



AUASB Agenda Paper

AUASB Action list - From previous meetings

Action	Target Meeting	Comments
The Office of the AUASB to send the following Board meeting minutes from February to August 2024 to AUASB members for comment and approval.	19 November 2024	Draft Minutes sent to AUASB members 6 September 2024 for comment by 4 November 2024
The Office of the AUASB will continue to progress the other sustainability matters to be issued as guidance.	Ongoing	Consultation on the FAQs has been delayed due to factors including: <ul style="list-style-type: none">• The AUAB has not voted on the adoption of the final ISSA 5000 in Australia;• Implementation guidance from the IAASB is due to be released in January 2025 but its content are not yet known; and• On 7 November 2024, ASIC issued draft guidance for consultation in a key area that was originally to be covered by an FAQ, and this affects other FAQs.
The Office of the AUASB to prepare a paper on whether to re-expose the final ISSA 5000 <i>General Requirements for Sustainability Assurance Engagement</i> , subject to seeing the final ISSA 5000.	TBD	
The AUASB to approve ASAE 3500 <i>Performance Engagements</i>	TBD	



AUASB Agenda Paper

Title:	Guidance Statements Revision – GS 002	Date:	19 November 2024
Office of the AUASB Staff:	Rajen Pillay	Agenda Item:	6.1

Objective of this Agenda Paper

1. The objective of this Agenda Paper is to inform and to seek feedback from AUASB members on the approach to updating [GS 002 Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities](#).

Question for the AUASB members

Question No.	Question for AUASB members
Question 1	Do AUASB members have any feedback on the approach to updating Guidance Statement GS 002 and the proposed next steps, as outlined in the paper?

Background

2. GS 002 provides guidance to auditors of Registrable Superannuation Entities (RSEs) reporting pursuant to the prudential reporting requirements specified by APRA.
3. As part of our broader strategy to review Guidance Statements, GS 002 was prioritised for updating due to changes in legislation and associated reporting requirements.
4. Under the AUASB Due Process framework, AUASB Guidance Statements should be assessed for currency and relevance, and to ensure they remain consistent with other AUASB pronouncements and fit for purpose, at least once every three years (see subparagraph 265(a) of the [Due Process Framework for Developing, Issuing and Maintaining AUASB Pronouncements and Other Publications](#) (AUASB Due Process Framework)).
5. The last update to GS 002 was undertaken in January 2014 and recent stakeholder engagement confirmed this Guidance Statement needed updating.

Revision update - progress to date

6. The Office of AUASB determined that there was no need for a PAG (project advisory group) having regard to the nature of the changes which are confined to updates to APRA's Superannuation [Prudential Standard SPS 310 Audit and Related Matters](#).
7. Stakeholder feedback was sought through the recent APRA convened SNACC (Superannuation National Audit Consultative Committee) meeting held in October 2024. The matters covered at this meeting included the need for updating GS 002 content and the audit report format previously maintained by APRA.
8. Details of the matters discussed, and feedback are briefly outlined below:
 - Need for GS 002 – confirmation received that there is a need given the recent changes in the regulatory landscape, as well as ensuring consistency in audit approach and maintaining audit quality.

- Content - changes here will reflect in the main SPS 310 updates and a draft GS 002 will be available for review by stakeholders. There was no objection to removing some of the repetition with APRA's SPS 310 and AAUSB pronouncements by the use of cross-references.
 - Audit report formats – APRA have withdrawn their approved forms covering report formats, as such it's the intention of the AUASB to include illustrative report templates for GS 002 separately on our website. This will facilitate future updates without impacting the GS itself.
9. The Office of the AUASB intends to provide a draft GS 002 in latter November 2024 to the regulators APRA and ASIC for feedback. Post this feedback an updated draft will be made available in early January 2025 to other stakeholders that form part of the SNACC meeting group for their input. It is intended that meetings will be held with stakeholders to discuss their feedback/updates to GS 002.

Collaboration with NZAuASB

10. Guidance Statements are Australian-specific.

Next steps/Way forward

11. 11. After stakeholder engagement has been completed, the Office of the AUASB will provide AUASB members probably at the March 2025 board meeting with an updated draft version of GS 002 for feedback before finalised.





AUASB Agenda Paper

Title:	Withdrawal of GS 021 <i>Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes</i>	Date:	19 November 2024
Office of the AUASB Staff:	See Wen Ewe	Agenda Item:	6.2

Objective of this Agenda Paper

1. The objective of this Agenda Paper is to seek approval from AUASB members to withdraw [Guidance Statement 021 Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes](#) (GS 021).

Questions for the AUASB members

Question for AUASB members
1. Does the AUASB agree with the Office of AUASB recommendation to withdraw GS 021, subject to the proposed public consultation as on the review of all guidance statements?

