Minutes of the 83rd Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
Held on March 13–17, 2017 in Lima, Peru

Voting Members

Present:
- Prof. Arnold Schilder (Chairman)
- Megan Zietsman (Deputy Chair)
- Abhijit Bandyopadhyay (By teleconference)
- Fiona Campbell
- Robert Dohrer
- Karin French
- Marek Grabowski
- Len Jui
- Prof. Annette Köhler
- Charles Landes
- Brendan Murtagh
- Marc Pickeur
- Lyn Provost
- Ron Salole
- Rich Salole
- Sayaka Sumida
- Imran Vanker
- Ge Zhang

Apologies:
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Technical Advisors

Sara Ashton (Ms. French)
Nicolette Bester (Mr. Vanker)
Wolf Böhm (Prof. Köhler)
Dora Burzenski (Ms. Zietsman)
Chun Wee Chiew (Mr. Murtagh)
Jan Thijs Drupsteen (Mr. Pickeur)
Shu Duan (Mr. Zhang)
Sylvia Van Dyk (Ms. Provost)
Ahava Goldman (Mr. Dohrer) (March 13-16)
Hiram Hasty (Mr. Landes)
Josephine Jackson (Mr. Grabowski)
Susan Jones (Mr. Jui)
Sachiko Kai (Ms. Sumida)
Jamie Shannon (Mr. Sharko)
Eric Turner (Mr. Salole)
Sanjay Vasudeva (Mr. Bandyopadhyay)
Denise Weber (Ms. Campbell)
Inge Vanbeveren (Mr. Pickeur)

Non-Voting Observers

Present:
- Marie Lang (IAASB Consultative Advisory Group (CAG) Interim Chair), Yoshinao Matsumoto (Japanese Financial Services Authority)

Apology:
- Juan Maria Arteagoitia (European Commission)

Public Interest Oversight Board (PIOB) Observers

Present:
- Michael Holm, Susana Novoa
1. Welcome and Approval of Previous Minutes

Prof. Schilder welcomed all participants to the meeting, including IAASB members, technical advisors, staff and observers. He introduced two new IAASB members: Ms. Lyn Provost and Mr. Len Jui, and also Ms. Provost’s new technical advisor, Sylvia van Dyk. Prof. Schilder also noted that Mr. Bandyopadhyay would participate in the meeting by phone.

The minutes of the December 5–9, 2016 IAASB meeting, and January 31, 2017 IAASB teleconference, as presented, were approved.

2. ISA 540

Mr. Sharko and Mr. Pickeur introduced and summarized the feedback received from CAG Representatives and the International Federation of Accountants Small and Medium Sized Practices (SMP) Committee.

INTRODUCTION, INCLUDING APPENDICES

The Board generally supported the introduction section, including the appendices. In addition to minor or editorial changes, the IAASB agreed to:

- Highlight the interrelationship between the factors of complexity, judgment, and estimation uncertainty in paragraph 2;
- Make several changes to Appendix 1 as a response to comments received from the International Accounting Standards Board; and
- Enhance and simplify the application material.

The Board concluded that the proposed appendices in proposed ISA 540 (Revised)2 should be retained as it would be more useful to have all guidance in one place, rather than including the appendices in staff publications.

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1 ISA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
2 Proposed ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures
OBJECTIVE, DEFINITIONS AND RISK ASSESSMENT

In addition to minor or editorial changes, the IAASB agreed the following changes:

- Add application material that explains the term “reasonable” in the context of the applicable financial reporting framework and additional detail on matters that may be relevant to the auditor’s consideration of whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework;
- Change the retrospective review requirement (paragraph 9) closer to the requirement in extant ISA 540, as the Board was of the view that the ISA 540 Task Force (ISA 540 TF) proposals introduced more conditionality and weakened the requirement;
- Add application material that explains how paragraph 8 should be applied for simple accounting estimates; and
- Enhance the application material and make the application material more concise based on several suggestions.

