

AUASB 2025-6
(October 2025)

Auditing Standard AUASB 2025-6 *Amendments to Australian Auditing Standards*

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



Australian Government

Auditing and Assurance Standards Board

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PREFACE

Reasons for Issuing AUASB 2025-6

The AUASB issues Auditing Standard AUASB 2025-6 *Amendments to Australian Auditing Standards* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is 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.

Main Features

This Auditing Standard makes amendments to the requirements and application and other explanatory material and appendices of the following Auditing Standards:

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 5 November 2021)
ASA 220	<i>Quality Management for an Audit of a Financial Report and Other Historical Financial Information</i> (Issued 10 March 2021 and amended to 27 April 2022)
ASA 230	<i>Audit Documentation</i> (Issued 27 October 2009 and amended to 27 April 2022)
ASA 250	<i>Considerations of Laws and Regulations in an Audit of a Financial Report</i> (Issued 30 May 2017 and amended to 27 April 2022)
ASA 260	<i>Communication With Those Charged With Governance</i> (Issued 1 December 2015 and amended to 28 January 2025)
ASA 265	<i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i> (Issued 27 October 2009 and amended to 3 March 2020)
ASA 300	<i>Planning an Audit of a Financial Report</i> (Issued 27 October 2009 and amended to 10 March 2021)
ASA 315	<i>Identifying and Assessing the Risks of Material Misstatement</i> (Issued 1 February 2020 and amended to 27 April 2022)
ASA 330	<i>The Auditor's Responses to Assessed Risks</i> (Issued 27 October 2009 and amended to 5 November 2021)
ASA 450	<i>Evaluation of Misstatements Identified during the Audit</i> (Issued 27 October 2009 and amended to 30 May 2017)
ASA 500	<i>Audit Evidence</i> (Issued 27 October 2009 and amended to 10 March 2021)
ASA 505	<i>External Confirmations</i> (Issued 27 October 2009 and amended to 3 March 2020)
ASA 530	<i>Audit Sampling</i> (Issued 27 October 2009 and amended to 3 March 2020)
ASA 540	<i>Auditing Accounting Estimates and Related Disclosures</i> (Issued 5 December 2018 and amended to 5 November 2021)
ASA 550	<i>Related Parties</i> (Issued 27 October 2009 and amended to 27 April 2022)

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ASA 570	<i>Going Concern</i> (Issued 14 May 2025)
ASA 580	<i>Written Representations</i> (Issued 27 October 2009 and amended to 15 March 2023)
ASA 600	<i>Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)</i> (Issued 13 May 2022 and amended to 16 December 2024)
ASA 610	<i>Using the Work of Internal Auditors</i> (Issued 11 November 2013 and amended to 27 April 2022)
ASA 700	<i>Forming an Opinion and Reporting on a Financial Report</i> (Issued 1 December 2015 and amended to 28 January 2025)
ASA 701	<i>Communicating Key Audit Matters in the Independent Auditor's Report</i> (Issued 1 December 2015 and amended to 27 April 2022)
ASA 705	<i>Modifications to the Opinion in the Independent Auditor's Report</i> (Issued 1 December 2015 and amended to 15 March 2023)
ASA 800	<i>Special Considerations—Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i> (Issued 26 July 2016 and amended to 7 September 2021)

The amendments arise from changes made by the International Auditing and Assurance Standards Board (IAASB) to ISA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*. Under 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 International Standards on Auditing (ISAs) and to make appropriate consequential amendments to the Australian Auditing Standards.

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes this Auditing Standard AUASB 2025-6 *Amendments to Australian Auditing Standards* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*.

Dated: 14 October 2025

D Niven
Chair - AUASB

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).

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Application

1. This Auditing Standard applies to:
 - (a) an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with the *Corporations Act 2001*; and
 - (b) an audit of a financial report, or a complete set of financial statements, for any other purpose.
2. This Auditing Standard also applies, as appropriate, to an audit of other historical financial information.

Operative Date

3. This Auditing Standard is operative for financial reporting periods commencing on or after 15 December 2026.

Introduction

Scope of this Auditing Standard

4. This Auditing Standard makes amendments to Australian Auditing Standards. The amendments arise from consequential and conforming changes arising from the issuance of ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*.

Objective

5. The objective of this Auditing Standard is to make amendments to the following Auditing Standards:
 - (a) ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards* (Issued 27 October 2009 and amended to 5 November 2021)
 - (b) ASA 220 *Quality Management for an Audit of a Financial Report and Other Historical Financial Information* (Issued 10 March 2021 and amended to 27 April 2022)
 - (c) ASA 230 *Audit Documentation* (Issued 27 October 2009 and amended to 27 April 2022)
 - (d) ASA 250 *Considerations of Laws and Regulations in an Audit of a Financial Report* (Issued 30 May 2017 and amended to 27 April 2022)
 - (e) ASA 260 *Communication With Those Charged With Governance* (Issued 1 December 2015 and amended to 28 January 2025)
 - (f) ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management* (Issued 27 October 2009 and amended to 3 March 2020)
 - (g) ASA 300 *Planning an Audit of a Financial Report* (Issued 27 October 2009 and amended to 10 March 2021)
 - (h) ASA 315 *Identifying and Assessing the Risks of Material Misstatement* (Issued 1 February 2020 and amended to 27 April 2022)

