

Compiled Auditing Standard

ASA 102
(December 2022)

Auditing Standard ASA 102

Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements

This compilation was prepared on 31 March 2022 taking into account amendments made by ASA 2021-1.

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



Australian Government

Auditing and Assurance Standards Board

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Contact Details

Auditing and Assurance Standards Board
Podium Level 20, 500 Collins Street
Melbourne Victoria 3000
AUSTRALIA

Phone: (03) 8080 7400
E-mail: enquiries@auasb.gov.au

Postal Address:
PO Box 204
Collins Street West
Melbourne Victoria 8007
AUSTRALIA

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COMPILATION DETAILS

Auditing Standard ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements (as Amended)

This compilation takes into account amendments made up to and including 10 March 2021 and was prepared on 31 March 2022 by the Auditing and Assurance Standards Board (AUASB).

This compilation is not a separate Auditing Standard made by the AUASB. Instead, it is a representation of ASA 102 (December 2019) as amended by another Auditing Standard which is listed in the Table below.

Table of Standards

Standard	Date made	Operative Date
ASA 102 [A]	4 December 2019	Financial reporting periods ending on or after 31 December 2019*
ASA 2021-1 [B]	10 March 2021	Financial reporting periods commencing on or after 15 December 2022

[A] Federal Register of Legislation – registration number F2019L01673, 19 December 2019

[B] Federal Register of Legislation – registration number F2021L00403, 1 April 2021

Table of Amendments

Paragraph affected	How affected	By ... [paragraph]
Conformity with International Standards on Auditing	Amended	ASA 2021-1 [11]
1	Amended	ASA 2021-1 [12]
3	Amended	ASA 2021-1 [13]
4	Amended	ASA 2021-1 [14]
5	Amended	ASA 2021-1 [15]
6	Amended	ASA 2021-1 [16]
A1	Amended	ASA 2021-1 [17]
A2	Amended	ASA 2021-1 [18]
A4	Amended	ASA 2021-1 [19]

* Early adoption of this Auditing Standard is permitted prior to this date.

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Paragraph affected	How affected	By ... [paragraph]
A7	Amended	ASA 2021-1 [20]

AUTHORITY STATEMENT

Auditing Standard ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* (as amended to 10 March 2021) is set out in paragraphs Aus 0.1 to A7.

This Auditing Standard is to be read in conjunction with ASA 101 *Preamble to AUASB Standards*, which sets out how AUASB Standards are to be understood, interpreted and applied. This Auditing Standard is to be read also in conjunction with ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*.

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Conformity with International Standards on Auditing

This Auditing Standard has been made for Australian legislative purposes and accordingly there is no equivalent International Standard on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

However, the requirement and application and other explanatory material in this Auditing Standard have been drawn from ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, ISQM 2 *Engagement Quality Reviews*, ISA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing* and ISA 220 *Quality Management for an Audit of Financial Statements*, issued by the IAASB, as listed in the following table:

ASA 102	International Standards
Paragraph 6 (requirement)	ISA 200 paragraph 14 ISA 220 paragraphs 16-21 ISQM 1 paragraph 29
Paragraph A1	ISA 200 paragraph A16
Paragraph A2	ISQM 1 paragraph A62-A66 ISA 200 paragraph A17
Paragraph A3	ISQM 1 paragraph A62-A66 ISA 200 paragraph A17
Paragraph A4	ISQM 1 paragraph A62-A66 ISA 200 paragraph A17
Paragraph A5	ISA 200 paragraph A18
Paragraph A6	ISQM 1 paragraph A62-A66
Paragraph A7	ISQM 1 paragraph A18 ISA 220 paragraph A26-A27

Compliance with this Auditing Standard, together with other Australian Auditing Standards, enables compliance with the ISAs and ISQM 1.

AUDITING STANDARD ASA 102

The Auditing and Assurance Standards Board (AUASB) made Auditing Standard ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*, on Issued December 2019.

This compiled version of ASA 102 incorporates subsequent amendments contained in another Auditing Standard made by the AUASB up to and including 10 March 2021 (see Compilation Details).

AUDITING STANDARD ASA 102

Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements

Application

1. This Auditing Standard applies to:
 - an audit of a financial report for a financial year, or an audit or review of a financial report for a half-year, in accordance with the *Corporations Act 2001*;
 - an audit or review of a financial report, or a complete set of financial statements, for any other purpose;
 - an audit or review of other financial information;
 - other assurance engagements; and
 - a firm required to comply with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*.