WORK EFFORT

In addition to minor or editorial changes, the IAASB agreed the following changes:

- Simplify paragraph 13 by referring to ‘inherent risk’ directly and specifically refer to overall procedures that may be performed when the assessed inherent risk of a material misstatement is low.
- Give greater prominence to the requirement for the auditor to test the operating effectiveness of controls in case substantive procedures alone cannot provide sufficient appropriate audit evidence or when the auditor intends to rely on controls when auditing accounting estimates.
- Simplify paragraph 13B by removing duplicate reference to whether management’s judgments in applying the requirements of the applicable financial reporting framework are appropriate.
- Enhance the application material related to paragraph 13C by including guidance on:
  o Obtaining sufficient appropriate audit evidence whether management has taken appropriate steps to address estimation uncertainty (paragraph A59O–A59Q) and that management’s point estimate, and the related disclosures, is reasonable (A59R–A59Z); and
  o Accounting estimates that give rise to wide ranges to assist the auditor in considering whether management has selected an appropriate point estimate and has developed appropriate related disclosures in the financial statements that describe the estimation uncertainty, in view of the requirements and other objectives of the applicable financial reporting framework.
  o The auditor’s development of an auditor’s range, including considerations for determining a misstatement in such circumstances.
- Make various enhancements to paragraph 13D to better align the paragraph with other, similar requirements in the ISAs, and to clarify its application.
- Make it clear that the overall evaluation, as included in paragraph 13E, is required for each accounting estimate for which the auditor performed further audit procedures to address the matters in paragraphs 13A–13C.
- Simplify the application material in several places.
OTHER CHANGES TO PROPOSED ISA 540 (REVISED)

The IAASB also agreed to:

- Clarify that written representations from those charged with governance need to be appropriate in the context of the applicable financial reporting framework (paragraph 22).
- Enhance the application material related to the documentation requirement (paragraph 23) by explaining how paragraph 8 of ISA 230\(^3\) may be applied when auditing accounting estimates.

EFFECTIVE DATE

Given the extent of the revision, the IAASB agreed that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. Earlier application would be permitted and encouraged.

CONFORMING AMENDMENTS

The Board generally supported the conforming amendments to ISA 260 (Revised),\(^4\) ISA 500,\(^5\) and ISA 580\(^6\) but made several changes to the application material for clarity and conciseness.

PIOB OBSERVER REMARKS

Mr. Holm noted the importance of publishing the exposure draft in a timely fashion, even when there might be small matters that could be improved with more time. He further noted the importance of the documentation requirement given the extent of the judgments to be made by the auditor when auditing accounting estimates, including when dealing with ranges.

IAASB CAG CHAIR’S REMARKS

Ms. Lang noted that the CAG Representatives supported the direction of travel and the quality of proposed ISA 540 (Revised). She noted that the CAG Representatives highlighted that the work effort could be explained by means of a flow chart and by simplifying the requirements and application material.

Ms. Lang also noted that, on balance, most CAG Representatives were in favor of including the appendices in proposed ISA 540 (Revised) as the appendices were found to be useful in providing background information and useful in de-cluttering the standard.

EXPLANATORY MEMORANDUM

The IAASB provided guidance to the ISA 540 (TF) regarding other matters on which to seek respondents’ views on exposure, as well as specific issues to highlight in the explanatory memorandum.

APPROVAL

After agreeing all necessary changes to the document the IAASB approved proposed ISA 540 (Revised), together with the proposed consequential and conforming amendments to other ISAs, for exposure with 18

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\(^3\) ISA 230, *Audit Documentation*
\(^4\) ISA 260 (Revised), *Communication with Those Charged with Governance*
\(^5\) ISA 500, *Audit Evidence*
\(^6\) ISA 580, *Written Representations*
affirmative votes out of the 18 IAASB members present. The exposure draft will be open for comment until August 1st, 2017.

