



Australian Government
Auditing and Assurance Standards Board

Agenda Item 5.4.1

AUASB Discussion Paper: Revision of AUASB Guidance Statements

August 2019

Introduction

According to the *Foreword to AUASB Pronouncements*, Guidance Statements (GSs) provide guidance to assist auditors and assurance professionals to fulfil the objectives of an audit or assurance engagement. Accordingly, GSs refer to, and are written in the context of:

- (a) specified AUASB Standards; and
- (b) where relevant, legislation, regulation or other authoritative publication.

As part of its regular standard setting activities, the AUASB develops, updates and maintains GSs:

- 1) For topics not specifically addressed by International Auditing and Assurance Board (IAASB) Standards but are within the scope of AUASB standards e.g. GS 005 *Using the Work of a Management's Expert*; and
- 2) To provide specific guidance for specialist audit and assurance engagements in specific industries e.g. GS 009 *Auditing Self-Managed Superannuation Funds*.

GSs do not create new or extend existing requirements in the Standards. However, GSs can be targeted to a specific situation to assist auditors and assurance professionals in their understanding and application of the standards. It is crucial to keep GSs up-to-date in response to changes in the legislation and regulations to ensure that the GSs remain useful and relevant to auditors and assurance professionals.

Background

For the April 2019 AUASB Meeting, the AUASB Technical Group (ATG) undertook an initial review of all AUASB GSs issued prior to 2015. The ATG's assessment did not include GS 005 *Using the Work of a Management's Expert*, GS 009 *Auditing Self-Managed Superannuation Funds* and GS 012 *Prudential Reporting Requirements for Auditors of Authorised Deposit-taking Institutions*, as separate projects to revise these guidance statements have already been initiated. In addition, the ATG has since commenced updating GS 008 *The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001* to align the guidance statement with changes to the relevant legislation and AASB standards.

At the June 2019 AUASB Meeting, the ATG provided the AUASB with an analysis of the suite of current AUASB GSs, identifying whether relevant legislation / regulation or relevant standards had changed and therefore which GSs required to be updated or withdrawn. The AUASB determined that additional feedback from stakeholders was required in order to determine the relevance and priority associated with the update of each GS. This AUASB Discussion Paper has been prepared in order to obtain feedback from stakeholders – primarily auditors and assurance professionals who use the GS and the regulators who determine the auditing and assurance requirements on the information subject to audit or review.

Objective

The objective of this discussion paper is to provide feedback to the AUASB on whether:

- (a) any GSs should be withdrawn where no longer applicable;
- (b) any GSs should be revised, including identifying guidance to be revised as a matter of priority;
- (c) any GSs should be merged into one GS; and
- (d) there are any circumstances requiring the development of a new guidance statement.

Initial review

As mentioned above, the ATG undertook an initial review of all AUASB GSs issued prior to 2015. The initial review was based on the following criteria:

- (a) Have there been changes in relevant legislation/regulation. If so, were the changes administrative only or did it substantially change the content of the legislation requirements?
- (b) Have there been changes in relevant auditing standards or reporting standards? If so, were the changes substantial or administrative only?
- (c) Have there been changes in practice which require a Guidance Statement to be updated or no longer relevant?

The ATG has summarised the findings in the table¹ below. Please refer to **Appendix 1** for detailed comments from the AUASB.

During this initial review, the AUASB noted that some of the GSs were no longer in use and/or no longer applicable to the current audit environment. Ideally, GSs that are no longer in use should be withdrawn and GSs that relate to the same topic should be combined. The AUASB would like to draw users' attention to these GSs and seek feedback on whether they should be withdrawn or combined with other GSs.

¹ Explanation of table headings:

Legislation change refers to changes in Corporations Act, ACNC Act, Regulatory Guide, ASIC Act, SIS Act etc.

Standard change refers to changes in reporting or auditing standards, ie. AASB, ASA, ASAE etc. Note that not all standards have a legal mandate.

