

ASA 2021-5
(November 2021)

Explanatory Statement

ASA 2021-5 Amendments to Australian Auditing Standards

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



Australian Government

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

Contact Details

Auditing and Assurance Standards Board
Podium Level 14, 530 Collins Street
Melbourne Victoria 3000
AUSTRALIA

Phone: (03) 8080 7400
E-mail: enquiries@auasb.gov.au

Postal Address:
PO Box 204, Collins Street West
Melbourne Victoria 8007
AUSTRALIA

Reasons for Issuing Auditing Standard ASA 2021-5

The AUASB issues Auditing Standard ASA 2021-5 *Amendments to Australian Auditing Standards* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is a non corporate Commonwealth entity 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 *Legislation Act 2003*.

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.

Purpose of Auditing Standard ASA 2021-5 Amendments to Australian Auditing Standards

The purpose of the Auditing Standard is to make amendments to the requirements and application & other explanatory material of the following Auditing Standards:

ASA 101	<i>Preamble to AUASB Standards</i> (Issued 7 September 2021)
ASA 200	<i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards</i> (Issued 27 October 2009 and amended to 7 September 2021)
ASA 240	<i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> (Issued 27 October 2009 and amended to 30 June 2020)
ASA 330	<i>The Auditor's Responses to Assessed Risks</i> (Issued 27 October 2009 and amended to 1 December 2015)
ASA 502	<i>Audit Evidence — Specific Considerations for Litigation and Claims</i> (Issued 27 October 2009 and amended to 1 July 2013)
ASA 540	<i>Auditing Accounting Estimates and Related Disclosures</i> (Issued 5 December 2018)
ASA 550	<i>Related Parties</i> (Issued 27 October 2009 and amended to 11 November 2013)
ASA 560	<i>Subsequent Events</i> (Issued 27 October 2009 and amended to 7 September 2021)
ASA 570	<i>Going Concern</i> (Issued 1 December 2015 and amended to 30 June 2020)
ASA 610	<i>Using the Work of Internal Auditors</i> (Issued 11 November 2013)
ASA 620	<i>Using the Work of an Auditor's Expert</i> (Issued 27 October 2009 and amended to 30 June 2020)
ASA 710	<i>Comparative Information—Corresponding Figures and Comparative Financial Reports</i> (Issued 27 October 2009 and amended to 30 June 2020)
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> (Issued 30 June 2010 and amended to 1 July 2013)

Main Features

This Auditing Standard makes amendments to Australian Auditing Standards. The amendments represent editorial corrections to revise minor inaccuracies, including misspellings and numbering or grammatical mistakes.

Operative Date

ASA 2021-5 *Amendments to Australian Auditing Standards* is operative for financial reporting periods commencing on or after 15 December 2021.

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

It is the view of the AUASB that ASA 2021-5 do not require public exposure as the amendments represent editorial corrections to revise minor inaccuracies, including misspellings and numbering or grammatical mistakes.

Regulatory Impact Statement

Office of Best Practice Regulation (OBPR) considers that ASA 2021-5 *Amendments to Australian Auditing Standards* is unlikely to have a more than minor regulatory impact. Therefore, the preparation of a Regulatory Impact Statement (RIA) is not required.

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 2021-5 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 2021-5

The purpose of ASA 2021-5 is to make amendments to the requirements and application & other explanatory material of the following Auditing Standards:

ASA 101	<i>Preamble to AUASB Standards</i> (Issued 7 September 2021)
ASA 200	<i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards</i> (Issued 27 October 2009 and amended to 7 September 2021)
ASA 240	<i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> (Issued 27 October 2009 and amended to 30 June 2020)
ASA 330	<i>The Auditor's Responses to Assessed Risks</i> (Issued 27 October 2009 and amended to 1 December 2015)
ASA 502	<i>Audit Evidence – Specific Considerations for Litigation and Claims</i> (Issued 27 October 2009 and amended to 1 July 2013)
ASA 540	<i>Auditing Accounting Estimates and Related Disclosures</i> (Issued 5 December 2018)
ASA 550	<i>Related Parties</i> (Issued 27 October 2009 and amended to 11 November 2013)
ASA 560	<i>Subsequent Events</i> (Issued 27 October 2009 and amended to 7 September 2021)
ASA 570	<i>Going Concern</i> (Issued 1 December 2015 and amended to 30 June 2020)
ASA 610	<i>Using the Work of Internal Auditors</i> (Issued 11 November 2013)
ASA 620	<i>Using the Work of an Auditor's Expert</i> (Issued 27 October 2009 and amended to 30 June 2020)
ASA 710	<i>Comparative Information-Corresponding Figures and Comparative Financial Reports</i> (Issued 27 October 2009 and amended to 30 June 2020)
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> (Issued 30 June 2010 and amended to 1 July 2013)

Main Features

ASA 2021-5 makes amendments to Australian Auditing Standards. The amendments represent editorial corrections to revise minor inaccuracies, including misspellings and numbering or grammatical mistakes.

Human Rights Implications

Australian Auditing Standards are issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standards do not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

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