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- (i) ASA 330 *The Auditor's Responses to Assessed Risks* (Issued 27 October 2009 and amended to 5 November 2021)
 - (j) ASA 450 *Evaluation of Misstatements Identified during the Audit* (Issued 27 October 2009 and amended to 30 May 2017)
 - (k) ASA 500 *Audit Evidence* (Issued 27 October 2009 and amended to 10 March 2021)
 - (l) ASA 505 *External Confirmations* (Issued 27 October 2009 and amended to 3 March 2020)
 - (m) ASA 530 *Audit Sampling* (Issued 27 October 2009 and amended to 3 March 2020)
 - (n) ASA 540 *Auditing Accounting Estimates and Related Disclosures* (Issued 5 December 2018 and amended to 5 November 2021)
 - (o) ASA 550 *Related Parties* (Issued 27 October 2009 and amended to 27 April 2022)
 - (p) ASA 570 *Going Concern* (Issued 14 May 2025)
 - (q) ASA 580 *Written Representations* (Issued 27 October 2009 and amended to 15 March 2023)
 - (r) ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)* (Issued 13 May 2022 and amended to 16 December 2024)
 - (s) ASA 610 *Using the Work of Internal Auditors* (Issued 11 November 2013 and amended to 27 April 2022)
 - (t) ASA 700 *Forming an Opinion and Reporting on a Financial Report* (Issued 1 December 2015 and amended to 28 January 2025)
 - (u) ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* (Issued 1 December 2015 and amended to 27 April 2022)
 - (v) ASA 705 *Modifications to the Opinion in the Independent Auditor's Report* (Issued 1 December 2015 and amended to 15 March 2023)
 - (w) ASA 800 *Special Considerations—Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks* (Issued 26 July 2016 and amended to 7 September 2021)

Definition

6. For the purposes of this Auditing Standard, the meanings of terms are set out in each Auditing Standard and in the *AUASB Glossary*. This Auditing Standard does not introduce new definitions.

Amendments to Auditing Standards

7. Where relevant, this Standard uses underlining, striking out and other typographical material to identify the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material. Amended paragraphs are shown with deleted text struck through and new text underlined. Ellipses (...) are used to help provide the context within which amendments are made and also to indicate text that is not amended.
8. Where this amending standard inserts or deletes a paragraph or footnote, as a result of that insertion or deletion relevant paragraph numbers, cross-references and footnotes are updated.

Amendments to ASA 200

9. Existing footnote 2 in paragraph 9 is amended to read as follows:

See, for example, ASA 260 *Communication with Those Charged with Governance*; and ~~paragraph 43 of ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraphs 64-67.~~

10. Existing footnote 15 in paragraph A24 is amended to read as follows:

See ASA 240, paragraph ~~43~~22; ASA 500, paragraph 11; and ASA 505 *External Confirmations*, paragraphs 10-11 and 16.

Amendments to ASA 220

11. Existing paragraph A37 is amended to read as follows:

Possible actions that the engagement team may take to mitigate impediments to the exercise of professional scepticism at the engagement level may include:

- ...
- Modifying the nature, timing and extent of direction, supervision or review by involving more experienced engagement team members, more in-person oversight on a more frequent basis or more in-depth reviews of certain working papers for:
 - Complex or subjective areas of the audit;
 - Areas that pose risks to achieving quality on the audit engagement;
 - Areas where there may be a higher risk of material misstatement, including a risk of material misstatement due to fraud~~with a fraud risk~~; and
 - Identified or suspected non-compliance with laws or regulations.
- ...

Amendments to ASA 230

12. Existing Appendix 1 is amended to read as follows:

Specific Audit Documentation Requirements in Other Australian Auditing Standards

This appendix identifies paragraphs in other Australian Auditing Standards that contain specific documentation requirements. The list is not a substitute for considering the requirements and related application and other explanatory material in Australian Auditing Standards.

- ASA 210 *Agreeing the Terms of Audit Engagements* – paragraphs 10-12
- ...
- ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report* – paragraphs ~~44-47~~68
- ...

Amendments to ASA 250

13. Existing paragraph A17 is amended to read as follows:

The auditor may become aware of information concerning an instance of non-compliance with laws and regulations other than as a result of performing the procedures in paragraphs 13–17 (e.g., when the auditor is alerted to non-compliance by a ~~whistle-blower~~whistleblower).

Amendments to ASA 260

14. Existing Appendix 1 is amended to read as follows:

This appendix identifies paragraphs in ASQM 1 and other Australian Auditing Standards that require communication of specific matters with those charged with governance. The list is not a substitute for considering the requirements and related application and other explanatory material in Australian Auditing Standards.

