

**ASA 2013-3**  
(July 2013)

# **Explanatory Statement**

## ***ASA 2013-3 Amendments to Australian Auditing Standards***

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



**Australian Government**  

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**Auditing and Assurance Standards Board**

## **Obtaining a Copy of this Explanatory Statement**

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

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## Reasons for Issuing Auditing Standard ASA 2013-3

The Auditing and Assurance Standards Board (AUASB) issues Auditing Standard ASA 2013-3 *Amendments to Australian Auditing Standards*, pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory committee of the Australian Government 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 *Legislative Instruments Act 2003*. Under section 227B of the ASIC Act, the AUASB may formulate Assurance Standards for other purposes.

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 as well as continuing to develop auditing and assurance standards other than for historical financial information.

## Auditing Standards Amended by ASA 2013-3

This Auditing Standard makes amendments to the following Auditing Standards:

ASA 102	<i>Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i>
ASA 502	<i>Audit Evidence - Specific Considerations for Litigation and Claims</i>
ASA 570	<i>Going Concern</i>
ASA 580	<i>Written Representations</i>
ASA 700	<i>Forming an Opinion and Reporting on a Financial Report</i>
ASA 800	<i>Special Considerations - Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i>
ASRE 2410	<i>Review of a Financial Report Performed by the Independent Auditor of the Entity</i>
ASRE 2415	<i>Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation</i>

## Purpose of Auditing Standard ASA 2013-3 *Amendments to Australian Auditing Standards*

The purpose of the Auditing Standard is to make amendments to the Auditing Standards listed above.

### Main Features

The Auditing Standard makes amendments that comprise editorial changes made by the AUASB in order to maintain the quality and consistency of the presentation of the Australian Auditing Standards.

The amendments do not have an impact on the requirements of the Auditing Standards and therefore do not impact on the practical application of performing audits or reviews under those standards.

## Operative Date

This Auditing Standard is operative for financial reporting periods commencing on or after 1 July 2013.

## **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 International Standards on Auditing (ISAs) of the International Auditing and Assurance Standards Board (IAASB) as the underlying standards;
- conform with the Australian regulatory environment; and
- are capable of enforcement.

## **Consultation Process prior to issuing the Auditing Standard**

The AUASB has consulted publicly as part of its due process in developing the Auditing Standard. Exposure Draft ED 01/13 Proposed Auditing Standard ASA 2013-3 *Amendments to Australian Auditing Standards* was issued on 28 May 2013 with a 30 day comment period.

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

## **Regulatory Impact Statement**

A Regulation Impact Assessment (RIA) has been prepared in connection with the amendments to the Australian Auditing Standards as set out in ASA 2013-3. The RIA has been approved by the Office of Best Practice Regulation (OPBR).

## STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

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

**Legislative Instrument:**            ***Auditing Standard ASA 2013-3 Amendments to Australian Auditing 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 is an independent statutory committee of the Australian Government 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 *Legislative Instruments Act 2003*.

#### *Purpose of Auditing Standard ASA 2013-3*

The purpose of ASA 2013-3 is to make amendments to the following Auditing Standards:

ASA 102	<i>Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i>
ASA 502	<i>Audit Evidence - Specific Considerations for Litigation and Claims</i>
ASA 570	<i>Going Concern</i>
ASA 580	<i>Written Representations</i>
ASA 700	<i>Forming an Opinion and Reporting on a Financial Report</i>
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#### *Main Features*

ASA 2013-3 makes amendments (to the standards listed above) that comprise editorial changes, such as the correction of:

- inadvertent grammatical errors;
- inadvertent errors in cross-references to paragraphs; and
- inconsistent terminology and presentation format.

The changes are made by the AUASB in order to maintain the quality and consistency of the presentation of the Australian Auditing Standards.

The changes do not modify the meaning of any of the Auditing Standards listed above.

The amendments are editorial and do not impact on the requirements of the Auditing Standards. Accordingly, ASA 2013-3 does not impact on the practical application of performing audits and reviews of historical financial information under the Australian Auditing Standards. Auditors are not required to amend their work effort as a result of the amendments in ASA 2013-3.

**Human Rights Implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms due to the inconsequential nature of the editorial amendments to the Australian Auditing Standards.

*Conclusion*

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