3. **Standard Setting Board (SSB) Coordination**

Prof. Schilder summarized the key outcomes of his discussion with the Chair of the International Ethics Standards Board for Accountants (IESBA) in relation to the coordination of the two SSBs. He noted that there would be joint sessions of the IAASB Steering Committee and IESBA Planning Committee in June 2017, and a joint session with the IESBA and IAASB in September 2017.

Ms. Klonaridis provided an overview of the actions taken to date by the SSB Staff to enhance and improve the coordination between these SSBs, including the development of an initial inventory of matters of mutual interest to the SSBs. The Board supported these efforts, and suggested the following actions or considerations to further improve the coordination and address areas of difficulty:

- Improve the understanding of the interrelationship of the SSBs, for example, although the SSBs are independent the Board questioned whether such independence includes being independent of each other. It was noted that the public expectation is that the standards of the SSBs are coherent and can be applied concurrently. It was further suggested that a thorough assessment of the impact of the issues on other SSBs should be undertaken at project proposal stage.

- Clarify what is considered to be coordination, for example, whether it is coordination of efforts, outputs, or both. The Board stressed the importance of the SSBs collectively acting in the interests of the public and the ISAs being sufficiently flexible to accommodate jurisdictional ethical requirements given some jurisdictions do not adopt the IESBA Code.  

- Develop a formal process to address how coordination should be undertaken and to deal with circumstances when there are differences of opinion between two SSBs.

- Improve the understanding of the roles and responsibilities in relation to coordination. It was also suggested that a memorandum of understanding could be developed that sets out a process for how the Boards should interact.

- Take actions to create mutual respect between the members of the SSBs through building relationships. The Board suggested that it may be more effective to build relationships through the involvement of more members of the SSBs, rather than relying on key individuals within each of the SSBs.

**PIOB Observer Remarks**

Mr. Holm noted that the PIOB encouraged coordination between the SSBs and supported the development of an inventory, as this would be helpful to the PIOB in evaluating the strategy and work plans of the SSBs.

**IAASB CAG Chair’s Remarks**

Ms. Lang noted the CAG’s support of the coordination initiative. She indicated support for the development of a process with respect to how coordination should be undertaken.

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7 IESBA Code of Ethics for Professional Accountants
WAY FORWARD

The IAASB Staff will share the Board’s recommendations with the SSB Staff and will continue to discuss possible actions to enhance and improve the coordination between the SSBs.

4. ISA 315 (Revised)\(^8\)

Ms. Campbell introduced the topic, explaining that a focus of the ISA 315 Task Force’s work had been on the aspects of ISA 315 (Revised) as set out in Agenda Item 4-A, and noted that further discussion was needed by the ISA 315 Task Force in relation to information technology (IT). She added that an IT specialist had been assisting the ISA 315 Task Force in its deliberations on the IT aspects of ISA 315 (Revised).

Ms. Campbell noted support from the CAG Representatives for the direction of the matters discussed the previous week at the CAG meeting. She noted that specific comments from the CAG Representatives had included whether to combine ISA 240\(^9\) with ISA 315 (Revised), but added that it was explained that there were specific reasons that ISA 240 had been separated out in the first place, and that this project would not be reopening ISA 240 as it was focused on a revision of ISA 315 (Revised).

Ms. Campbell also noted that input had been obtained from the IAASB’s Data Analytics Working Group (DAWG) relating to the use of technology, in particular when performing risk assessment procedures. Board members agreed with the ISA 315 Task Force’s views as set out in Agenda Item 4-A relating to data analytics, but cautioned that the ISA 315 Task Force should not move ahead of the DAWG’s progress. Ms. Campbell added that the ISA 315 Task Force would continue to coordinate with the DAWG as it further developed the changes to ISA 315 (Revised).

