



# Project Plan

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<b>Project Title:</b>	AUASB Assurance Framework Publications
<b>Project Objective(s):</b>	Develop a series of AUASB publications which provide an overview of credibility enhancing techniques available under the assurance framework
<b>Priority:</b>	Medium
<b>Issue/Reason:</b>	Communication of the value of assurance
<b>Date Prepared:</b>	25 July 2019
<b>Date To Be Approved:</b>	11 September 2019
<b>Date Updated: (if applicable)</b>	N/A

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## Project Objectives

The overall objective of the project is to develop a series of publications aimed at promoting the value of assurance and more broadly addressing specific areas identified by the AUASB where we can assist stakeholders.

The AUASB Technical Group (ATG) is proposing three publications targeted at different stakeholder groups. The objectives of each of the publications are:

- Publication 1 – Provide a simple and accessible overview of the assurance framework, explaining things like the different levels of assurance, the assurance products available and the auditor’s responsibility for going-concern and fraud. (Target audience – non-practitioner stakeholders who do not have an in-depth understanding of the assurance framework.)
- Publication 2 – Prepare a guide for assurance ‘prescribers’ to assist with drafting effective assurance requirements in legislation/regulation including acquittal arrangements to assist with reducing instances of engagements which are unclear, not able to be assured or difficult to assure. (Target audience – legislators/regulators in Australia.)
- Publication 3 – Improve understanding of the other credibility enhancing engagements that can be undertaken under the suite of AUASB standards using real-life examples including, cyber security assurance, engagements over culture, modern-slavery statements and climate change. (Target audience – Preparers who are unaware of the assurance products available and would like to understand how assurance can be provided over range of subject matters to provide to their users.)

## Background

BACKGROUND TO BE COPIED FROM BMSP

### Scope – Publication 1

#### *Overall*

Simple publication designed for non-practitioners. This publication is also aimed to support the AASB framework project where a simple explanation of the assurance framework can be provided to relevant legislators.

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### *Targeted Stakeholders*

This publication is aimed at non-practitioner stakeholders who do not have an in-depth understanding of the assurance framework.

#### *Areas of focus:*

- What is an assurance engagement.
- What is the different between limited and reasonable assurance.
- What is an audit/review/other assurance/ related service engagement.
- What is in and out of the scope of an audit including the auditor's responsibility for:
  - Fraud; and
  - Going-concern.
- Differences between compliance, fair presentation, true and fair.

### **Scope – Publication 2**

#### *Overall*

Overall focus on helping regulators draft effective assurance requirements including grant acquittals. This includes aligning with existing publications including RMG 210 *Clarification of the terms 'Audit' and 'Assurance'* issued by the Department of Finance. The need for this publication is being driven by:

- Technical queries from legislators who have received feedback from auditors that acquittal requirements are inconsistent with AUASB standards
- Insights from the AUASB's NFP assurance project; and
- University of Adelaide Project looking at all the different ways assurance is referred to in legislation.

### *Targeted Stakeholders*

Targeted at legislators/regulators in Australia.

#### *Areas of focus:*

- The use of correct terminology, emphasising the problems that arise from using incorrect terminology.
- Specifying levels of confidence (limited vs reasonable).
- The different types of engagement available.
- Grant acquittals – What the auditor can and can't do in the context of an acquittal engagement. Linking in clearly with GS 022 *Multi-Scope Engagements*.
- Overall practical considerations. Balancing the cost of assurance with the benefits.

## Scope – Publication 3

### *Overall*

Overall focus on explaining the other credibility enhancing pronouncements available under the AUASB suite of standards. Will focus on topical areas such as climate change, culture audits, modern slavery. Will be updated on an ongoing basis to reflect topical areas. Discussion point for assurance practitioners to discuss with Those Charged with Governance (TCWG) and preparers. The publication will be updated on an ongoing basis as new topics arise.

### *Targeted Stakeholders*

Preparers who are unaware of the assurance products available and would like to understand how assurance can be provided over range of subject matters to provide to their users.

### *Areas of focus:*

- Focus on how you can enhance credibility with different engagements.
- Specific subject-area that is of current interest including:
  - Audits of Culture;
  - Potential assurance offerings arising from compliance requirements as a result of the banking royal commission;
  - Modern slavery reporting; and
  - Sustainability reporting.
- Explanation of how assurance could be provided.
- Will not go into how the auditor does the engagement.

### **Risks/Issues**

- Cross over with other publications. – Research being done to ensure we don't cross over too much.
- Publications are not viewed and lost amongst other things. – Communications plan to outline they are available, website redevelopment, make sure links to guides appear on the front page.
- Publications take too long to produce and momentum is lost – Publications 1 and 2 can be developed quickly and leverage off resources produced by other NSS and professional bodies globally. Publication 3 may take longer, tight timeline to be developed. This project is considered as an important piece of thought leadership.

### **Action Plan**

#### *Short-term (next 3-months)*

Publications 1 and 2 can be drafted relatively quickly. They will leverage off the AUASB framework and similar publications that other National Standard-Setters and Professional Bodies have released.

Draft publications can be brought to the AUASB for approval at the December 2019 AUASB meeting. A communication plan will be brought to the December AUASB meeting for discussion with the AUASB.

Publication 3 will not be able to leverage off as many existing materials as publications 1 & 2 so will require more time to prepare. One example can be brought to the December 2019 AUASB meeting to approve the structure and style of the publication before

*Medium-term (3-months+)*

Publication 3 drafted and brought to the AUASB March 2020 meeting for approval.

### **Research/Resources**

The publications will draw on existing materials such as:

- Assurance text books.
- Introduction to assurance from IAASB/CAANZ Handbook.
- RMG 210 *Clarification of the terms 'Audit' and 'Assurance'*.
- NZAuASB Guidance for Assurance Prescribers.

The ATG will also review available publications and research focused on the audit expectation gap.

### **Outreach**

Each publication has a specific targeted stakeholder so detailed outreach plans will be developed for each publication. Broadly this project will require engagement with assurance practitioners and the professional bodies.

### **Timetable**

<b>Date</b>	<b>Description</b>
11 September 2019	Approval of project plan by AUASB
3-4 December 2019	Publications 1 & 2 to be presented to the AUASB for consideration. Along with a single example for publication 3.
December 2019	Publications 1 & 2 finalised based on AUASB feedback.
January – March 2020	Drafting of publication 3.
3 March 2020	Approval of Publication 3.