- ...
- *ASA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report* – paragraphs ~~21, 38(e)(i)25, 32(c), 55(a), 59(c)(i) and 40–42~~25, 32(c), 55(a), 59(c)(i) and 40–42~~64–66~~
- ...

Amendments to ASA 265

15. Existing paragraph A6 is amended to read as follows:

Examples of matters that the auditor may consider in determining whether a deficiency or combination of deficiencies in internal control constitutes a significant deficiency include:

- ...
- The importance of the controls to the financial reporting process; for example:
 - ...
 - Controls over the prevention ~~and~~or detection of fraud.
 - ...

16. Existing footnote 10 in paragraph A21 is amended to read as follows:

See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraph ~~41~~65.

Amendments to ASA 300

17. Existing footnote 11 in paragraph A5 is amended to read as follows:

ASA 315, paragraphs 17 and 18, establishes requirements and provides guidance on the engagement team's discussion of the susceptibility of the entity to material misstatements of the financial report. ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraph ~~46~~29, provides guidance on the emphasis given during this discussion to the susceptibility of the entity's financial report to material misstatement due to fraud.

Amendments to ASA 315

18. Existing footnote 11 in paragraph 12(f) is amended to read as follows:

See ASA 240, paragraphs ~~A24–A27~~A24–A26.

19. Existing footnote 12 in paragraph 12(l) is amended to read as follows:

See ASA 240, paragraph ~~28~~39(b) and ASA 550, Related Parties, paragraph 18.

20. Existing paragraph 35 is amended to read as follows:

The auditor shall evaluate whether the audit evidence obtained from the risk assessment procedures provides an appropriate basis for the identification and assessment of the risks of material misstatement, ~~whether due to fraud or error~~. If not, the auditor shall perform additional risk assessment procedures until audit evidence has been obtained to provide such a basis. In identifying and assessing the risks of material misstatement, the auditor shall take into account all audit evidence obtained from the risk assessment procedures, whether corroborative or contradictory to assertions made by management. (Ref: Para. A230–A232)

21. Existing footnote 15 in paragraph A11 is amended to read as follows:

See ASA 240, paragraphs ~~17–28~~26–41.

22. Existing footnote 26 in paragraph A42 is amended to read as follows:

See ASA 240, paragraph ~~16~~29.

23. Existing paragraph A50 is amended to read as follows:

The auditor's understanding of the entity and its environment, and the applicable financial reporting framework, assists the auditor in understanding the events and conditions that are relevant to the entity, and in identifying how inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial report, in accordance with the applicable financial reporting framework, and the degree to which they do so. Such information establishes a frame of reference within which the auditor identifies and assesses risks of material misstatement. This frame of reference also assists the auditor in planning the audit and exercising professional judgement and professional scepticism throughout the audit, for example, when:

- Identifying and assessing risks of material misstatement of the financial report in accordance with ASA 315 or other relevant standards (e.g., relating to risks of material misstatement due to fraud in accordance with ASA 240 or when identifying or assessing risks related to accounting estimates in accordance with ASA 540);
- ...

24. Existing paragraph A74 is amended to read as follows:

An understanding of the entity's measures assists the auditor in considering whether such measures, whether used externally or internally, create pressures on the entity to achieve performance targets. These pressures may motivate management to take actions that increase the susceptibility to misstatement due to management bias or fraud (e.g., to improve the business performance or to intentionally misstate the financial report) (see ASA 240 for requirements and guidance in relation to the risks of material misstatement due to fraud).

25. Existing paragraph A89 is amended to read as follows:

Events or conditions that may affect susceptibility to misstatement due to management bias may also affect susceptibility to misstatement due to other fraud risk factors. Accordingly, this may be relevant information for use in accordance with paragraph ~~24~~38 of ASA 240, which requires the auditor to evaluate whether the ~~information~~ audit evidence obtained from the ~~other~~ risk assessment procedures and related activities indicates that one or more fraud risk factors are present.

26. Existing footnote 36 in paragraph A109 is amended to read as follows:

See ASA 240, paragraph ~~19~~33(b)(i).

27. Existing footnote 39 in paragraph A157 is amended to read as follows:

See ASA 240, paragraph ~~A28~~A112.

28. Existing footnote 41 in paragraph A159 is amended to read as follows:

See ASA 240, paragraphs ~~2836, 39(b)~~ and ~~A33A102~~.

29. Existing paragraph A195 is amended to read as follows:

Risks of material misstatement at the financial report level refer to risks that relate pervasively to the financial report as a whole, and potentially affect many assertions. Risks of this nature are not necessarily risks identifiable with specific assertions at the class of transactions, account balance or disclosure level (~~e.g., risk of management override of controls~~). Rather, they represent circumstances that may pervasively increase the risks of material misstatement at the assertion level. The auditor's evaluation of whether risks identified relate pervasively to the financial report supports the auditor's assessment of the risks of material misstatement at the financial report level. In other cases, a number of assertions may also be identified as susceptible to the risk, and may therefore affect the auditor's risk identification and assessment of risks of material misstatement at the assertion level.