Action refers to proposed actions by the ATG whether to withdraw, update or status quo.

| No. | Title | Issue Date | ATG Initial Assessment | | | Comments |
|--------|--|------------|------------------------|------------------|-----------|---|
| | | | Legislation Change? | Standard Change? | Action | |
| GS 001 | <i>Concise Financial Reports Under the Corporations Act 2001</i> | May 2017 | x | x | No Action | GS recently reissued and relevant legislation and standards have not changed. |
| GS 002 | <i>Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities</i> | Jan 2014 | ✓ | ✓ | Update | Relevant legislation and standards have changed. To date, stakeholders have not requested updating. |
| GS 003 | <i>Assurance Relating to Australian Financial Services Licences issued under the Corporations Act 2001</i> | Sep 2015 | x | x | Update | Relevant legislation and standards have not changed. However, there is content relating to the “Reporting Entity” concept which will need to be amended based on the AASB ED 297 ² . |
| GS 004 | <i>Audit Implications of Prudential Reporting Requirements for General Insurers and Insurance Groups</i> | May 2013 | ✓ | ✓ | Update | Relevant legislation and standards have changed. To date, stakeholders have not requested updating. |
| GS 005 | <i>Using the Work of a Management's Expert</i> | Mar 2015 | ✓ | ✓ | Update | AUASB is currently updating this GS. |
| GS 006 | <i>Electronic Publication of the Auditor's Report</i> | Mar 2010 | x | ✓ | Withdraw | The GS is no longer relevant. |
| GS 007 | <i>Audit Implications of the Use of Service Organisations for Investment Management Services</i> | Oct 2011 | ✓ | ✓ | Update | Relevant legislation and standards have changed. |
| GS 008 | <i>The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001</i> | Mar 2010 | ✓ | ✓ | Update | AUASB is currently updating this GS. |
| GS 009 | <i>Auditing Self-Managed Superannuation Funds</i> | Sep 2015 | ✓ | ✓ | Update | AUASB is currently updating this GS. |
| GS 010 | <i>Responding to Questions at an Annual General Meeting</i> | Mar 2009 | x | ✓ | Update | Suite of auditor reporting standards have changed. |
| GS 011 | <i>Third Party Access to Audit Working Papers</i> | Apr 2009 | x | ✓ | Update | Changes appear to be administrative only. |
| GS 012 | <i>Prudential Reporting Requirements for Auditors of Authorised Deposit-taking Institutions</i> | Jun 2009 | ✓ | ✓ | Update | AUASB is currently updating this GS. |

² ED 297 *Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

| No. | Title | Issue Date | ATG Initial Assessment | | | Comments |
|--------|--|------------|------------------------------|------------------|----------|---|
| | | | Legislation Change? | Standard Change? | Action | |
| GS 013 | <i>Special Considerations in the Audit of Compliance Plans of Managed Investment Schemes</i> | Aug 2009 | ✓ | ✓ | Update | Relevant legislation and standards have changed. |
| GS 014 | <i>Auditing Mortgage Schemes</i> | Aug 2009 | ✓ | ✓ | Withdraw | ATG view that GS should be withdrawn and content merged with GS 013. |
| GS 015 | <i>Audit Implications of Accounting for Investments in Associates</i> | Nov 2009 | × | ✓ | Update | ATG view that this GS requires administrative changes only. Accounting has not changed. |
| GS 016 | <i>Bank Confirmation Requests</i> | Jun 2010 | × | × | Update | Relevant practice has changed. Stakeholders have requested this GS to be updated. |
| GS 017 | <i>Audit Implications for Prudential Reporting Requirements of a Life Company</i> | Dec 2014 | × | ✓ | Update | Relevant legislation has not changed. To date, stakeholders have not requested updating. |
| GS 018 | <i>Franchising Code of Conduct – Auditor's Reports</i> | Jun 2015 | Upcoming update ³ | | | Update will be required in future to take into account changes to relevant legislation based on the 'Fairness in Franchising' review. Deferred until legislation amendments. |
| GS 019 | <i>Auditing Fundraising Revenue of Not-for-Profit Entities</i> | Apr 2011 | ✓ | ✓ | Update | Relevant legislation and standards have changed. Stakeholders have requested this GS to be updated. |
| GS 020 | <i>Special Considerations in Auditing Financial Instruments</i> | Mar 2012 | × | ✓ | Update | Relevant accounting and auditing standards have changed. IAASB will update IAPN 1000 <i>Special Considerations in Auditing Financial Instruments</i> to reflect the revised ASA 540. NB: Update be deferred until IAASB work completed. |
| GS 021 | <i>Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes</i> | Nov 2012 | ✓ | ✓ | Withdraw | Relevant legislation and standards have changed. The Clean Energy Regulator issues its own guidance which references relevant AUASB Standards. |
| GS 022 | <i>Grant Acquittals and Multi-Scope Engagements</i> | Jun 2015 | × | × | Update | Relevant legislation and standards have not changed. Stakeholders have requested this to be updated. ATG view that the grant acquittals content should be incorporated as a separate GS. |

