
Review procedures mean the procedures deemed necessary to meet the objective of a review engagement, primarily enquiries of entity personnel and analytical procedures applied to financial data.	ASRE 2410
Revised Legislation means Corporations Amendment (Corporate Reporting Reform) Act 2010.	ASRE 2415
Risk assessment procedures mean the audit procedures performed to obtain an understanding of the entity and its environment, including the entity's	ASA 315

Terms	Source(s)
internal control, to identify and assess the risks of material misstatement, whether due to fraud or error, at the financial report and assertion levels	
Risk of material misstatement means the risk that the financial report is materially misstated prior to audit. This consists of two components, described as follows at the assertion level:	ASA 200
<ul style="list-style-type: none"> (a) Inherent risk means the susceptibility of an assertion about a class of transaction, account balance or disclosure to a misstatement that could be material, either individually or when aggregated with other misstatements, before consideration of any related controls. (b) Control risk means the risk that a misstatement that could occur in an assertion about a class of transaction, account balance or disclosure and that could be material, either individually or when aggregated with other misstatements, will not be prevented, or detected and corrected, on a timely basis by the entity's internal control. 	
For subject matter specific definition see: ASAE 3000.	
Sampling (see <i>Audit sampling</i>)	
For subject matter specific definition see: ASAE 3150.	
Sampling risk means the risk that the auditor's conclusion based on a sample may be different from the conclusion if the entire population were subjected to the same audit procedure. Sampling risk can lead to two types of erroneous conclusions:	ASA 530
<ul style="list-style-type: none"> (i). In the case of a test of controls, that controls are more effective than they actually are, or in the case of a test of details, that a material misstatement does not exist when in fact it does. The auditor is primarily concerned with this type of erroneous conclusion because it affects audit effectiveness and is more likely to lead to an inappropriate audit opinion. (ii). In the case of a test of controls, that controls are less effective than they actually are, or in the case of a test of details, that a material misstatement exists when in fact it does not. This type of erroneous conclusion affects audit efficiency as it would usually lead to additional work to establish that initial conclusions were incorrect. 	
For subject matter specific definition see: ASAE 3150.	
Sampling unit means the individual items constituting a population.	ASA 530
Scope of view means the review procedures deemed necessary in the circumstances to achieve the objective of the review.	
Service auditor	ASA 402
For subject matter specific definitions see: ASA 402 or ASAE 3402.	
Service organisation	ASA 402
For subject matter specific definitions see: ASA 402, ASAE 3150 or ASAE 3402.	
Service organisation's statement means the written statement about the matters referred to:	ASAE 3402

Terms	Source(s)
<p>A written statement by the service organisation that, in all material respects, and based on suitable criteria:</p> <ol style="list-style-type: none"> The description fairly presents the service organisation's system as designed and implemented throughout the specified period; The controls related to the control objectives stated in the service organisation's description of its system were suitably designed throughout the specified period; and The controls related to the control objectives stated in the service organisation's description of its system operated effectively throughout the specified period; or <p>A written statement by the service organisation that, in all material respects, and based on suitable criteria:</p> <ol style="list-style-type: none"> The description fairly presents the service organisation's system as designed and implemented as at the specified date; and The controls related to the control objectives stated in the service organisation's description of its system were suitably designed as at the specified date. 	
<p>Service organisation's system</p> <p>For subject matter specific definitions see: ASA 402 or ASAE 3402.</p>	ASA 402
<p>Short-form report</p> <p>For subject matter specific definitions see: ASAE 3100 or ASAE 3150.</p>	
<p>Significance means the relative importance of a matter, taken in context. The significance of a matter is judged by the practitioner in the context in which it is being considered. This might include, for example, the reasonable prospect of its changing or influencing the decisions of intended users of the practitioner's report; or, as another example, where the context is a judgement about whether to report a matter to those charged with governance, whether the matter would be regarded as important by them in relation to their duties. Significance can be considered in the context of quantitative and qualitative factors, such as relative magnitude, the nature and effect on the subject matter and the expressed interests of intended users or recipients.</p>	
<p>Significant component means a component identified by the group engagement team (i) that is of individual financial significance to the group, or (ii) that, due to its specific nature or circumstances, is likely to include significant risks of material misstatement of the group financial report.</p>	ASA 600
<p>Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of those charged with governance.</p>	ASA 265
<p>Significant facility means a facility that is of individual significance due to the size of its emissions relative to the aggregate emissions included in the GHG statement or its specific nature or circumstances which give rise to particular risks of material misstatement.</p>	ASAE 3410
<p>Significant risk means an identified and assessed risk of material misstatement that, in the auditor's judgement, requires special audit consideration.</p>	ASA 315