Ms. Campbell also noted that some initial thinking about how to embed professional skepticism in the revised standard was set out in Agenda Item 4-A, and noted that the ISA 315 Task Force would continue to work with the Professional Skepticism Working Group (PSWG) on the most appropriate way to achieve this. Board members generally supported the direction but encouraged the ISA 315 Task Force to further consider the specific examples as set out in Agenda Item 4-A to ensure that the examples were going to encourage the required behavior (e.g., it was noted that a separate engagement team meeting may not meet the intended objective).

Board members also questioned the need for more substantial changes to ISA 330\(^10\) once the changes had been finalized in relation to identifying and assessing the risks of material misstatement. In particular, it was noted that it would be important for auditors to understand what needed to be done to respond to the identified risks, in particular around the IT system and controls. Ms. Campbell responded that consequential changes would be necessary and would be further considered once the project has been sufficiently progressed. Ms. Zietsman agreed, noting that the objective of this project is to revise ISA 315 (Revised), and if more substantial changes were needed to ISA 330 then that would need to be considered by the Board as a separate new project.

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\(^8\) ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

\(^9\) ISA 240, *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*

\(^10\) ISA 330, *The Auditor’s Responses to Assessed Risks*
INFORMATION TECHNOLOGY

In relation to the matters set out in Agenda Item 4-A relating to IT, Board members generally supported the direction, in particular updating the standard to be more fit-for-purpose in today’s IT environment. Board members commented variously that:

- It is very important to illustrate scalability in respect of IT, demonstrating the difference in work effort between complex versus non-complex systems. It was suggested that further consideration be given to implementation guidance once the standard is finalized as appropriate.

- Consideration should be given to describing the benefits of understanding the IT system as this would help auditors understand why an understanding is needed.

- That it is important to maintain the balance on keeping the requirements principle-based and focused on the risks of material misstatement, and not a list of procedures that need to be performed that may result in more complexity than may be needed.

- Consideration should be given to how to emphasize the need for an IT expert – with the right expertise for the relevant system.

- The standard should be clearer on the work effort needed in relation to IT, in particular in relation to the evaluation of the implementation and design of the general IT controls. It was noted that it would be helpful to demonstrate how this would apply in IT systems that are ‘off-the-shelf’ packages versus complex IT systems. Prof. Schilter added that ‘think simple first’ would be particularly important to emphasize scalability in the changes developed.

- The impact of artificial intelligence should be acknowledged.

CONTROL ACTIVITIES RELEVANT TO THE AUDIT

In relation to the matters set out in Agenda Item 4-A relating to control activities relevant to the audit, Board members:

- Re-emphasized that it would be important for the standard to explain why obtaining an understanding of controls was relevant.

- Encouraged the development of examples and guidance as this would be helpful to illustrate how this understanding is obtained in different circumstances (e.g., through examples illustrate the difference between entities that were less complex with simpler systems and controls versus those that had complex systems with more extensive controls).

- Encouraged that consideration be given to what the impact of a different control environment would have on the auditor’s work on control activities, and that this be reflected in the examples and guidance developed.

- Were supportive of the ISA 315 Task Force further exploring what needed to be changed in the standard relating to areas where substantive procedures alone are not sufficient. However, it was noted that the considerations around this are broader than just the IT system and any changes should reflect this.

SEPARATE OR COMBINED ASSESSMENT OF INHERENT AND CONTROL RISK

In relation to whether a separate or combined assessment of inherent and control risk is more appropriate, Board members expressed support for a separate understanding of inherent and control risk, with the assessment also being undertaken separately (although it was recognized that this could be at the same
time. It was noted that it would be difficult to undertake this assessment together because of the different nature of the risks. However, board members also encouraged the ISA 315 Task Force to further explore how the understanding and assessment of inherent and control risk are related when undertaken separately. The Board also agreed that ISA 200\(^{11}\) should be amended to reflect these changes.