30. Existing footnote 58 in paragraph A220 is amended to read as follows:

See ASA 240, paragraphs ~~26–2839–41~~.

31. Existing footnote 71 in Appendix 2 is amended to read as follows:

See ASA 240, paragraphs ~~A24–A27A24–A26~~.

32. Existing paragraph 2 of Appendix 2 is amended to read as follows:

Inherent risk factors relating to the preparation of information required by the applicable financial reporting framework (referred to in this paragraph as “required information”) include:

- ...
- *Susceptibility* to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk —susceptibility to management bias results from conditions that create susceptibility to intentional or unintentional failure by management to maintain neutrality in preparing the information. Management bias is often associated with certain conditions that have the potential to give rise to management not maintaining neutrality in exercising judgement (indicators of potential management bias), which could lead to a material misstatement of the information that would be fraudulent if intentional. Such indicators include incentives or pressures insofar as they affect inherent risk (for example, as a result of motivation to achieve a desired result, such as a desired profit target or capital ratio), and opportunity, not to maintain neutrality. Factors relevant to the susceptibility to misstatement due to fraud in the form of fraudulent financial reporting or misappropriation of assets are described in paragraphs ~~A1A2~~ to ~~A5A6~~ of ASA 240.

...

33. Existing paragraph 6(b) of Appendix 3 is amended to read as follows:

When those charged with governance are separate from management, how those charged with governance demonstrate independence from management and exercise oversight of the entity's system of internal control. An entity's control consciousness is influenced by those charged with governance. Considerations may include whether there are sufficient individuals who are independent from management and objective in their evaluations and decision-making; how those charged with governance identify and accept oversight responsibilities and whether those charged with governance retain oversight responsibility for management's design, implementation and conduct of the entity's system of internal control. The importance of the responsibilities of those charged with governance is recognised in codes of practice and other laws and regulations or guidance produced for the benefit of those charged with governance. Other responsibilities of those charged with governance include oversight of the

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design and effective operation of ~~whistle-blower procedures~~ the entity's whistleblower program (or other program to report fraud).

34. Existing paragraph 5 of Appendix 4 is amended to read as follows:

In addition, in accordance with ASA 240, if the internal audit function provides information to the auditor regarding any ~~actual, fraud or suspected or alleged fraud, including allegations of fraud~~, the auditor takes this into account in the auditor's identification of risk of material misstatement due to fraud.

35. Existing footnote 74 in Appendix 4 is amended to read as follows:

See ASA 240, paragraph ~~19~~34(b).

Amendments to ASA 330

36. Existing paragraph A11 is amended to read as follows:

The auditor may perform tests of controls or substantive procedures at an interim date or at the period end. The higher the risk of material misstatement, the more likely it is that the auditor may decide it is more effective to perform substantive procedures nearer to, or at, the period end rather than at an earlier date, or to perform audit procedures unannounced or at unpredictable times (for example, performing audit procedures at selected locations on an unannounced basis). This is particularly relevant when considering the response to the risks of material misstatement due to fraud. For example, the auditor may conclude that, when the risks of intentional misstatement or manipulation have been identified, audit procedures to extend audit conclusions from interim date to the period end would not be effective.

37. Existing paragraph A62 is amended to read as follows:

An audit of a financial report is a cumulative and iterative process. As the auditor performs planned audit procedures, the audit evidence obtained may cause the auditor to modify the nature, timing or extent of other planned audit procedures. Information may come to the auditor's attention that differs significantly from the information on which the risk assessment was based. For example:

- ...

In such circumstances, the auditor may need to re-evaluate the planned audit procedures, based on the revised consideration of assessed risks of material misstatement, whether due to fraud or error, and the effect on the significant classes of transactions, account balances, or disclosures and their relevant assertions. ASA 315 contains further guidance on revising the auditor's risk assessment.

Amendments to ASA 450

38. The following paragraph is inserted above existing paragraph 6 of this Auditing Standard:

If the auditor identifies a misstatement, the auditor shall evaluate whether such a misstatement is indicative of fraud. (Ref: Para. A7)

39. Existing footnote 8 in paragraph A1 is amended to read as follows:

See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraphs ~~A1-A6~~A2-A6.

40. The following paragraph and footnote are inserted following existing paragraph A6 of this Auditing Standard:

Consideration of Identified Misstatements as the Audit Progresses (Ref: Para. ~~6-7~~8)

The nature of identified misstatements and the circumstances of their occurrence may indicate that the misstatements may be a result of fraud. In such cases, the auditor also performs the procedures required by ASA 240,¹⁰ recognising that an instance of fraud is unlikely to be an isolated occurrence.

41. Existing footnote 16 in paragraph A22 is amended to read as follows:

See ASA 240, paragraph 3557.

Amendments to ASA 500

42. Existing footnote 17 in paragraph A37 is amended to read as follows:

See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraph 1322.

