



Subject: 155th Meeting of the Auditing and Assurance Standards Board - Highlights
Venue: Virtual
Meeting Date: Monday, 16 December 2024, 11:45 am – 5:00 pm

1. Australian equivalent of ISSA 5000 *General Requirements for Sustainability Assurance Engagements (ASSA 5000)*

Quality management and ethics

The AUASB agreed to reference the APES 110 and Part 5 of the IESBA Code as the 'relevant ethical requirements' in an Australian equivalent of ISSA 5000, pending the adoption of Part 5 in APES 110.

The AUASB deferred a decision on whether to amend ISSA 5000 such that the AUASB would be the only authority in Australia to determine which standards are 'at least as demanding as' ASQM 1 and the 'relevant ethical requirements'. Guidance will first be developed on how the AUASB will approach the test. A decision on approving an Australian equivalent to ISSA 5000 will not be delayed while this matter is resolved.

Direct assistance from internal audit

The AUASB will further consider a proposed prohibition of direct assistance by internal auditors in sustainability assurance engagements at a Board meeting in late January 2025.

Re-exposure

The AUASB is not anticipating it will re-expose the final ISSA 5000 in Australia. In late January 2025, the AUASB will consider approving an Australian equivalent of ISSA 5000, subject to:

- any necessary amendments for independence and other ethical requirements in Australia;
- reviewing the Australian equivalents of ISSA 5000 and the IAASB's Basis for Conclusions; and
- given AUASB members discussed IAASB changes to the proposed ISSA 5000 exposure draft during 2024, reviewing a single paper covering the significant changes, and whether matters in the AUASB submission on the IAASB exposure draft have been adequately addressed.

The AUASB will consider the Australian equivalent of ISSA 5000 for approval at a Board meeting in late January 2025.

2. Proposed sustainability assurance phasing – consideration of options

AUASB members considered the approach to the phasing in of assurance over information in sustainability reports. This followed feedback received on the AUASB's Exposure Draft on Proposed Australian Sustainability Assurance Standard ASSA 5010 *Timeline for Audits or Reviews of Information in Sustainability Reports Under the Corporations Act 2001* (ED 02/24).

AUASB members decided to adopt the following phasing model:



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 have two Year 1s.

** 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 *Climate-related Disclosures*.

A final draft of ASSA 5010 will be presented to the AUASB for approval at a meeting in late January 2025.

The AUASB will monitor implementation experience on an ongoing basis to determine whether any amendments to the assurance requirements set out in ASSA 5010 are necessary.

3. ASAE 3500 Performance Engagements

The AUASB approved a revised ASAE 3500 *Performance Engagements* to address the findings from the AUASB's 2023 Post Implementation Review of that standard. The revised standard applies to engagements that commence on or after 1 April 2025.

4. ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews, and Other Assurance Engagements and minor change to ASA 600

The AUASB also approved:

- a revised ASA 102 to give legal backing to the latest version of the APESB Code of Ethics.
- ASA 2024-1 *Amendments to Australian Auditing Standards*, which will make minor editorial corrections to ASA 600 *Special Considerations – Audits of a Group Financial Report*.

Both standards will be operative for reporting periods commencing on or after 1 January 2025.

The AUASB will hold its next meeting in late January 2025 virtually.

AUASB meetings are open to the public. Please email enquiries@auasb.gov.au if you wish to attend.