**SIGNIFICANT RISK**

Board members, although recognizing that it is difficult, generally supported the development of the working definition of significant risk. One Board member questioned whether the extant definition was broken, while another Board member expressed a preference to further explore a focus on a ‘spectrum of risk’ rather than trying to separate significant risks. However, on balance the Board continued to support retaining the concept of significant risk. Support for the articulation of the working definition as set out in Agenda Item 4-A varied, with Board members noting that:

- The working definition, as articulated, is not clear that it is defining ‘significant risk,’ as it refers to ‘highest inherent risk,’ which may suggest that there is another level of risk being defined.
- It is important to keep any working definition understandable.
- Further consideration should be given to including the ‘judgment’ of the auditor in the working definition.
- It is unclear what will be done differently in identifying and assessing the risks that are ‘significant risks.’
- Introducing the concepts of magnitude and likelihood should help clarify what significant risks are so that there is a more consistent identification of these risks. Board members had mixed views about those risks with low likelihood but high magnitude not being identified as a significant risk, and encouraged the ISA 315 Task Force to further consider that if a risk is of a high magnitude, regardless of likelihood, this would be a significant risk.
- The auditors’ consideration of the qualitative factors relating to the identification of the risks (i.e. the nature of the risk) should be reflected in the working definition.

**IAASB CAG CHAIR’S REMARKS**

Ms. Lang noted that CAG Representatives were supportive of the direction of the project, in particular further consideration about the concept of significant risk and how this could be clarified. She added that, although not specifically covered with the CAG the previous week that clarification about what the auditor needs to do in relation to IT is important and supported the Board’s efforts on this.

**PIOB OBSERVER REMARKS**

Mr. Holm encouraged the Board to continue its progress on the changes to ISA 315 (Revised). However, he cautioned that it would not be in the public interest to have a risk that is of a high magnitude that is not assessed as a significant risk and encouraged the ISA 315 Task Force to further consider this.

\(^{11}\) ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*
WAY FORWARD

Ms. Campbell thanked the Board for their comments and noted that the ISA 315 Task Force would use the input to further progress the changes to ISA 315 (Revised).

5. Professional Skepticism

Prof Köhler provided the Board with an oral update on the activities of the joint PSWG as well as the IAASB Professional Skepticism Working Group (the IAASB Subgroup) since the December 2016 Board meeting.

JOINT PSWG ACTIVITIES

Prof. Köhler highlighted that the PSWG is in the process of drafting a joint professional skepticism publication that would give prominence to the work of the PSWG, including the actions that have been undertaken by each of the SSBs, as a result of the feedback provided through responses to the Invitation to Comment (ITC)\(^\text{12}\) and other consultations of the SSBs. Prof. Schilder summarized the discussion noting that the draft joint professional skepticism publication will be tabled as an agenda item at the next meeting of the Board for discussion.

Prof. Köhler highlighted that the IESBA is currently considering exposure drafts related to professional skepticism that 1) describes the linkage between the fundamental principles and professional skepticism and 2) seeks to clarify the requirement for a professional accountant to exercise professional judgment when applying the conceptual framework. Prof. Schilder summarized the discussion by stating that a decision would be made regarding whether review by the IAASB would be appropriate once additional information has been communicated by IESBA.

IAASB SUBGROUP ACTIVITIES

Prof. Köhler noted that the IAASB Subgroup have begun analyzing potential fundamental issues related to issues raised by respondents to the ITC in relation to, a requirement to seek contradictory evidence, a shift to a more challenging mindset or presumptive doubt, and introducing a concept of levels of professional skepticism as opposed to the current invariant concept.

WAY FORWARD

The PSWG will continue to develop a joint professional skepticism publication to be presented to all three SSBs at their next meetings in June 2017. The IAASB Subgroup will address one or more of the issues described above related to the concept of professional skepticism within the ISAs at its upcoming meeting on May 9–10, 2017 in Washington DC.

