



Subject: Minutes of the 156th Meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Virtual
Date: Tuesday, 28 January 2025, 12:00 pm – 2:46 pm

Attendance

AUASB Members:	Mr Doug Niven (Chair) Ms Julie Crisp Ms Marje Russ (NZAuASB Chair) Mr Klynton Hankin Professor Noel Harding Ms Joanne Lonergan	Mr Andrew Porter Mr Terence Jeyaretnam Mr Jason Thorne Ms Jennifer Travers Mr Chi Mun Woo
Office of the AUASB Staff:	Ms Anne Waters Ms Rene Herman Ms Marina Michaelides Ms Johanna Foyster	Mr Rajen Pillay Ms See Wen Ewe
Guests	Ms Sue Ironside (Institute of Internal Auditors) Ms Hayley Elson (Institute of Internal Auditors) Mr Channa Wijesinghe (Accounting Professional & Ethical Standards Board)	

Minutes

(Agenda Item 1 – Minute 1752) Private Session

The AUASB discussed, in a private session, confidential matters relating to the current agenda.

(Agenda Item 2 – Minute 1753) Welcome and Chair Update

The AUASB Chair welcomed members of the public to the 156th meeting.

The AUASB Chair also welcomed Ms Jennifer Travers to her first AUASB meeting.

The NZAuASB Chair provided a verbal update on various NZ matters on sustainability assurance including that mandatory assurance of Scope 1, 2 and 3 emissions will now commence from 1 January 2026. The NZAuASB is yet to consider *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* and *ISSA 5000 General Requirements for Sustainability Assurance Engagements*.

(Agenda Item 3 – Minute 1754) Direct Assistance by Internal Audit in Sustainability Assurance Engagements

The AUASB met with representatives of The Institute of Internal Auditors (IIA) to discuss the IIA's feedback on a possible prohibition on direct assistance by internal audit in sustainability assurance engagements ('direct assistance').

The AUASB decided to prohibit direct assistance, which is consistent with an equivalent prohibition for audits of financial reports. Members noted that most respondents to the AUASB [Consultation Paper: Prohibiting Sustainability Assurance Practitioners from Using Direct Assistance by Internal Auditors](#) supported a prohibition, and this was also consistent with APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*. If available, the board will be informed of feedback from one stakeholder group that has an internal meeting on the subject later this week.



Initial high-level guidance on where internal audit can be used will be published with ASSA 5000. The Office of the AUASB will work with the IIA to develop more detailed guidance as to where external auditors can use the work of internal auditors in sustainability assurance engagements.

(Agenda Item 4 – Minute 1755) ASSA 5000 General Requirements for Sustainability Assurance Engagements

The AUASB approved an Australian equivalent of ISSA 5000 *General Requirements for Sustainability Assurance Engagements*. ASSA 5000 includes the following changes to ISSA 5000:

- *Application date* – ASSA 5000 will apply for sustainability assurance engagements on sustainability information reported:
 - For reporting periods beginning on or after 1 January 2025; and
 - As at a specific date on or after 1 January 2025.

In the case of mandatory climate reporting, ASSA 5000 will be subject to the phasing in of limited and reasonable assurance under ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (see Item 5 below).

- *Internal audit* – ASSA 5000 will prohibit the use of direct assistance by internal auditors in a sustainability assurance engagement (see item 3 above).
- *'Relevant ethical requirements'* – the definition of this term in ASSA 5000 will be aligned with ISSA 5000 by referring to:
 - Parts 1 to 3 of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110) issued by the Accounting Professional & Ethical Standards Board Limited (APESB); and
 - Part 5 of the International Ethics Standards Board for Accountants' Code of Ethics (IESBA Code).

This definition will be revised when the APESB updates APES 110 later this year to include the equivalent of Part 5 of the IESBA Code.

Consistent with international standards, ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* will continue to apply until reporting periods commencing 15 December 2026 for separate emissions reporting where required under the *National Greenhouse and Energy Reporting Act 2007*.

The AUASB decided not to re-expose ASSA 5000 as the changes to the final ASSA 5000 since the ISSA 5000 Exposure Draft are in response to stakeholder feedback. The AUASB also noted that the majority of the AUASB's substantive comments were addressed by the IAASB, or will be considered for future guidance, and that the AUASB received overwhelming support to adopt ISSA 5000 in Australia.