Amendments to ASA 505

43. Existing paragraph 3 is amended to read as follows:

Other Auditing Standards recognise the importance of external confirmations as audit evidence, for example:

- ...
- ASA 240 indicates that the auditor may design external confirmation procedures requests to obtain audit evidence additional corroborative information as a response to address the assessed risks of material misstatement due to fraud at the assertion level.
- ...

44. Existing footnote 10 in paragraph 3 is amended to read as follows:

See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraphs A129–A135–A37.

45. Existing paragraph 8 is amended to read as follows:

If management refuses to allow the auditor to send a confirmation request, the auditor shall:

- (a) ...
- (b) Evaluate the implications of management's refusal on the auditor's assessment of the relevant risks of material misstatement, including the risks of material misstatement due to fraud, and on the nature, timing and extent of other audit procedures; and (Ref: Para. A9)
- (c) ...

46. Existing paragraph 11 is amended to read as follows:

If the auditor determines that a response to a confirmation request is not reliable, the auditor shall evaluate the implications on the assessment of the relevant risks of material misstatement, including the risks of material misstatement due to fraud, and on the related nature, timing and extent of other audit procedures. (Ref: Para. A17)

47. Existing paragraph A4 is amended to read as follows:

¹⁰ See ASA 240, paragraphs 55–58.

Factors to consider when designing confirmation requests include:

- The assertions being addressed.
- Specific identified risks of material misstatement, including risks of material misstatement due to fraud risks.
- ...

48. Existing footnote 15 in paragraph A9 is amended to read as follows:

See ASA 240, paragraph 2438.

49. Existing footnote 19 in paragraph A17 is amended to read as follows:

See ASA 240, paragraph 2438.

50. Existing footnote 21 in paragraph A19 is amended to read as follows:

See ASA 240, paragraph 2438.

51. Existing paragraph A21 is amended to read as follows:

Exceptions noted in responses to confirmation requests may indicate misstatements or potential misstatements in the financial statements. When a misstatement is identified, the auditor is required by ASA 450²²ASA 240 to evaluate whether such misstatement is indicative of fraud.²² Exceptions may provide a guide to the quality of responses from similar confirming parties or for similar accounts. Exceptions also may indicate a deficiency, or deficiencies, in the entity's internal control over financial reporting.

Amendments to ASA 530

52. Existing paragraph A6 is amended to read as follows:

The auditor's consideration of the purpose of the audit procedure, as required by paragraph 6, includes a clear understanding of what constitutes a deviation or misstatement so that all, and only, those conditions that are relevant to the purpose of the audit procedure are included in the evaluation of deviations or projection of misstatements. For example, in a test of details relating to the existence of accounts receivable, such as confirmation, payments made by the customer before the confirmation date but received shortly after that date by the client, are not considered a misstatement. Also, a misposting between customer accounts does not affect the total accounts receivable balance. Therefore, it may not be appropriate to consider this a misstatement in evaluating the sample results of this particular audit procedure, even though it may have an important effect on other areas of the audit, such as the assessment of the risks of material misstatement due to fraud or the adequacy of the allowance for doubtful accounts.

Amendments to ASA 540

53. Existing paragraph A57 is amended to read as follows:

A retrospective review of management judgements and assumptions related to ~~significant~~ accounting estimates is required by ASA 240. As a practical matter, the auditor's review of previous accounting estimates as a risk assessment procedure in accordance with this Auditing Standard may be carried out in conjunction with the review required by ASA 240.

54. Existing footnote 41 in paragraph A57 is amended to read as follows:

²² See ASA 450, *Evaluation of Misstatements Identified during the Audit*, paragraph 6.
²² See ASA 240, paragraph 35.

See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraph 33(b)(ii)28.

55. Existing paragraph A136 is amended to read as follows:

In addition, in applying ASA 240, the auditor is required to evaluate whether management's judgements and decisions in making the accounting estimates included in the financial report, even if they are individually reasonable, are indicators of possible management bias that may represent a material misstatement due to fraud.⁶² Fraudulent financial reporting is often accomplished through intentional misstatement of accounting estimates, which may include intentionally understating or overstating accounting estimates. Indicators of possible management bias that may also be a fraud risk factor,⁶² may cause the auditor to reassess whether the auditor's risk assessments, in particular the assessment of risks of material misstatement due to fraud risks, and related responses remain appropriate.

Amendments to ASA 550

56. Existing footnote 4 in paragraph 5 is amended to read as follows:

See ASA 240, paragraph 2438.

57. Existing footnote 7 in paragraph 11 is amended to read as follows:

See ASA 315, paragraph 13; and ASA 240, paragraph 1726.

58. Existing footnote 8 in paragraph 12 is amended to read as follows:

See ASA 315, paragraph 17; and ASA 240, paragraph 1629.

59. Existing footnote 11 in paragraph 23 is amended to read as follows:

See ASA 240, paragraph 33(c)52.