6. Eligibility of the Engagement Quality Control (EQC) Reviewer

Ms. French provided an overview of the Quality Control Task Force’s (QCTF) proposals in relation to the eligibility of the EQC reviewer, which included the QCTF’s recommendations to address the time that an individual who had previously been involved in the audit would not be eligible to fill the role of the EQC reviewer (the cooling-off period). Ms. French also highlighted the feedback from the CAG Representatives at their recent March 2017 meeting, as well as the views of the SMP Committee.

\(^\text{12}\) Invitation to Comment, Enhancing Audit Quality in the Public Interest, [www.iaasb.org/focus-audit-quality](http://www.iaasb.org/focus-audit-quality)
CRITERIA FOR SELECTION OF AN EQC REVIEWER

The Board was supportive of the overall direction proposed by the QCTF and encouraged a principles-based approach. The Board requested the QCTF to further consider:

- Circumstances when the EQC review is performed by a group of reviewers and encouraged the QCTF to acknowledge such circumstances.
- The Board’s view that the EQC reviewer’s authority is created through the processes established by the firm’s system of quality management. The Board indicated that the proposals regarding the relationship between the firm’s culture and the EQC reviewer’s authority were confusing and therefore encouraged clarity regarding how the firm’s culture influences the EQC reviewer’s authority. The Board also noted that the chain of command in relation to the EQC reviewer could impact the EQC reviewer’s authority and objectivity, and recommended that this be specifically discussed in the standard.
- Clarifying the distinction between technical competence and practical experience, and emphasized the importance of attaining an appropriate balance between the attributes. The Board also noted that in some jurisdictions the EQC reviewer is required to be licensed, which could further limit the number of individuals that are eligible to perform the EQC review. The Board also recommended that the criteria for the eligibility of the EQC reviewer should be linked to the basis for which the engagement is subject to an EQC review, however did not consider that it is always necessary for the EQC reviewer to have experience in relation to listed entities.
- The provisions regarding the degree to which the EQC reviewer may be consulted should be retained, as these had been diluted in the proposed revisions.
- How the proposals would relate to engagements that are non-audit engagements.

OBJECTIVITY OF THE EQC REVIEWER

The Board agreed that further coordination with the IESBA should be undertaken, taking into consideration the respective remits of the two Boards. The Board did not support the IAASB undertaking revisions to the IAASB’s Standards in the absence of the IESBA taking further steps to address the issue. The Board variously:

- Raised concern that the proposed requirements in relation to the objectivity of the EQC reviewer appear more onerous than the provisions in relation to an engagement partner.
- Noted that not all jurisdictions apply the IESBA Code and therefore cautioned against proposals that would be specific to the IESBA Code.
- That a further understanding is needed regarding the basis for IESBA’s cooling-off period of three years in relation to an EQC reviewer. The Board encouraged the QCTF to consider a two year cooling-off period (similar to the period prescribed by the United States Public Company Accounting Oversight Board) and to further understand the effect of the proposed cooling-off period on SMPs.

THE PROCESS FOR THE SELECTION OF THE EQC REVIEWER

The Board was supportive of the QCTF’s proposals in relation to the firm’s selection of the EQC reviewer, however suggested that the exemption, “unless, in exceptional circumstances, it is not practicable”, be reconsidered as it is unlikely to be an exceptional circumstance in the case of SMPs.
IAASB CAG Chair’s Remarks

Ms. Lang highlighted that the CAG Representatives emphasized the importance of achieving an appropriate balance with respect to the criteria for the eligibility of the EQC reviewer and questioned how the proposals would be implemented and enforced. Furthermore, Ms. Lang noted that many IAASB CAG Representatives are also IESBA CAG Representatives, and accordingly were supportive of the cooperation with the IESBA on this topic.

PIOB Observer Remarks

Mr. Holm encouraged the IAASB to further coordinate with the IESBA with respect to the cooling-off period.

Way Forward

The QCTF will consider the Board’s comments in further addressing the enhancements to EQC reviews. The QCTF will present their recommendations on the EQC review, including the eligibility of the EQC reviewer, to the Board at its September 2017 meeting.

