

AUASB 2025-9
(November 2025)

Explanatory Statement

AUASB 2025-9 Amendments to AUASB Standards

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



Australian Government

Auditing and Assurance Standards Board

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This Explanatory Statement is available on the Auditing and Assurance Standards Board (AUASB) website: www.auasb.gov.au

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Reasons for Issuing AUASB 2025-9

The AUASB issues AUASB 2025-9 *Amendments to AUASB Standards* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB was established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislation Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, inter alia, to develop auditing standards that have a clear public interest focus and are of the highest quality.

Main Features

This Standard makes amendments to the requirements, application and other explanatory material and appendices of the following AUASB Standards:

ASQM 1	<i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> (Issued 10 March 2021 and amended to 28 January 2025)
ASQM 2	<i>Engagement Quality Reviews</i> (Issued 10 March 2021 and amended to 28 January 2025)
ASA 200	<i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards</i> (Issued 27 October 2009 and amended to 5 November 2021)
ASA 210	<i>Agreeing the Terms of Audit Engagements</i> (Issued 27 October 2009 and amended to 15 March 2023)
ASA 220	<i>Quality Management for an Audit of a Financial Report and Other Historical Financial Information</i> (Issued 10 March 2021 and amended to 27 April 2022)
ASA 260	<i>Communication With Those Charged with Governance</i> (Issued 1 December 2015 and amended to 28 January 2025)
ASA 265	<i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i> (Issued 27 October 2009 and amended to 3 March 2020)
ASA 315	<i>Identifying and Assessing the Risks of Material Misstatement</i> (Issued 6 March 2020 and amended to 27 April 2022)
ASA 510	<i>Initial Audit Engagements-Opening Balances</i> (Issued 27 October 2009 and amended to 15 March 2023)
ASA 570	<i>Going Concern</i> (Issued 14 May 2025)
ASA 600	<i>Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)</i> (Issued 13 May 2022 and amended to 16 December 2024)
ASA 700	<i>Forming an Opinion and Reporting on a Financial Report</i> (Issued 1 December 2015 and amended to 28 January 2025)
ASA 701	<i>Communicating Key Audit Matters in the Independent Auditor's Report</i> (Issued 1 December 2015 and amended to 27 April 2022)

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ASA 705	<i>Modifications to the Opinion in the Independent Auditor's Report</i> (Issued 1 December 2015 and amended to 27 April 2022)
ASA 706	<i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i> (Issued 1 December 2015 and amended to 15 March 2023)
ASA 710	<i>Comparative Information—Corresponding Figures and Comparative Financial Reports</i> (Issued 27 October 2009 and amended to 15 March 2023)
ASA 720	<i>The Auditor's Responsibilities Relating to Other Information</i> (Issued 1 December 2015 and amended to 28 January 2025)
ASA 800	<i>Special Considerations—Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i> (Issued 26 July 2016 and amended to 7 September 2021)
ASRE 2410	<i>Review of a Financial Report Performed by the Independent Auditor of the Entity</i> (Issued 9 June 2020 and amended to 13 December 2022)

The amendments arise from narrow scope amendments made by the International Auditing and Assurance Standards Board (IAASB) to the International Standards on Quality Management (ISQMs) and International Standards on Auditing (ISAs) as a result of the revisions to the definitions of listed entity and public interest entity in the IESBA Code. Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required to have regard to any programme initiated by the IAASB for the revision and enhancement of the ISAs and to make appropriate consequential amendments to the Australian Auditing Standards.

Operative Date

AUASB 2025-9 *Amendments to AUASB Standards* is operative for financial reporting periods commencing on or after 15 December 2026.

Process of making Australian Auditing Standards

The AUASB's Strategic Direction, *inter alia*, provides that the AUASB develop Australian Auditing Standards that:

- have a clear public interest focus and are of the highest quality;
- use the ISAs of the IAASB as the underlying standards;
- conform with the Australian regulatory environment; and
- are capable of enforcement.

Consultation Process prior to issuing the AUASB 2025-9

The AUASB has consulted publicly as part of its due process in developing the AUASB 2025-9. An AUASB Consultation Paper wrap-around *Exposure of the IAASB's Proposed Narrow Scope Amendments to:*

- *International Standards on Quality Management;*
- *International Standards on Auditing; and*
- *International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements*

as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code was issued on 5 February 2024 for a 50-day comment period.

Submissions were received by the AUASB and these were considered as part of the development and finalisation of the standard.

Impact Analysis

A Preliminary Assessment form has been prepared in connection with the preparation of AUASB 2025-9 and lodged with the Office of Impact Analysis (OIA). The OIA advised that an Impact Analysis is not required in relation to this standard.

Exemption from Sunsetting

Auditing Standards promulgated by the AUASB that are legislative instruments are exempt from the sunseting provisions of the *Legislation Act 2003* through section 12 of the *Legislation (Exemption and Other Matters) Regulation 2015* (Item 18(a)).

The AUASB's Standards incorporate Standards set by the IAASB. The AUASB's Standards are exempt from sunseting because a more stringent review process than sunseting applies to the Standards. This review process ensures Australia's Auditing Standards regime remains consistent with international standards. Typically, the AUASB Standards are revised at least once within a ten-year period, with most of the Standards subject to revisions much more frequently than that. Each revision follows the stringent review process (which includes the opportunity for public comment) in order to remain consistent with international Standards. It is very unlikely that any AUASB Standard would not have been amended (or else considered for amendment) within a ten-year period through these review processes. Therefore, if it applied, a ten-year sunseting regime would have very limited practical application to AUASB Standards. Parliamentary oversight is retained whenever a Standard is replaced or amended since the Standards are disallowable instruments and subject to the normal tabling and scrutiny process as required by the *Legislation Act 2003*.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Legislative Instrument: AUASB 2025-9 *Amendments to AUASB Standards*

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Background

The AUASB was established under section 227A of the *Australian Securities and Investments Commission Act 2001* (ASIC Act). Under section 336 of the *Corporations Act 2001* (the Act), the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Main Features

This Standard makes amendments to the requirements, application and other explanatory material and appendices of the AUASB Standards. The amendments arise from narrow scope amendments made by the IAASB to the ISQMs and ISAs as a result of the revisions to the definitions of listed entity and public interest entity in the IESBA Code.

Human Rights Implications

AUASB Standards are issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standards do not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.