60. Existing paragraph A17 is amended to read as follows:

In meeting the ASA 315 requirement to obtain an understanding of the control environment, the auditor may consider features of the control environment relevant to mitigating the risks of material misstatement associated with related party relationships and transactions, such as:

- ...
- The existence of whistle-blowing policies and procedures a whistleblower program (or other program to report fraud), where applicable.

61. Existing footnote 23 in paragraph A19 is amended to read as follows:

See ASA 240, paragraphs 3140 and A4A5.

62. Existing paragraph A33 is amended to read as follows:

If the auditor has assessed a significant risk of material misstatement due to fraud as a result of the presence of a related party with dominant influence, the auditor may, in addition to the general requirements of ASA 240, perform audit procedures such as the following to obtain an understanding of the business relationships that such a related party may have established directly or indirectly with the entity and to determine the need for further appropriate substantive audit procedures:

- ...

⁶² See ASA 240, paragraph 33(b).

⁶² See ASA 240, paragraphs 50–51.

-
- Review of employee ~~whistle-blowing~~whistleblower reports where these are retained.

Amendments to ASA 570

63. Existing footnote 18 in paragraph A8 is amended to read as follows:

See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraph ~~24~~27.

64. Existing footnote 24 in paragraph A31 is amended to read as follows:

See ASA 240, paragraphs ~~26-28~~39-41.

65. Existing footnote 36 in paragraph A71 is amended to read as follows:

See ASA 240, paragraph ~~25~~38.

Amendments to ASA 580

66. Existing Appendix 1 is amended to read as follows:

List of Australian Auditing Standards Containing Requirements for Written Representations

ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of the Financial Report* – paragraph ~~40~~63

...

67. Existing Appendix 2 is amended to read as follows:

Illustrative Representation Letter

...

Information Provided

- We have provided you with:
- ...
- We have disclosed to you all information in relation to any fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - ...
 - Others where the fraud could have a ~~material~~material effect on the financial report. (ASA 240)
- We have disclosed to you all information in relation to ~~allegations of fraud, or~~ suspected fraud, including allegations of fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others. (ASA 240)
- ...

Amendments to ASA 600

68. The following paragraph and footnote are inserted after existing paragraph 44 of this Auditing Standard:

In applying ASA 240,²⁸ the group auditor shall take responsibility for obtaining an understanding of identified fraud or suspected fraud.

69. Existing paragraph 45 is amended to read as follows:

The group auditor shall request the component auditor to communicate matters relevant to the group auditor's conclusion with regard to the group audit. Such communication shall include: (Ref: Para. A144)

- (a) ...
- (h) Fraud or suspected fraud involving:
 - (i) ~~e~~Component management;
 - (ii) ~~e~~Employees who have significant roles in the group's system of internal control at the component; or
 - (iii) ~~o~~Others, except for matters that are clearly inconsequential where the fraud resulted in a material misstatement of the component financial information;
- (i) ...

70. Existing paragraph 55 is amended to read as follows:

If fraud or suspected fraud has been identified by the group auditor or brought to its attention by a component auditor (see paragraph 45(h)), or information indicates that a fraud or suspected fraud may exist, the group auditor shall communicate this on a timely basis to the appropriate level of group management in order to inform those with primary responsibility for the prevention and detection of fraud of matters relevant to their responsibilities. (Ref: Para. A160)

71. Existing paragraph 57 is amended to read as follows:

The group auditor shall communicate the following matters with those charged with governance of the group, in addition to those required by ASA 260[30] and other ASAs: (Ref: Para. A163)

- (a) ...
- (d) Fraud or suspected fraud involving:
 - (i) ~~g~~Group management or component management;
 - (ii) ~~e~~Employees who have significant roles in the group's system of internal control; or
 - (iii) ~~o~~Others, except for matters that are clearly inconsequential when the fraud resulted in a material misstatement of the group financial report.

72. Existing paragraph 59 is amended to read as follows:

In accordance with ASA 230, the audit documentation for a group audit engagement needs to be sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the nature, timing and extent of audit procedures performed, the evidence obtained, and the conclusions reached with respect to significant matters arising during the group audit. In applying ASA 230, the group auditor shall include in the audit documentation: (Ref: Para. A166–A169, A179–A182)

²⁸ See ASA 240, paragraph 55.