The AUASB also approved:

- ASA 2025-2 *Amendments to Australian Auditing Standards* - which makes conforming and consequential amendments to other AUASB standards as a result of ASSA 5000;
- The Explanatory Statement for ASSA 5000 and ASA 2025-2; and
- A revised ASA 101 *Preamble to AUASB Standards* - to include ASSA 5000 and ASSA 5010 within the scope of ASA 101, and to clarify that the firm-level quality management standards are not legally enforceable under the *Corporations Act 2001* (the Act); and
- The explanatory statement for the revised ASA 101

(Agenda Item 5 – Minute 1756) ASSA 5010 Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act

For mandatory climate reporting under the Act, ASSA 5000 will be subject to the phasing in of limited and reasonable assurance under ASSA 5010. ASSA 5010 and its Explanatory Statement were formally approved



by the AUASB with no changes to the assurance phasing model previously approved at the AUASB's 16 December 2024 meeting.

Mr Andrew Porter expressed a dissenting view on the decision to require limited assurance on Scope 3 emission disclosures in the Second Year of Reporting. This is the first year for which those disclosures are required to be reported. An assurance requirement is premature and may be unnecessarily burdensome given anticipated challenges in obtaining information and assurance through value chains.

Mandatory reporting under the Act commences at different times for each of three groups of entities. For Group 1 entities (i.e. the largest entities) reporting is required from years commencing 1 January 2025. The Act requires reporting using AASB S2 *Climate-related Disclosures*. The following table shows the phasing in of limited and reasonable assurance for the AASB S2 disclosures for each of the three groups of entities (earlier assurance permitted).

Years commencing	Year 1*	Year 2	Year 3	Year 4**	Year 5	Year 6
Group 1	1/1/25 to 30/6/26	1/7/26 to 30/6/27	1/7/27 to 30/6/28	1/7/28 to 30/6/29	1/7/29 to 30/6/30	1/7/30 to 30/6/31
Group 2	1/7/26 to 30/6/27	1/7/27 to 30/6/28	1/7/28 to 30/6/29	1/7/29 to 30/6/30	1/7/30 to 30/6/31	1/7/31 to 30/6/32
Group 3	1/7/27 to 30/6/28	1/7/28 to 30/6/29	1/7/29 to 30/6/30	1/7/30 to 30/6/31	1/7/31 to 30/6/32	1/7/32 to 30/6/33
Governance	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Strategy – Risks and Opportunities ***	Limited****	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate Resilience Assessments/ Scenario Analysis	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Transition Plans	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Risk Management	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 1 and 2 Emissions	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 3 Emissions	N/A	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate-related Metrics and Targets	None	Limited	Limited	Reasonable	Reasonable	Reasonable

* Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice (e.g. years commencing 1/1/25 and 1/1/26). Reporting of Scope 3 emissions is required for years commencing 1/1/26 to 30/6/26 for these Group 1 entities.

** Years commencing from 1/7/30 to 30/6/31 for Group 3 entities. From that time reasonable assurance is required by the Act for all mandatory climate disclosures.

*** The phasing for assurance on statements that there are no material climate-related risks and opportunities would be the same as for 'Strategy – Risks and Opportunities'.

**** Only subparagraphs 9(a), 10(a) and 10(b) of AASB S2.

(Agenda Item 6 – Minute 1757) PIE Track 1 amendments

The AUASB approved ASA 2025-1 *Amendments to Australian Auditing Standards* and its Explanatory Statement. ASA 2025-1 amends the following standards:

- ASA 700 *Forming and Opinion and Reporting on a Financial Report* - to require audit reports of entities such as public interest entities to disclose the information required in APES 110 in addition to existing disclosure on application of the independence requirements; and
- ASA 260 *Communication With Those Charged With Governance* - to require the auditor to communicate on the application of independence requirements in the APES 110 to those charged with governance.



Close of the Meeting

The Chair closed the meeting at 2:46pm.

Next Meeting

The AUASB will hold its next meeting in Melbourne on 19 February 2025.

Approval

Signed as a true and correct record.

Douglas Niven
Chair

19 February 2025