7. Matters Relevant to SMPs and Audits of Small and Medium Sized Entities (SMEs)

Mr. Murtagh summarized the feedback from the January 2017 IAASB / Compagnie Nationale des Commissaires aux Comptes (CNCC) / the Conseil Superieur de l’Ordre des Experts-Comptables (CSOEC) Working Conference (the working conference) held in Paris to discuss matters related to challenges and issues relating to the ISAs and the use of the IAASB’s other International Standards by SMPs for the services that they provide. He also explained the actions being undertaken by the IAASB in its current projects to revise existing standards to enable the standards to be applied appropriately in relation to the size and complexity of an entity. The Board agreed that feedback from the work conference should be shared more publicly.

The IAASB discussed the need for a framework to delineate between the concepts of scalability and proportionality, but agreed that this should be further explored to understand how this could be applied in practice. Board members commented variously that:

- The description of the conditional application of requirements versus the ability to calibrate the work effort in response to the risk should not be conceptual, but sufficiently broad to encapsulate a broader range of circumstances.
- That the development of such a framework should have appropriate input from relevant stakeholders.
- Using the terms ‘scalability’ and ‘proportionality’ may not be appropriate as these terms mean different things to different people.

The Board broke into groups to discuss matters related to what more the IAASB could do to promote scalability and proportionality, as well as views on a separate standards for audits of SME’s. Matters and suggestions arising from the Board breakout sessions included further consideration about:

- Making the standards more usable, e.g., providing more examples and keeping the standards principles based.
- Developing a more interactive electronic version of the handbook.
- Communications about other services that may be appropriate where an audit is not required.
• Standards for other services that are being performed for SME’s that are not currently covered by the IAASB’s standards, in particular in light of the recent consultations on agreed-upon procedures engagements and emerging external reporting.

• Developing a framework to help with drafting new and revised standards to build in the concepts of scalability and proportionality.

The Board also agreed that it was too early to make a decision on whether to develop a separate standard for the audits of SME’s, but agreed that consultation on this and related matters would be helpful in moving forward.

WAY FORWARD

The IAASB agreed to continue to further consider the matters that have been highlighted and whether further consultation is needed.

8. Data Analytics

The IAASB received a video presentation that was recorded in response to an interest from the International Forum of Independent Audit Regulators (IFIAR) in better understanding the IAASB’s work in this regard. Mr. Dohrer explained that the video was shown to the IFIAR Inspections Workshop in February, 2016.

After the IAASB viewed the video, the IAASB received a brief update on the IAASB’s involvement with IFIAR’s inspections workshop.

WAY FORWARD

A high-level summary of the responses from the Request for Information will be prepared to present at the June 2017 Board meeting. Other activities include formally announcing the Project Advisory Panel and convening an introductory call with that group and the DAWG.

9. Closing Remarks from IAASB CAG Chair

Ms. Lang congratulated the IAASB on approving the ISA 540 (Revised) Exposure Draft, noting how important this standard was in the public interest. Ms. Lang also acknowledged the way that the IAASB had dealt with the CAG’s comments in the course of its discussions during the week.

10. PIOB Observer Remarks

Mr. Holm congratulated the IAASB on the approval of ISA 540 (Revised) Exposure Draft, and expressed his appreciation for the cooperation with the PIOB observers.

11. Closing

Ms. Bahlmann noted the IAASB meetings and teleconference calls for 2017, as well as the upcoming CAG meetings and outreach activities.

Prof. Schilder highlighted that the Steering Committee discussed the current challenges with respect to the IAASB Staff and noted that the Steering Committee will continue to support actions to develop appropriate solutions to these challenges.

Prof. Schilder thanked the IAASB Members, the Technical Advisors and the IAASB Staff and closed the meeting.
12. **Next Meeting**

The next IAASB Teleconferences are intended to be held on May 2 and May 18, 2017. The next IAASB physical meeting will be held in New York on June 19–23, 2017.