- (a) ...
- (g) Matters related to communications with component auditors, including:
- (i) Matters, if any, related to fraud or suspected fraud, related parties or going concern communicated in accordance with paragraph 32.
- (ii) ...
73. Existing paragraph A92 is amended to read as follows:
- The discussion provides an opportunity to:
- ...
 - Discuss fraud or suspected fraud that has been identified, or information that indicates existence of a fraud.
 - ...
74. Existing footnote 72 in paragraph A92 is amended to read as follows:
- See ASA 240, paragraph ~~46~~29.
75. Existing paragraph A113 is amended to read as follows:
- In applying ASA 240, the auditor is required to identify and assess the risks of material misstatement of the financial report due to fraud, and to design and perform further audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement due to fraud at the assertion level. Information used to identify the risks of material misstatement of the group financial report due to fraud may include the following:
- ...
 - Group management's process for identifying and responding to the fraud risks of fraud in the group financial report, including any specific fraud risks identified by group management, or classes of transactions, account balances, or disclosures for which a fraud risk of fraud is higher.
 - ...
 - How those charged with governance of the group monitor group management's processes for identifying and responding to the fraud risks of fraud in the group, and the controls group management has established to mitigate these risks.
 - Responses of those charged with governance of the group, group management, appropriate individuals within the internal audit function (and when appropriate, component management, the component auditors, and others) to the group auditor's enquiry about whether they have knowledge of any fraud or actual, suspected fraud, including allegations of, or alleged fraud, affecting a component or the group.
76. Existing footnote 79 in paragraph A113 is amended to read as follows:
- See ASA 240, paragraphs ~~26~~39, ~~34~~46.
77. Existing footnote 85 in paragraph A136 is amended to read as follows:
- See ASA 240, paragraph ~~30(e)~~43.
78. Existing paragraph A144 is amended to read as follows:
- Although the matters required to be communicated in accordance with paragraph 45 are relevant to the group auditor's conclusion with regard to the group audit, certain matters may

be communicated during the course of the component auditor's procedures. In addition to the matters in paragraphs 32 and 50, such matters may include, for example:

- ...
- Newly arising significant risks of material misstatement, including risks of material misstatement due to fraud;
- Fraud Identified or suspected fraud or illegal acts involving component management or employees that could have a material effect on the group financial report; or
- ...

79. Existing paragraph A160 is amended to read as follows:

ASA 240 contains requirements and guidance on the communication of fraud or suspected fraud to management and, ~~when management may be involved in the fraud,~~ to those charged with governance.

80. Existing footnote 91 in paragraph A160 is amended to read as follows:

See ASA 240, paragraphs ~~41–43~~64–66.

81. Existing Appendix 2 is amended to read as follows:

Understanding the Group's System of Internal Control

...

The Group's Risk Assessment Process

The group auditor's understanding of the group's risk assessment process may include matters such as group management's risk assessment process, that is, the process for identifying, analysing and managing business risks, including the fraud risk of fraud, that may result in material misstatement of the group financial report. It may also include an understanding of how sophisticated the group's risk assessment process is and the involvement of entities and business units in this process.

82. Existing paragraphs in Appendix 2 will be renumbered starting from number 1.

Amendments to ASA 610

83. Existing paragraph A26 is amended to read as follows:

ASA 200 discusses the importance of the auditor planning and performing the audit with professional scepticism, including being alert to information that brings into question the reliability of documents and responses to enquiries to be used as audit evidence. Accordingly, communication with the internal audit function throughout the engagement may provide opportunities for internal auditors to bring matters that may affect the work of the external auditor to the external auditor's attention. The external auditor is then able to take such information into account in the external auditor's identification and assessment of risks of material misstatement. In addition, if such information may be indicative of a heightened risk of a material misstatement of the financial report or may be regarding any ~~actual, fraud or suspected or alleged fraud,~~ including allegations of fraud, the external auditor can take this into account in the external auditor's identification of risk of material misstatement due to fraud in accordance with ASA 240.

Amendments to ASA 700

84. Existing paragraph 40 is amended to read as follows:

The Auditor's Responsibilities for the Audit of the Financial Report section of the auditor's report also shall: (Ref: Para. A50)

- (a) State that the auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that the auditor identifies during the audit, including any:
- (i) ~~s~~Significant deficiencies in internal control that the auditor identifies during the audit;
 - (ii) Identified fraud or suspected fraud;¹⁹ and
 - (iii) Other matters related to fraud that are, in the auditor's judgement, relevant to the responsibilities of those charged with governance;²⁰
- (b) ...

Amendments to ASA 700 Appendix 1: [Aus] Illustration 1A, [Aus] Illustration 2A, Illustration 3 and Illustration 4

85. [Aus] Illustration 1A: An auditor's report on a financial report of a single listed company prepared in accordance with the *Corporations Act 2001* (a fair presentation framework), is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Report

...

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• ...

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~s~~Significant deficiencies in internal control that we identify during our audit;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgement, relevant to the responsibilities of the directors.

...

86. [Aus] Illustration 2A: An auditor's report on a financial report of a listed company and its subsidiaries (Group) prepared in accordance with the *Corporations Act 2001* (a fair presentation framework), is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

¹⁹ See ASA 240, paragraph 65.

²⁰ See ASA 240, paragraph 66.

Auditor's Responsibilities for the Audit of the Financial Report

...

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ...

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~s~~Significant deficiencies in internal control ~~that we identify during our audit~~;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgement, relevant to the responsibilities of the directors.

...

87. Illustration 3: An auditor's report on a financial report of an entity other than a listed entity prepared in accordance with a fair presentation framework, is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Report

...

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ...

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~s~~Significant deficiencies in internal control ~~that we identify during our audit~~;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgement, relevant to the responsibilities of those charged with governance.

...

88. Illustration 4: An auditor's report on a financial report of an entity other than a listed entity prepared in accordance with a general purpose compliance framework, is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Report

...

