



Subject:	Minutes of the 150 th Meeting of the Auditing and Assurance Standards Board (AUASB)
Venue:	Dexus Place, Level 6, 80 Collins Street, Melbourne VIC 3000
Date:	Wednesday, 17 July 2024, 9:00 am – 4:30 pm

Attendance

AUASB Members:	Mr Doug Niven (Chair) Ms Marje Russ (NZAuASB Chair) Ms Tracey Barker Mr Klynton Hankin Professor Noel Harding Mr Terence Jeyaretnam	Ms Joanne Lonergan Mr Andrew Porter Ms Michelle Shafizadeh Mr Jason Thorne Mr Chi Mun Woo
Office of the AUASB Staff:	Ms Anne Waters Ms Rene Herman Ms Marina Michaelides Ms Johanna Foyster	Ms See Wen Ewe Dr Rebecca Mattocks Mr Rajen Pillay
Member Apologies:	Ms Julie Crisp (Deputy Chair)	
Observer:	Mr Jesse Chen (The Treasury and FRC Secretariat) [Agenda Item 2]	

Minutes

(Agenda Item 1 – Minute 1705) Private Session

(Agenda Item 2 – Minute 1706) Private Session

(Agenda Item 3 – Minute 1707) Welcome and AUASB Update

The AUASB Chair welcomed AUASB members to the 150th meeting.

(Agenda Item 4 – Minute 1708) Action Items from Previous Meetings

The AUASB Chair identified several action items from previous meetings that are still underway, including:

- Finalising outstanding meeting minutes.
- Forming a view on whether to re-expose the final ISSA 5000, *General Requirements for Sustainability Assurance Engagements* after the final standard is approved by the IAASB in September 2024.

(Agenda Item 5 – Minute 1709) NZAuASB Update

The NZAuASB Chair, Ms Marje Russ, provided an update on the NZAuASB's recent and planned activities, noting the following key topic areas:

- Auditing standard for Less Complex Entities;
- Review standard for service performance information; and
- Guidance around competency and the use of experts.



(Agenda Item 6 – Minute 1710) Audit Implications of the Consolidated Entity Disclosure Statement

The Office of the AUASB presented a revised draft Bulletin on the *Audit Implications of the Consolidated Entity Disclosure Statement*, which was intended to bridge the different perspectives by focussing on qualitative materiality. This approach was supported by members. Members agreed to suggestions that:

- The Bulletin should clearly state that while reasonable assurance with qualitative materiality involves a higher degree of work effort, it is not absolute assurance.
- Include examples of disclosures that are qualitatively material;
- Remove paragraph (b) in the ‘Auditor’s responsibilities’ section; and
- Given that there is no example modified opinion, the Bulletin Include a reference to ASA 706 re modified opinions.

ACTION – The Office of the AUASB amend the draft of the Bulletin for any fatal flaw Board member comments out-of-session. The final version of the Bulletin will be published on the AUASB website shortly thereafter.

(Agenda Item 7 – Minute 1710) ISSA 5000 – Update from June 2024 IAASB Meeting

The AUASB received a verbal update on the following matters to be considered at the June 2024 IAASB meeting:

Sustainability assurance

On the draft ISSA 5000 *General Requirements for Sustainability Assurance Engagements* as follows:

- Changes proposed to align the definitions of ‘sustainability matters’ and ‘sustainability information’ with IESBA;
- Clarification around the use of “another practitioner” within the entity’s organisational boundaries;
- Challenges and limitations faced by both management and practitioners in obtaining and evaluating information from the value chain;
- Proposed changes to the firm’s determination of “at least as demanding” for relevant ethical requirements and quality management standards; and
- Communication and information sharing between the sustainability assurance practitioner and the auditor of the financial statements.

Going concern

The IAASB’s Going Concern Task Force has not yet settled on a final proposal for the placement for going concern “close call” reporting. This may be considered with the approach to fraud-related key audit matters.

(Agenda Item 8.1 – Minute 1710) Exposure Draft on Assurance over Australian Sustainability Information – Draft Exposure Draft

AUASB members suggested splitting the draft Exposure Draft on the Proposed Australian Standard on Sustainability Assurance (ASSA) 5010 *Assurance over Australian Sustainability Information* to give priority to consulting on the proposed assurance phasing and providing clarity thereon in the market.

The Office of the AUASB should also give priority to progressing the other matters for possible inclusion in a separate exposure draft.



ACTION – *The Office of the AUASB to incorporate suggested changes into the draft Exposure Draft of ASSA 5010 Assurance over Australian Sustainability Information for consideration at the 6 August 2024 meeting.*

(Agenda Item 8.2 – Minute 1711) Exposure Draft on Assurance over Australian Sustainability Information – Other Possible Matters

The AUASB received a detailed analysis of the matters from the AUASB Consultation Paper on *Assurance over Climate and Other Sustainability Information* and how these may be dealt with in a local pronouncement, applying the criteria in the AUASB's Due Process Framework and Convergence Handbook. The analysis also confirmed that the matters are not addressed in the proposed ISSA 5000.

AUASB members provided views on whether certain of the other matters should be addressed in requirements and application material in a supplementary standard to ISSA 5000 or whether they should be converted to guidance.

The Board acknowledged that the timing of any Australian pronouncements is dependent on passing of the climate legislation, finalisation and approval of the AASB's Australian Sustainability Reporting Standards and the final version of ISSA 5000.

Next Meeting

The AUASB will hold its next meeting virtually on Tuesday, 6 August 2024.

Approval

Signed as a true and correct record.

Douglas Niven
Chair

Date: 4 December 2024