

From: Johanna Foyster <jfoyster@auasb.gov.au>

Sent: Wednesday, March 22, 2023 4:07 PM

To: ychoonara@irba.co.za

Cc: Matthew Zappulla <mzappulla@auasb.gov.au>

Subject: RE: Proposed Due Process Policy for the Development, Adoption and Issue of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2022) [SEC=OFFICIAL]

OFFICIAL

Dear Yussuf

Matthew has asked me to review the IRBA's proposed revised CFAS Due Process Policy document, as per your request earlier this month. I was the staff member responsible for drafting the AUASB's [*Due Process Framework for Developing, Issuing and Maintaining AUASB Pronouncements and Other Publications*](#) (issued December 2020; updated September 2021).

Comments following the review of the CFAS Due Process Policy document:

- The process for the **Adoption of Standards developed by the IAASB** (paragraphs 30-64) is concise, clearly stated and mostly in line with what we do at the AUASB – no major flaws identified.
- The section dealing with **Pronouncements developed by the CFAS** (paragraphs 65 -73) deals with domestic standards, practice statements and other guides all in one section under the same header. The document could be further improved by clearly distinguishing between Standards and guidance materials (and further splitting authoritative vs non-authoritative guidance), as the processes for these documents will usually be different. For example, there may not always be a requirement for all types of guidance materials to be publicly exposed (or exposure periods may differ) and the process for non-authoritative guidance materials may be less formal than that required for Standards or authoritative guidance.

The AUASB's Due Process Framework (see link above) is divided into 3 main sections:

- Standard-Setting Processes - three separate processes for Standards based on IAASB Standards; Domestic AUASB Standards; and Narrow-Scope Amendments (see paras 82-254).
 - Process to develop AUASB Guidance Statements (authoritative guidance) (see paras 255-265).
 - Non-Authoritative Materials (e.g. Staff FAQs, newsletters) (see paras 266-273).
- Finally, you may wish to consider also including a Simplified Due Process for addressing changes to existing standards that are considered to be narrow in scope. The AUASB's Narrow-Scope process is outlined in paragraphs 176-197 of the AUASB's Due Process Framework. Depending on the nature, scope and urgency of any proposed amendments, narrow-scope projects may move quickly through the various stages of the due process.

Please let me know if you have any questions or need any further information.

Kind regards

Johanna Foyster | Senior Project Manager

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