



14 April 2009

AUASB invites comment on proposed quality control standards

The Auditing and Assurance Standards Board (AUASB) today released exposure drafts of proposed standards ASQC 1 *Quality Control for Firms that Perform Audits and Review of Financial Reports, Other Financial Information and Other Assurance Engagements* and ASA 220 *Quality Control for Audits of a Financial Report and Other Historical Financial Information* for comment, as part of its project to revise and redraft the Australian Auditing Standards in Clarity format.

Under its statutory mandate and the strategic direction given to the AUASB by the Financial Reporting Council, the AUASB is required to have regard to any programme initiated by the IAASB for the revision and enhancement of the standards. Accordingly, the AUASB has decided to revise and redraft the Australian Auditing Standards using the equivalent redrafted ISQC 1 and ISA 220.

According to Merran Kelsall, AUASB Chairman, ASQC 1 and ASA 220 emphasise the importance of firms and assurance practitioners assuming responsibilities to establish a robust system of quality control, at both the firm and engagement levels.

“It is important that the entire leadership team within a firm sets the right tone and serves as an example to others in terms of the importance they attach to quality of audit and assurance practices and ensuring that the firm's policies are followed when conducting auditing and assurance engagements.

“ASQC 1 ensures that the structures in place within the firm do not allow commercial pressures to compromise audit quality,” Ms Kelsall said.

The AUASB believes that ASQC 1 and ASA 220 are intrinsically linked. The quality control systems at the firm and engagement levels need to be compatible to ensure that audits and other assurance engagements are conducted rigorously.

The AUASB requests comments by 18 May 2009 via email to edcomments@auasb.gov.au or via mail to:

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