

Question / Comment	Response
<p>James Hazelton (Macquarie University, Sydney): Do you think that an unaccounted-for difference will cause an auditor issues in terms of materiality?</p>	<p>Fundamentally, disclosure is the key aspect here, as well as how much the unaccounted-for difference fluctuates from year to year and the needs of the user.</p> <p>While the figure can be large, the uncertainty of this item is effectively tested (through controls and substantively) through the testing of the other items disclosed in the water accounting statements and notes.</p> <p>The commonly used gauge of materiality (5-10%) in a financial audit is unlikely to apply in the assurance of general purpose water accounting reports.</p>
<p>Carol Bruce (DSEWPAC/MDBA, Canberra): How do you decide whether to conduct a limited or reasonable assurance engagement?</p>	<p>The level of assurance will depend on the needs of the users of the general purpose water accounting report, including the responsible party, preparers and other stakeholders, and the purpose for which assurance is being sought.</p>
<p>Murray Radcliffe (NWC): Is there any indication as to the cost of undertaking an assurance engagement?</p>	<p>Some initial results are provided in the Effects Analysis, which was released in October 2012 (http://www.bom.gov.au/water/standards/wasb/effects.shtml).</p> <p>While it is noted that water accounting and related assurance is voluntary at this stage, it was considered beneficial for the principles for assurance to be developed ahead of practice (similar to the approach taken in the development and implementation of IFRS in financial accounting) to allow the practice to develop in a consistent and coherent manner.</p> <p>It is anticipated that the understanding of the users of water accounting reports (including preparers) and related assurance reports will grow as the discipline matures, and that this may result in changes to the water accounting and assurance standards, however, the principles in AWAS 1 and the proposed assurance standard will have provided the foundation for sound decision in this regard. In effect, standards development and implementation is a journey.</p>

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<p>Peta Barnes (BHP): Has there been any consideration given to a staged adoption, like that of GRI, which allows different scores? Will this go down the same voluntary adoption path of the energy efficiency operations program?</p> <p>Comment:</p> <p>Often the non-traditional assurance practitioners (and smaller accounting firms) experience a barrier to entry for this type of work based on their liability risk.</p>	<p>The proposed assurance standard does not address the type of staged approach adopted by the GRI reporting framework. Having said that, water report entities may choose to adopt a staged approach to assurance (for example, by initiating a pre-assurance engagement, then requesting a limited assurance engagement and then a reasonable assurance engagement).</p> <p>Comment noted.</p>
<p>Lindsay Preece (West Australian Department of Water):</p> <p>Comments:</p> <ul style="list-style-type: none"> - Based on discussions with firms in Western Australia, second-tier accounting firms would feel relatively comfortable taking on an assurance engagement on a GPWAR - The assurance standard is too passive about how an entity should prepare for assurance. Perhaps a pre-assurance engagement (say 12-18 months ahead of the proposed first assurance engagement) should take place to prepare management for first assurance engagement – maybe an internal controls audit? - Would like to congratulate the two boards and the Bureau of Meteorology on their work in developing the proposed assurance standard. 	<p>Comments noted.</p> <p>In terms of the pre-engagement, this is not dissimilar to the process that many businesses undertook when Australia adopted the International Financial Reporting Standards, and given the maturity of the discipline (water accounting), would seem like a good idea.</p>
<p>Bob O'Brien (Australian Water Investments):</p> <p>[Don't have great notes on this, I have something about 'business approach' and it being sensible what is taking place] He asked something about water entitlements and trading, I think – and Mike Smith said they would be covered by AWAS 1</p>	

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<p>Natasha Danoucaras (University of Queensland): What is the timeframe for the adoption of the standard?</p> <p>If it isn't to become mandatory, won't there be gaps in information?</p>	<p>At this stage, there are no known plans to make the adoption of the water accounting and assurance standards mandatory, but note that it would not be the role of the AUASB or WASB, or the Bureau of Meteorology, to mandate such adoption.</p> <p>It is anticipated that if users need the water accounting information, they will require the production of water accounting reports, including an assurance report, for the relevant water report entities.</p>
<p>Murray Radcliffe (NWC): What is the next water accounting standard that is planned for development?</p>	<p>At this stage, there are no plans for the development of future water accounting standards. It is considered at this time – given this level of maturity in the discipline – that AWAS 1 and AWAS 2 sufficiently address the purpose for which the WASB was established.</p>