Terms	Source(s)
<i>Single financial statement or specific element of a financial statement</i> includes the related disclosure.	ASA 805
<i>Sink</i> means a physical unit or process that removes GHGs from the atmosphere.	ASAE 3410
<i>Smaller entity</i> means an entity which typically possesses qualitative characteristics such as:	
(a) Concentration of ownership and management in a small number of individuals (often a single individual – either a natural person or another enterprise that owns the entity provided the owner exhibits the relevant qualitative characteristics); and	
(b) One or more of the following:	
(i). Straightforward or uncomplicated transactions;	
(ii). Simple record-keeping;	
(iii). Few lines of business and few products within business lines;	
(iv). Few internal controls;	
(v). Few levels of management with responsibility for a broad range of controls; or	
(vi). Few personnel, many having a wide range of duties.	
These qualitative characteristics are not exhaustive, they are not exclusive to smaller entities, and smaller entities do not necessarily display all of these characteristics.	
<i>Source</i> means a physical unit or process that releases GHGs into the atmosphere.	ASAE 3410
<i>Special purpose financial report</i> means a complete set of financial statements, including an assertion statement by those responsible for the financial report, prepared in accordance with a special purpose framework.	ASA 800
<i>Special purpose financial statements</i> mean financial statements prepared in accordance with a special purpose framework.	ASA 800 ASRE 2400
<i>Special purpose framework</i> means a financial reporting framework designed to meet the financial information needs of specific users. The financial reporting framework may be a fair presentation framework or a compliance framework.(see Applicable financial reporting framework)	ASA 800 ASRE 2400
<i>Special purpose water accounting report</i> means a water accounting report tailored to the information needs of a user able to command this information.	ASEA 3610
<i>Specific control objective</i> means control objective expressed in sufficient detail such that controls can be designed to achieve that objective directly without further breakdown.	ASAE 3150
<i>Staff</i> means professionals, other than partners, including any experts the firm employs.	ASQC 1 ASA 220
<i>Standards on assurance engagements</i> mean standards made by the AUASB which establish requirements and provide explanatory guidance for undertaking and reporting on assurance engagements other than audits or	

Terms	Source(s)
reviews of historical financial information covered by Australian Auditing Standards or Standards on Review Engagements.	
Standards on review engagements mean standards made by the AUASB which establish requirements and provide explanatory guidance on the responsibilities of an auditor, or assurance practitioner, when engaged to undertake a review engagement and on the form and content of the auditor's, or assurance practitioner's, review report.	
Stated basis of preparation means the basis on which the responsible party has chosen to prepare the financial information that is acceptable in view of the nature and objective of the document, or as required by applicable law or regulation. A stated basis of preparation may include:	ASAE 3450
<ul style="list-style-type: none"> (i). the recognition and measurement principles contained in the Australian Accounting Standards (but not all the presentation and disclosure requirements), and the entity's adopted accounting policies; (ii). recognition and measurement principles contained in the Australian Accounting Standards adjusted by pro forma adjustments, selected for the purpose for which the pro forma financial information (i.e. non-IFRS financial information) is presented; (iii). recognition and measurement principles other than those contained in Australian Accounting Standards; or (iv). a basis selected by the responsible party, in order to present the financial information for its intended purpose. 	
Statement	
For subject matter specific definitions see: ASAE 3100 or ASAE 3150.	
Statistical sampling means an approach to sampling that has the following characteristics:	ASA 530
<ul style="list-style-type: none"> (i) Random selection of the sample items; and (ii) The use of probability theory to evaluate sample results, including measurement of sampling risk. <p>A sampling approach that does not have characteristics (i) and (ii) is considered non-statistical sampling.</p>	
Stratification means the process of dividing a population into sub-populations, each of which is a group of sampling units which have similar characteristics (often monetary value).	ASA 530
Subject matter information	
For subject matter specific definitions see: ASAE 3000, ASAE 3150 or ASAE 3610.	
Subject matter or underlying subject matter	
For subject matter specific definitions see: ASAE 3150 or ASAE 3500.	
Subsequent events mean events occurring between the date of the financial report and the date of the auditor's report, and facts that become known to the auditor after the date of the auditor's report.	ASA 560

Terms	Source(s)
For subject matter specific definition see: ASAE 3450	
Subservice organisation	
For subject matter specific definition see: ASA 402 ASAE 3402.	
Substantive procedure means an audit procedure designed to detect material misstatements at the assertion level. Substantive procedures comprise:	ASA 330
(a) Tests of details (of classes of transactions, account balances, and disclosures); and	
(b) Substantive analytical procedures.	
Sufficiency (of audit evidence) means the measure of the quantity of audit evidence. The quantity of the audit evidence needed is affected by the auditor's assessment of the risks of material misstatement and also by the quality of such audit evidence.	ASA 200 ASA 500
Suitable criteria (See <i>Criteria</i>)	
Suitably qualified external person means an individual outside the firm with the competence and capabilities to act as an engagement partner. For example:	ASQC 1
<ul style="list-style-type: none"> • a partner of another firm, or • a member (with appropriate experience) of a professional accountancy body whose members may perform audits and reviews of historical financial reports and other financial information, other assurance engagements or related services engagements, or • a member (with appropriate experience) of an organisation organization that provides relevant quality control services. 	
For subject matter specific definition see: ASA 220.	
Summary financial statements mean historical financial information that is derived from a financial report, or complete set of financial statements, but that contains less detail than the financial report, while still providing a structured representation consistent with that provided by the financial report, of the entity's economic resources or obligations at a point in time or the changes therein for a period of time. Different jurisdictions may use different terminology to describe such historical financial information.	ASA 810
Supplementary information means information that is presented together with the financial report that is not required by the applicable financial reporting framework used to prepare the financial report, normally presented in either supplementary schedules or as additional notes.	
System means the function or service at the entity, location or operational facility for which the controls are being reported upon by the assurance practitioner.	ASAE 3150
Takeover means the acquisition of control of listed or unlisted entities conducted in accordance with Chapter 6 of the Corporations Act 2001.	ASAE 3450
Test means the application of procedures to some or all items in a population.	