Background and Previous Discussions on Topic

2. GS 021 was issued in 2012 after the Clean Energy Regulator (CER) was formed in 2007. The purpose of GS 021 was to provide guidance to assurance practitioners in applying the relevant AUASB Standards when conducting assurance and agreed-upon procedures engagements on regulatory reporting of greenhouse gas (GHG) emissions, energy production, energy consumption or offsets, applications for assistance with carbon liabilities or compliance with related legislative requirements in Australia.
3. At the September 2020 AUASB Meeting, the AUASB approved the Office of AUASB plan to withdraw several Guidance Statements including GS 021. The recommendation was based on feedback received from stakeholders in response to a discussion paper and survey issued to obtain broad feedback on the suite of guidance statements (see [Agenda Item 5 of the September 2020 AUASB Agenda Papers](#)) where eight out of eleven respondents agreed that GS 021 should be withdrawn. GS 021 has not yet been withdrawn.

Matters for Consideration

Initial research and feedback received from recent stakeholder discussions

4. Given the passage of time and the proposed introduction of mandatory reporting of scope 1 and 2 GHG emissions the Office of the AUASB has reviewed GS 021 to confirm that the decision to remove is still appropriate. We have had regard to the considerable updated guidance available on the Clean Energy Regulator (CER) [website](#) and recently updated [ASAE 3410 Assurance Engagements on Greenhouse Gas Statements](#). We have determined that:
 - (a) GS 021 is significantly outdated because there have been considerable changes to the National Greenhouse and Energy Reporting (NGER) schemes with some schemes no longer existing, new schemes created and others changed. That is, GS 021 is significantly outdated;
 - (b) The assurance requirements have changed since GS 021 was issued (see below); and

- (c) Sufficient guidance for auditors is available on the CER website on the current schemes and audit requirements, including example audit reports (see below).
- 5. ASAE 3410 has been revised a couple times since GS 021 was issued. The latest version of ASAE 3410 was issued in 2022 for changes arising from the Code of Ethics and the Quality Management Standards. ASAE 3410 and ASRS 4400 have also been updated. As a result, the underlying assurance requirements in GS 021 are out-of-date.
- 6. The CER website has a [dedicated page](#) detailing assurance engagement process, providing information on levels of assurance, phases of the assurance process including risk assessment, assessing the suitability of the criteria and appropriateness of the subject matter, setting materiality etc. The page also houses different types of assurance report templates applicable to each scheme. The CER website also maintained a [separate page](#) on audit teams and quality management including details on ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* and ASQM 2 *Engagement Quality Reviews*, which were issued after the release of GS 021.
- 7. The Office of AUASB recently consulted with an assurance practitioner and two board members who perform assurance engagements under the NGER Act. They have confirmed that they have not used GS 021 in recent years as ASAE 3410 and the CER website provide the information required to perform these assurance engagements.
- 8. The Office of the AUASB also consulted with CER staff informally and they agreed that GS 021 is outdated and no longer required. In addition, since GS 021 was issued, the *National Greenhouse and Energy Reporting (Audit) Determination 2009* was revised in 2017 to mandate the use of ASAE 3410. In the view of those CER staff, GS 021 is no longer fit-for-purpose and no longer required.
- 9. The IAASB plans to withdraw ISAE 3410 at the March 2025 meeting, but allow jurisdictions to retain ISAE 3410 if required.
- 10. The only possible useful content in GS 021 that is not replicated elsewhere would be the example engagement letter.

Options and Recommendations

- 11. The following options are available for the AUASB to consider:

- (a) Update GS 021

GS 021 will require a total rewrite as most of the schemes are no longer applicable and the assurance requirements are outdated compared to the underlying standards.

- (i) Pros: One-stop-shop for practitioners to refer to.
- (ii) Cons: Time-consuming and no apparent use as practitioners can refer to ASAE 3410 and CER website for details. Also not a priority for the AUASB at the moment as our resources are better directed towards supporting auditors of GHG emissions reported in the new Sustainability Report under the *Corporations Act 2001*.

- (b) Withdraw GS 021

Under the AUASB's [Due Process Framework for Developing, Issuing and Maintaining AUASB Pronouncements and Other Publications](#) paragraph 265(b), a formal process to withdraw or repeal GSs is not required. However, before the withdrawal of a GS the AUASB will publicise the intention to withdraw the GS on the AUASB website and through standard AUASB communication channels, to elicit any objections from stakeholders.

(i) Pros: Time and cost efficient and ensures that the GSs on the AUASB website remain current and fit-for-purpose.

(ii) Cons: None as practitioners do not use GS 021 at the moment, they refer to ASAE 3410 and the CER website for details.

(c) No action

Not recommended as GS 021 is outdated.

12. The Office of AUASB recommends withdrawing GS 021.

Collaboration with NZAuASB

13. GS 021 is an Australian specific guidance statement, there is no equivalent guidance issued by the NZAuASB.

Next steps/Way forward

14. Upon AUASB's Due Process Framework approval of the withdrawal of GS 021 will be subject to public consultation through a discussion paper on the review of the suite of all guidance statements. The discussion paper will be subject to review by the Board.