³ The Parliamentary Joint Committee on Corporations and Financial Services released the report into Fairness in Franchising in March 2019. In this report, it is recommended that the AUASB issue audit guidance for auditors to prepare audit reports in particular to marketing or cooperative funds. GS 018 *Franchising Code of Conduct – Auditor's Reports* may require revision in response to prospective amendments to the Franchising Code of Conduct.

Next steps

The AUASB encourages all stakeholders to actively comment on this discussion paper to ensure that the GSs remain useful to auditors and assurance professionals. Please consider the following questions when providing comments to AUASB.

Questions for respondents

Your feedback will be helpful to us in determining an appropriate way forward in relation to the AUASB's Guidance Statements Revision Project. It is requested that you provide sufficient detail and reasons to your answers to assist us in understanding the views of our stakeholders.

Stakeholders may choose to answer all, or only some, of the questions below – all input is helpful to our future considerations.

1. Do you agree with the AUASB's comments on GSs to be withdrawn? If not, please let us know your view.
2. Do you agree with the AUASB's comments on GSs to be revised? If not, please let us know your view.
3. We are seeking feedback on how some of the GSs can be merged into one GS. In your view, are there any GSs that relate to similar topics that can be combined to reduce repetition?
4. Which GSs revisions should be undertaken as a priority, and why?
5. Are there any circumstances which require a new GS to be developed?
6. Are there any other matters that should be considered by the AUASB as it deliberate on the way forward in relation to the revision of the Guidance Statements?

Appendix 1

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|------------------------------------|--|----------------|---|----------------------|---|----------------------|--|--|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| ASIC Related Subject Matter | | | | | | | | |
| GS 008 | <i>The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001</i> | 2010 | Corps Act. s300A s308 (3C) | ✓ ✓ | AUASB ASA 700 ASA 705 AASB AASB 124 | ✓ ✓ ✓ | None identified by ATG. | <p><i>Legislative Change</i> There have been changes to relevant paragraphs of the <i>Corporations Act 2001</i>, including a definitional change which limits s300A to listed-disclosing entities. The work required by the auditor has not changed and the material to be prepared by the entity has not changed. The changes in the GS for legislative reasons will be administrative only.</p> <p><i>Standards change</i> The changes to the auditor reporting standards will require all illustrative example auditor's reports in the GS to be updated.</p> |
| GS 013 | <i>Special Considerations in the Audit of Compliance Plans of Managed</i> | 2009 | Reg Guide RG 132 Corps Act. s601FC s601HG | ✓ x x | AUASB ASAE 3100 | ✓ | None identified by ATG. | <p><i>Legislative Change</i> GS 013 was written for RG 132 <i>Managed investments: Compliance plans (2007)</i> which has been superseded by RG 132 <i>Fund management: Compliance and oversight</i> in July 2018. The scope of RG 132 has been expanded to include broad guidance for</p> |

⁴ Note: ✓ represents there are change(s) in the relevant legislation or standards which may impact on the guidance statement.
x represents there is no change in the relevant legislation or standards, or there is a change but it does not impact on the guidance statement.

