



Subject: 127th Meeting of the Auditing and Assurance Standards Board - Highlights
Venue: Via Zoom Teleconference
Meeting Date: Tuesday 30 November 2021, 10:00am – 5:00pm; and
Wednesday 1 December 2021, 9:00am – 12:30pm

1. FRC and Audit Quality Update

The AUASB received an update on Audit Quality matters being performed in conjunction with the Financial Reporting Council (FRC). The AUASB provided input into and agreed to issue the AUASB Bulletin [Supporting Auditors in Enhancing Audit Quality](#) in order to communicate actions taken by the AUASB to assist auditors to improve audit quality, including those in response to matters identified during recent ASIC audit inspections. The AUASB also provided input into a media release in response to the release of ASIC's Audit Inspection Report 1 July 2020 to 30 June 2021.

2. Public Sector Guidance Statement – Review and Approval

The AUASB considered and provided feedback on the proposed new AUASB Guidance Statement GS 023 *Special Considerations – Public Sector Engagements* which will provide supplementary application and other explanatory material to support public sector auditors and assurance practitioners in implementing and applying AUASB Standards in the public sector. An updated final document will be shared with the AUASB for out-of-session review and approval to issue later in December 2021.

3. LCE Consultation Paper – Update and Feedback from AUASB

The AUASB were provided high-level feedback from the various outreach activities undertaken on the Consultation Paper *Exposure of the IAASB's Auditing of Financial Statements of Less Complex Entities (ISA for LCE); and Consideration of Possible alternative options for Australian LCE audits*. The AUASB also provided comments which will be incorporated into the submission to the IAASB in late January 2022.

4. AASB Chair Update

The AUASB welcomed the Chair of the Australian Accounting Standards Board (AASB), Dr Keith Kendall, to provide an update on current AASB activities. He also presented on future AASB projects, current IASB priorities as well as responding to many questions from AUASB members.

5. APESB Chair Update

The AUASB welcomed the Chair of the Accounting Professional & Ethical Standards Board (APESB), Ms Nancy Milne OAM, and senior APESB staff who provided an update on current APESB projects and the progress of APES 320 *Quality Control for Firms* to commence 1 January 2023 in line with the commencement of the new and revised Quality Management standards.

6. IAASB Agenda

The AUASB was taken through presentations on, and provided input into, the following topics that are subject to deliberation at the upcoming December 2021 IAASB meeting:

- ISA 600 *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*;
- Fraud Project Proposal; and
- IAASB Work Plan 2022-2023.

The next AUASB regular meeting will be held on 8th March 2022.

AUASB Meetings are open to the public. Please register via the AUASB website (www.auasb.gov.au) or send an email to enquiries@auasb.gov.au if you wish to attend.