



4 December 2012

AUASB Chairman says “there is no room for complacency in auditing”

Ms Merran Kelsall, Chairman of the Auditing and Assurance Standards Board (AUASB), in commenting on the ASIC Audit Inspection Report for 2011-12, said that “there is absolutely no room for complacency in Australian audit firms’ approach to undertaking audits in compliance with Australian Auditing Standards”.

The AUASB notes the findings of the ASIC Report and is concerned that there has been an increasing number of instances of non-compliance with Australian Auditing Standards. In particular, the AUASB is troubled by the fact that ASIC found that for the 18 months to 30 June 2012, ASIC inspections of 20 Australian audit firms indicated that in 18% of the 602 audit areas reviewed by ASIC, the firms did not perform all of the procedures necessary to obtain the necessary level of reasonable assurance that audited financial reports were not materially misstated.

Regardless, of difficult economic circumstances, firms must comply with Australian Auditing Standards, including undertaking audits to obtain proper evidence to back their opinions. This has to be documented and adequate work undertaken to form an appropriate opinion. Despite fee pressure from companies, auditors need to stand firm and do enough work as required by the standards.

In light of the Report’s findings, the AUASB looks forward to working constructively with ASIC and the auditing profession to work towards improvements in audit quality going forward.

Media Enquiries:

Phone: (03) 8080 7445
Email: enquiries@auasb.gov.au

The Auditing and Assurance Standards Board (AUASB) is an independent statutory agency of the Australian Government, responsible for developing standards and related guidance for auditors and providers of other assurance services.

Auditing and Assurance Standards Board, Level 7, 600 Bourke Street, Melbourne, VIC, 3000
Telephone: +61 3 8080 7400, Facsimile: +61 3 8080 7450, E-mail: enquiries@auasb.gov.au, Web site: www.auasb.gov.au