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|---------------|----------------------------------|----------------|--|--------------------------------|---------------------------|----------------------|--|---|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | <i>Investment Schemes</i> | | | | | | | <p>various types of funds to meet their compliance obligations.</p> <p>The requirement to prepare and have audited a compliance plan has been expanded to Australian Passport Funds in addition to registered schemes. The content of a compliance plan under s601HA has not changed, however the RG clarifies what is meant by ‘adequate measures’ and lists ASIC areas of focus. The assurance requirements have also not changed, however the RG outlines the expected level of detail in the auditor’s opinion where a modification occurs.</p> <p>The RG has a new section which covers Australian Passport Funds rules. Under the rules an <i>implementation review</i> must be conducted by an RCA under ASAE 3100, in addition to a compliance plan audit. This expands what is required by a preparer as well as an auditor. Substantive change to GS if Passport Fund included in scope.</p> <p><i>Standards change</i></p> <p>The changes to the ASAE 3100 reporting format will require all illustrative example auditor’s reports in the GS to be updated.</p> |
| GS 014 | <i>Auditing Mortgage Schemes</i> | 2009 | Reg Guide RG 132 RG 45 RG 144 Corps Act. s601ED s601HG s285 | ✓ ✓ x x x x | AUASB ASAE 3100 | ✓ | None identified by ATG. | <p><i>Legislative Change</i></p> <p>GS was written to provide guidance to auditors on additional considerations which may be taken into account when auditing the financial report and the compliance plan of a mortgage scheme. Relies on GS 013 to provide a majority of the content. RG 45 <i>Mortgage schemes: Improving disclosure for retail investors</i> has been re-issued since the</p> |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|--------------------------------------|-----------------------------------|----------------|----------------------|----------------------|--------------------|----------------------|--|---|
| | | | Legislation | Change? ⁴ | Reporting/Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | | | | | | <p>GS was written and has been updated to include changes such as clearer and simpler benchmarks, additional guidance on disclosures including disclosure principles for each benchmark.</p> <p>The references to RG 45 will require updating as well as consideration of the impact of changes in RG 132.</p> <p><i>Standards change</i></p> <p>Whilst ASAE 3100 has been updated, this GS does not contain any report templates so will not require any changes.</p> |
| All Other Guidance Statements | | | | | | | | |
| GS 016 | <i>Bank Confirmation Requests</i> | 2010 | N/A | N/A | N/A | N/A | Change in practice to electronic format. | <p><i>Legislative Change</i></p> <p>N/A</p> <p><i>Standards change</i></p> <p>There are references throughout the GS to paragraphs of ASA 200, ASA 300, ASA 315, ASA 330, ASA 500, ASA 505 and ASA 705 which will require updating to reflect amendments since issuance. For example, the GS reference to ASA 500 paragraph A31 about reliability of evidence is now A35 as a result of ASA 540 (2018) consequential amendments. The changes in the GS for standards are expected to be administrative only.</p> <p><i>Other Factors</i></p> <p>The guidance statement was written for paper based bank confirmation and includes examples and templates for a paper-based environment. The decisions around whether to obtain a bank confirmation and the nature of evidence obtained from a bank confirmation</p> |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|---------------|--|----------------|---------------------------|----------------------|--|---------------------------|---|--|
| | | | Legislation | Change? ⁴ | Reporting/Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | | | | | | remain the same regardless of paper or electronic. The current GS already includes a section on <i>Electronic Bank Confirmation Processes</i> which outlines that additional risks when using an electronic process. The AUASB will need to consider whether the paper based sections of the GS are still required. |
| GS 019 | <i>Auditing Fundraising Revenue of Not-for-Profit Entities</i> | 2011 | ACNC Act s60-35 | ✓ | AUASB ASRE 2415 ASA 700 ASA 705 AASB AASB 1058 AASB 1031 [superseded] | ✓ ✓ ✓ ✓ ✓ | None identified by ATG. | <i>Legislative Change</i> Legislative references throughout the document are considerably out of date. <i>Australian Charities and Not-for-profits Commission Act 2012</i> has been introduced since the GS was drafted requiring the regulatory framework section of the GS to be updated. Legislative changes are administrative only. <i>Standards change</i> References to accounting and auditing standards are also out of date, in particular, the auditor's report templates are not in-line with the currently in-force suite of auditor reporting standards. Changes are expected to be greater than administrative only. Examples of controls and audit procedures relating to fundraising revenue require discussion with practitioners to determine whether they are still appropriate. |