Auditing Standard AUASB 2025-6
Amendments to Australian Auditing Standards

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ...

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~s~~Significant deficiencies in internal control that we identify during our audit;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgement, relevant to the responsibilities of those charged with governance.

...

Amendments to ASA 701

89. The following paragraph and footnote are inserted after existing paragraph A8 of this Auditing Standard:

ASA 240¹⁵ includes requirements for determining and communicating key audit matters related to fraud. The requirements and guidance in ASA 240 refer to, or expand on, the application of this ASA.

90. The following paragraph and footnote are inserted after existing paragraph A18 of this Auditing Standard:

ASA 240²³ notes that matters related to fraud are often matters that require significant auditor attention and that, given the interest of users of the financial reports, one or more of the matters related to fraud that required significant auditor attention in performing the audit, determined in accordance with paragraph 60 of ASA 240, would ordinarily be of most significance in the audit of the financial reports of the current period and therefore are key audit matters.

91. Existing paragraph A21 is amended to read as follows:

~~However, this may not be the case for all significant risks. For example, ASA 240 presumes that there are risks of fraud in revenue recognition and requires the auditor to treat those assessed risks of material misstatement due to fraud as significant risks. In addition, ASA 240 indicates that, due to the unpredictable way in which management override of controls could occur, it is a risk of material misstatement due to fraud and thus a significant risk. The auditor may determine these matters to be key audit matters related to fraud because risks of material misstatement due to fraud are often matters that both require significant auditor attention and are of most significance in the audit. However, this may not be the case for all these matters. The auditor may determine certain risks of material misstatement due to fraud did not require significant auditor attention. Depending on their nature, these risks may not require significant auditor attention, and therefore, these risks would not be considered in the auditor's determination of key audit matters in accordance with paragraph 10.~~

92. Existing footnote 25 is amended to read as follows:

~~See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraphs 26–2739(b) and 41.~~

93. Existing footnote 26 is amended to read as follows:

¹⁵ See ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, paragraphs 60–62.

²³ See ASA 240, paragraphs A179 and A185.

See ASA 240, paragraphs ~~34~~39(b) and 40.

94. A new footnote is inserted in paragraph A55 as follows:

It may also be necessary for the auditor to consider the implications of communicating about a matter determined to be a key audit matter in light of relevant ethical requirements.³⁴ In addition, the auditor may be required by law or regulation to communicate with applicable regulatory, enforcement or supervisory authorities in relation to the matter, regardless of whether the matter is communicated in the auditor's report. Such communication may also be useful to inform the auditor's consideration of the adverse consequences that may arise from communicating about the matter.

Amendments to ASA 705

95. Existing paragraph A9 is amended to read as follows:

An inability to perform a specific procedure does not constitute a limitation on the scope of the audit if the auditor is able to obtain sufficient appropriate audit evidence by performing alternative procedures. If this is not possible, the requirements of paragraphs 7(b) and 9–10 apply as appropriate. Limitations imposed by management may have other implications for the audit, such as for the auditor's assessment of risks of material misstatement due to fraud risks and consideration of engagement continuance.

Amendments to ASA 800

Amendments to ASA 800 Appendix 1: Illustration 1, Illustration 2 and [Aus] Illustration 5

96. Illustration 1: An auditor's report on a financial report of an entity other than a listed entity prepared in accordance with the financial reporting provisions of a contract (for purposes of this illustration, a compliance framework), is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Report

...

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ...

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~Significant deficiencies in internal control that we identify during our audit;~~
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in the auditor's judgement, relevant to the responsibilities of those charged with governance.

...

³⁴ For example, except for certain specified circumstances, paragraph R114.2 of the APESB Code does not permit the use or disclosure of information in respect of which the duty of confidentiality applies. As one of the exceptions, paragraph AUST R114.3 of the APESB Code permits the professional accountant to disclose or use confidential information where there is a legal or professional duty or right to do so. Paragraph 114.3 A1(b)(iv) of the APESB Code explains that there is a professional duty or right to disclose such information to comply with technical and professional standards.

97. Illustration 2: An auditor's report on a financial report of an entity other than a listed entity prepared in accordance with the tax basis of accounting in Jurisdiction X (for purposes of this illustration, a compliance framework), is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Report

...

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ...

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~s~~Significant deficiencies in internal control ~~that we identify during our audit~~;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in the auditor's judgement, relevant to the responsibilities of those charged with governance.

...

98. [Aus] Illustration 5: An auditor's report on a financial report prepared by a not-for-profit incorporated association in accordance with the financial reporting provisions of the *applicable legislation* (for purposes of this illustration, a fair presentation framework), is amended to read as follows:

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Report

...

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ...

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- ~~s~~Significant deficiencies in internal control ~~that we identify during our audit~~;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in the auditor's judgement, relevant to the responsibilities of those charged with governance.

...

Commencement of the legislative instrument

For legal purposes, each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
The whole of this instrument	14 December 2026.	14 December 2026.

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.