

Compiled Auditing Standard

ASA 102

(March 2023)

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

This compilation was prepared on 22 March 2023 taking into account amendments made by ASA 2021-1 and ASA 2023-1.

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



Australian Government

Auditing and Assurance Standards Board

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CONTENTS

COMPILATION DETAILS

AUTHORITY STATEMENT

CONFORMITY WITH INTERNATIONAL STANDARDS ON AUDITING

	<i>Paragraphs</i>
Application	1
Operative Date	2
Introduction	
Scope of this Auditing Standard	3
Objective	4
Definitions	5
Requirements	
Compliance with Relevant Ethical Requirements	6
Application and Other Explanatory Material	
Compliance with Relevant Ethical Requirements	A1-A6

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 15 March 2023 and was prepared on 22 March 2023 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 other Auditing Standards which are listed in the Table below.

Table of Standards

Standard	Date made	Operative Date
ASA 102	4 December 2019	Financial reporting periods ending on or after 31 December 2019*
ASA 2021-1	10 March 2021	Financial reporting periods commencing on or after 15 December 2022
ASA 2023-1	15 March 2023	Financial reporting periods commencing on or after 1 January 2023

Legislation History

Standard	Registration Number	Registration Date	Commencement Date
ASA 102	F2019L01673	19 December 2019	20 December 2019
ASA 2021-1	F2021L00403	1 April 2021	2 April 2021
ASA 2023-1	F2023L00295	21 March 2023	22 March 2023

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

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

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]
A7	Amended	ASA 2021-1 [20]
5	Amended	ASA 2023-1 [9]
6 and its heading	Amended	ASA 2023-1 [10]
A1	Amended	ASA 2023-1 [11]
A3	Amended	ASA 2023-1 [12]
A4	Amended	ASA 2023-1 [13]
A5	Amended	ASA 2023-1 [14]
A6	Deleted	ASA 2023-1 [15]
A7	Amended	ASA 2023-1 [16]

Auditing Standard ASA 102

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

AUTHORITY STATEMENT

Auditing Standard ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* (as amended to 15 March 2023) is set out in paragraphs 1 to A6.

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*.

Auditing Standard ASA 102

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

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 ISQM 1 paragraph 29 ISQM 2 paragraphs 2, 18-20
Paragraph A1	ISA 200 paragraph A17
Paragraph A2	ISA 200 paragraph A18
Paragraph A3	ISA 200 paragraph A18
Paragraph A4	ISA 200 paragraph A18
Paragraph A5	ISA 200 paragraph A19
Paragraph A6	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 ISQMs.

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 December 2019.

This compiled version of ASA 102 incorporates subsequent amendments contained in other Auditing Standards made by the AUASB up to and including 15 March 2023 (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 reviewer means engagement quality reviewer as defined in ASQM 1.
 - (d) 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 (APESB) (November 2018 incorporating all amendments to December 2022), the applicable provisions of the *Corporations Act 2001* and other applicable law or regulation.

Requirements

Compliance with Relevant Ethical Requirements (Ref: Para. A1-A6)

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 APESB, 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 that establishes the approach which the auditor, assurance practitioner, engagement quality reviewer and firm are required to apply when identifying, evaluating and addressing threats to compliance with the fundamental principles.
- A4. In the case of audits, reviews and other assurance engagements, APES 110 sets out *Independence Standards*, established by the application of the conceptual framework to threats to independence in relation to those engagements.
- 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 enhances the ability to act with integrity, to be objective and to maintain an attitude of professional scepticism.
- A6. The definition of terms in APES 110 may differ from the definitions of those terms in AUASB Standards. 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 AUASB Standards.