| GS 006 | <i>Electronic Publication of the Auditor's Report</i> | 2010 | N/A | N/A | AUASB ASA 700 ASA 706 ASA 720 | ✓ ✓ ✓ | Electronic publication of auditor's report is normal practice which raises a question over relevance of GS. | <i>Legislative Change</i> N/A. <i>Standards change</i> Auditor reporting standards have changed which will require illustrative example auditor's reports in the GS to be updated. |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|---------------|--|----------------|---|----------------------|---|-----------------------|--|---|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | | | | | | Other Information requirements under ASA 720 have changed which addresses some of the issues in the GS. <i>Other Factors</i> Electronic publication of auditor's report is normal practice which raises a question over relevance of GS. |
| GS 007 | <i>Audit Implications of the Use of Service Organisations for Investment Management Services</i> | 2012 | ASIC CO 02/294 <small>[superseded by]</small> CO 13/763 CO 02/296 <small>[superseded by]</small> CO 13/762 | ✓ ✓ ✓ ✓ | AUASB ASA 402 ASA 800 ASA 805 ASAE 3402 | ✓ ✓ ✓ ✓ | None identified by ATG. | <i>Legislative Change</i> Relevant Class Orders referenced in the GS have been superseded. The work of the preparer and the auditor does not appear to have changed. Changes in legislation appeared to be administrative only. <i>Standards change</i> Relevant assurance standards have been re-issued since the publication of the GS. Appears to be administrative changes only. |
| GS 010 | <i>Responding to Questions at an Annual General Meeting</i> | 2009 | Corps Act. s250 | x | AUASB ASA 700 ASA 701 ASA 705 ASA 706 ASA 720 | ✓ ✓ ✓ ✓ ✓ | None identified by ATG. | <i>Legislative Change</i> Legislative requirements for the auditor to respond to AGM questions have not changed. <i>Standards change</i> Suite of auditor reporting standards have significantly changed which will require the sections of the GS related to the auditor's report to be updated, in particular for the introduction of KAMs and changes to the requirements for Other Information. Changes are expected to be greater than administrative. <i>Other Factors</i> AUASB previously agreed that the GS will require updating but deferred due to other priorities. |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|--------|---|----------------|--|----------------------|---|----------------------|--|--|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| GS 011 | <i>Third Party Access to Audit Working Papers</i> | 2009 | Corps Act. s323A s323B s199A | x x x | AUASB ASA 600 APESB APES 110 | ✓ ✓ | None identified by ATG. | <i>Legislative Change</i> Relevant legislation around indemnity and access to working papers have not significantly changed. <i>Standards change</i> References to standards will require updating, for example, there are references to a superseded version of ASA 600. In addition to the changes to reflect updated AUASB standards changes to the code of ethics will require consideration. Changes expected to be administrative only. |
| GS 015 | <i>Audit Implications of Accounting for Investments in Associates</i> | 2009 | N/A | N/A | AASB AASB 128 AASB 131 [superseded] AUASB ASA 315 ASA 320 | ✓ ✓ ✓ ✓ | None identified by ATG. | <i>Legislative Change</i> N/A. <i>Standards change</i> References to AASB standards in the GS are considerably out of date (AASB 131 has been withdrawn and merged with AASB 128). The method of accounting for investments has not changed. References to AUASB standards are also out of date. It is expected that the changes will be administrative in nature only, however, some consideration will need to be given to the suggested procedures and whether they still reflect practice. |
| GS 020 | <i>Special Considerations in Auditing Financial Instruments</i> | 2012 | N/A | N/A | AASB AASB 9 AUASB ASA 540 ASA 315 | ✓ ✓ ✓ | None identified by ATG. | <i>Legislative Change</i> N/A. <i>Standards Change</i> |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|------------------------------------|--|----------------|---|----------------------|---|-----------------------|--|--|
| | | | Legislation | Change? ⁴ | Reporting/Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | | | | | | GS was written prior to the issuance of AASB 9 which has changed the accounting for financial instruments. This GS refers heavily to extant ASA 540 and will need to be updated to reflect ASA 540 (2018) including the name change. Expect that the changes will be substantive and not merely administrative in nature. |