Operative Date

2. This Auditing Standard is operative for engagements with financial reporting periods ending on or after 31 December 2019. Early adoption of this Auditing Standard is permitted prior to this date. [Note: For operative dates of paragraphs changed or added by an Amending Standard, see Compilation Details.]

Introduction

Scope of this Auditing Standard

3. This Auditing Standard includes a requirement for auditors, assurance practitioners, engagement quality reviewers and firms to comply with relevant ethical requirements, including those pertaining to independence, relating to audits, reviews and other assurance engagements.

Objective

4. The objective of the auditor, assurance practitioner, engagement quality reviewer and firm is to comply with relevant ethical requirements, including those pertaining to independence, relating to audits, reviews and other assurance engagements.

Definitions

5. For the purposes of this Auditing Standard, the following terms have the meanings attributed below:
- (a) Assurance practitioner means assurance practitioner as defined in ASQM 1.
 - (b) Auditor means auditor as defined in ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*.
 - (c) Engagement quality control reviewer means engagement quality reviewer as defined in ASQM 1.
 - (d) Firm means firm as defined in ASQM 1.
 - (e) Relevant ethical requirements means ethical requirements that apply to the auditor, assurance practitioner, engagement quality reviewer and firm. In Australia, these include the applicable requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, issued by the Accounting Professional & Ethical Standards Board Limited in November 2018, the applicable provisions of the *Corporations Act 2001* and other applicable law or regulation.

Requirements

Compliance with Relevant Ethical Requirements (Ref: Para. A1-A7)

6. The auditor, assurance practitioner, engagement quality reviewer, and firm shall comply with relevant ethical requirements, including those pertaining to independence, when performing audits, reviews and other assurance engagements.

* * *

Application and Other Explanatory Material

Compliance with Relevant Ethical Requirements (Ref: Para. 6)

- A1. The auditor, assurance practitioner, engagement quality reviewer, and firm are to have regard to the applicable requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, issued by the Accounting Professional & Ethical Standards Board Limited, which are to be taken into account in determining whether relevant ethical requirements referred to in paragraph 6 of this Auditing Standard have been met. In relation to audits and reviews undertaken in accordance with the *Corporations Act 2001*, the provisions of Division 3 Part 2M.4 of the Act may also apply.
- A2. APES 110 establishes the fundamental principles of ethics which are:
- (a) Integrity;
 - (b) Objectivity;
 - (c) Professional competence and due care;
 - (d) Confidentiality; and
 - (e) Professional behaviour.

The fundamental principles of ethics establish the standard of behaviour expected of the auditor, assurance practitioner, engagement quality reviewer, and firm, when performing audits, reviews and other assurance engagements.

- A3. APES 110 provides a conceptual framework to apply in order to identify, evaluate and address threats to compliance with the fundamental principles.
- A4. APES 110 specifies *Independence Standards*, which set out requirements and application material on how to apply the conceptual framework to maintain independence when performing audits, reviews or other assurance engagements. The auditor, assurance practitioner, engagement quality reviewer, and firm are required to comply with these standards in order to be independent when conducting such engagements. The conceptual framework to identify, evaluate and address threats to compliance with the fundamental principles applies in the same way to compliance with independence requirements.
- A5. APES 110 describes independence as comprising both independence of mind and independence in appearance. Independence safeguards the ability to form an assurance conclusion without being affected by influences that might compromise that conclusion. Independence allows the ability to act with integrity, to be objective and to maintain an attitude of professional scepticism.
- A6. The fundamental principles in APES 110 are reinforced in particular by:
- (a) The leadership of the firm;
 - (b) Education and training;
 - (c) Monitoring; and
 - (d) A process for dealing with breaches.
- A7. The definition of terms in APES 110 may differ from the definitions of those terms in Australian Auditing Standards including terms defined in ASQM 1, ASA 200 and ASA 220 *Quality Management for an Audit of a Financial Report and Other Historical Financial Information*.

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In complying with the requirements of this Auditing Standard, the definitions used in APES 110 apply in so far as is necessary to interpret the ethical requirements of ASQM 1, ASA 200 and ASA 220.