Terms	Source(s)
Test of controls mean an audit procedure designed to evaluate the operating effectiveness of controls in preventing, or detecting and correcting, material misstatements at the assertion level.	ASA 330
For subject matter specific definitions see: ASAE 3150 or ASAE 3402.	
Those charged with governance means the person(s) or organisation(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.	ASA 200 ASA 260
For subject matter specific definition see: ASAE 3610.	
Tolerable misstatement means a monetary amount set by the auditor in respect of which the auditor seeks to obtain an appropriate level of assurance that the monetary amount set by the auditor is not exceeded by the actual misstatement in the population.	ASA 530
Tolerable rate of deviation	
For subject matter definitions see: ASA 530 or ASAE 3150.	
Type of emission means a grouping of emissions based on, for example, source of emission, type of gas, region, or facility.	ASAE 3410
Unadjusted financial information means financial information of the entity to which pro forma adjustments are applied by the responsible party.	ASAE 3420
Uncertainty means a matter whose outcome depends on future actions or events not under the direct control of the entity but that may affect the financial report.	ASA 570
Uncorrected misstatements mean misstatements that the auditor has accumulated during the audit and that have not been corrected.	ASA 450
Underlying subject matter means the phenomenon that is measured or evaluated by applying criteria.	ASAE 3000
For subject matter specific definition see: ASAE 3610.	
Underwriter means any person or their agent who has purchased, or intends to purchase securities from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking. This ASRS also uses the term underwriter to refer to the managing or lead underwriter who ordinarily negotiates the underwriting agreement on behalf of a group of underwriters whose exact composition is not determined until shortly before an offering document becomes effective. The underwriters may or may not be named in the offering document, and are commonly the requesting parties.	ASRS 4450
Underwriting agreement means a formal agreement between the underwriter(s) and the responsible party of the entity with respect to the entity's offering document. It may specify the form and content of the comfort letter to be requested of the auditor, or that the form and content is to be specified by the requesting parties at a later time. The auditor is not a party to the underwriting agreement.	ASRS 4450

Terms	Source(s)
Unmodified opinion means the opinion expressed by the auditor when the auditor concludes that the financial report is prepared, in all material respects, in accordance with the applicable financial reporting framework.	ASA 700
User auditor For subject matter specific definition see: ASA 402 or ASAE 3402. For subject matter specific definitions see ASA 402, ASAE 3150 or ASAE 3402.	
Variation means an instance where the performance of the underlying subject matter exceeds the identified criteria or is deficient in whole or part, as evaluated against the identified criteria.	ASAE 3500
Walk-through test means tracing a selected number of transactions through the financial reporting system.	
Water means the liquid that descends from clouds as rain and forms streams, lakes, groundwater aquifers and seas. Water is a chemical compound comprising two atoms of hydrogen and one atom of oxygen. Water may exist in solid, liquid or gaseous form.	ASEA 3610
Water accounting report means may be either a general purpose water accounting report or a special purpose water accounting report.	ASAE 3610
Water accounting statements mean comprise the statement of water assets and water liabilities, the statement of changes in water assets and water liabilities, and the statement of water flows.	ASAE 3610
Water asset means water, or the rights or other claims to water, which the water report entity holds or transfers, and from which the water report entity, or stakeholders of the water report entity, derive future benefits.	ASAE 3610
Water entity means an entity that: (i). Holds or transfers water, or (ii). Holds or transfers rights or other direct or indirect claims to water, or (iii). Has inflows and/or outflows of water.	ASAE 3610
Water liability means a present obligation of the water report entity, the discharge of which is expected to result in a decrease in the water report entity's water assets or an increase in another water liability.	ASAE 3610
Water report entity means a water entity in respect of which it is reasonable to expect the existence of users who depend on general purpose water accounting reports for information about water, or rights or other claims to water, which will be useful to them for making and evaluating decisions about the allocation of resources.	ASAE 3610
Written representation means a written statement by management provided to the auditor to confirm certain matters or to support other audit evidence. Written representations in this context do not include the financial report, the assertions therein, or supporting books and records.	ASA 580

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