| GS 021 | <i>Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes</i> | 2012 | Clean Energy and Greenhouse Gas legislation | ✓ | AUASB ASAE 3410 ASAE 3000 ASAE 3100 ASRS 4400 | ✓ ✓ ✓ ✓ | None identified by ATG. | The Clean Energy Regulator has issued its own specific regulation around auditing issues. ASAE 3410 is heavily referred to in the regulation. There has also been a significant amount of other relevant legislation introduced since the GS was prepared. More time is needed to consider the impact on the work of the auditor and preparer as a result of these changes and the need to revise this GS. |
| APRA Related Subject Matter | | | | | | | | |
| GS 002 | <i>Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities</i> | 2014 | SIS Act SPS 310 | ✓ | AUASB ASA 805 ASRE 2410 ASAE 3000 ASAE 3100 ASAE 3150 | ✓ ✓ ✓ ✓ ✓ | None identified by ATG. | <i>Legislation Change</i> The Superannuation (Prudential Standard) determination made under the Superannuation Industry (Supervision) Act 1993 has been superseded. The auditor's requirements under the most recent SPS 310 have changed. Under SPS 310, the auditors do not have to address ORFR strategy in the auditor's report and the |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|---------------|--|----------------|---|--------------------------|---|----------------------|--|---|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | | | | | | <p>auditor must submit the auditor's report to APRA within 3 months after the year end. As a result of above changes, there is an impact on both auditors and report preparers.</p> <p><i>Standards Change</i> Relevant AUASB standards have been amended since the GS was issued including changes to reporting formats which will require updating of illustrative examples in the GS. The SPS 310 requires limited assurance over internal controls. The AUASB will consider whether this should be done under ASAE 3150 (issued post GS 002) and update GS 002 accordingly.</p> |
| GS 004 | <i>Audit Implications of Prudential Reporting Requirements for General Insurers and Insurance Groups</i> | 2013 | GPS 310 GPS 230 GPS 220 <i>Risk Management</i> Replaced by CPS 220 <i>Risk Management</i> | ✓ ✓ ✓ X | AUASB ASAE 3000 ASAE 3100 ASAE 3150 | ✓ ✓ ✓ | None identified by ATG. | <p><i>Legislation Change</i> GPS 310, 230 and CPS 510 have all been updated since the GS was issued. GPS 220 has been replaced by CPS 220.</p> <p>There does not appear to be any material changes in GPS 230 and CPS 510 which impact on assurance requirements.</p> <p>GPS 220 has been replaced by CPS 220 <i>Risk Management</i>. The scope of the prudential standard has been extended to include additional entities. The CPS 220 inserts new sections for the risk management framework</p> |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|---------------|---|----------------|----------------------------|----------------------|---|----------------------|--|--|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | CPS 510 | | | | | <p>including the role of the board, use of group risk management by an APRA-regulated institution, additional requirements of the Head of a group, clarifies material risks and revises the requirements on financial information declaration. The assurance required has not changed; however, what is part of the framework has.</p> <p>Under GPS 310 the responsibilities of the auditor have not changed.</p> <p><i>Standard change</i></p> <p>The example auditor's report in the Appendices require re-structuring in accordance with revised standards.</p> <p>GPS 310 requires the auditor to review and test the insurer's systems, processes and controls. The AUASB will consider whether this should be done under ASAE 3150 (issued post GS 004) and update GS 004 accordingly. Greater than administrative changes expected.</p> |
| GS 017 | <i>Audit Implications for Prudential Reporting Requirements of a Life Company</i> | 2014 | Life Act LPS 310 | X | AUASB ASAE 3100 ASA 320 ASAE 3150 | ✓ ✓ ✓ | None identified by ATG. | <p><i>Legislation Change</i></p> <p>LPS 310 which outlines the auditor's responsibility has not changed.</p> <p><i>Standard Change</i></p> <p>The auditor's responsibility under LPS 310 includes a review of systems, processes and internal controls. The AUASB will need to consider whether this should be done under ASAE 3150 (issued post GS 017) and update GS 017 accordingly.</p> |

| GS No. | Title | Operative Year | Relevant legislation | | Relevant standards | | ATG Comments based on legislation | |
|--------|-------|----------------|----------------------|----------------------|------------------------|----------------------|--|--|
| | | | Legislation | Change? ⁴ | Reporting/ Auditing | Change? ⁴ | Any other factors that drive need to amend | Comments |
| | | | | | | | | The example auditor's report in the Appendices require re-structuring in accordance with revised reporting standards. (ASAEs or ASAs). |