

**Approved Minutes of the 64<sup>th</sup> Meeting of the  
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD**

**Held on September 15–19, 2014 in New York, USA**

**Voting Members**

Present: Arnold Schilder (Chairman)  
Dan Montgomery (Deputy Chair)  
Valdir Coscodai  
Karin French  
Cédric Gélard  
Marek Grabowski  
Jonas Hällström  
Merran Kelsall  
Annette Köhler  
Charles Landes  
Brendan Murtagh  
Marc Pickeur  
Tomokazu Sekiguchi  
Jianhua Tang (part)  
John Wiersema  
Bruce Winter  
Megan Zietsman

**Technical Advisors**

Sue Almond (Mr. Murtagh)  
Wolf Böhm (Ms. Köhler)  
Jennifer Burns (Ms. Zietsman)  
Alejandro Gonzalez (Mr. Coscodai)  
Hiram Hasty (Mr. Landes)  
Josephine Jackson (Mr. Grabowski)  
Susan Jones (Mr. Blascos)  
Len Jui (Mr. Tang) (September 17–19)  
Sachiko Kai (Mr. Sekiguchi)  
Maria Manasses (Ms. French)  
Richard Mifsud (Ms. Kelsall)  
Alexandra Popovic (Mr. Hällström)  
Jon Rowden (Mr. Winter)  
Greg Shields (Mr. Wiersema)  
Isabelle Tracq-Sengeissen (Mr. Gélard)  
Jacques Vandernoot (Mr. Pickeur)  
Denise Weber (Mr. Montgomery)

Apology Jean Blascos

**Non-Voting Observers**

Present: Linda de Beer (IAASB Consultative Advisory Group (CAG) Chairman), Norio Igarashi  
Apology (Japanese Financial Services Authority)  
Juan Maria Arteagoitia (European Commission)

**Public Interest Oversight Board (PIOB) Observer**

Present: Karel Van Hulle

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**IAASB Technical Staff**

Present: James Gunn (Managing Director, Professional Standards) (September 18–19), Kathleen Healy (Technical Director), Sara Ashton, Beverley Bahlmann, Brett James, Diane Jules, Michael Nugent; Nancy Kamp-Roelands, Jasper van den Hout

International Auditing and Assurance Standards Board (IAASB) agenda materials referred to in these minutes can be accessed at [www.iaasb.org/meetings/new-york-usa-7](http://www.iaasb.org/meetings/new-york-usa-7). These minutes are a summary of the decisions made at the September 2014 IAASB meeting, in light of the issues and recommendations in the agenda material put forth by the Task Forces, Working Groups, Drafting Teams and Staff supporting the individual projects. These recommendations are made taking into account feedback from respondents to the IAASB's public consultations, in particular Exposure Drafts of the IAASB's proposals, consideration of previous discussions of the Board and its Consultative Advisory Group (CAG), and feedback from stakeholders through outreach activities.

### **1. Welcome and Approval of Previous Minutes**

Prof. Schilder welcomed all participants to the meeting. The minutes of the June 2014 IAASB's physical meeting were approved as presented.

### **2. Comments from the IAASB CAG**

Interaction with the CAG is a key element of the IAASB's due process. Comments from the IAASB CAG meeting held September 8–9, 2014 were reported to the Board in the discussion of the relevant agenda items as noted below under the heading "IAASB CAG Chairman's Remarks". Ms. de Beer noted the CAG, at its meeting the previous week, had been supportive of the work that had been done in the Auditor Reporting project and was keenly anticipating approval of the new and revised standards. She also invited Board members to attend a future CAG meeting and experience the discussions and dynamics of the CAG.

Ms. de Beer noted that her term would be ending in March 2015 and that Mr. Matthew Waldron would be taking over as CAG Chair.

### **3. Auditor Reporting – Key Audit Matters (KAM), Including Proposed International Standard on Auditing (ISA) 701,<sup>1</sup> Proposed ISA 706 (Revised)<sup>2</sup> and Proposed ISA 260 (Revised)<sup>3</sup>**

#### *Circumstances in Which a Matter Determined to be a KAM Is Not Communicated in the Auditor's Report*

The Board extensively discussed the Drafting Team's (DT-701) initial proposals set out in Agenda Items 2-A and 2-C, as well as revised proposals developed during the meeting, and agreed the following:

- The requirement in proposed ISA 701 should be principles-based, and should highlight very clearly that, unless law or regulation preclude public disclosure about the matter, circumstances in which the auditor would judge it necessary to not communicate a KAM in the auditor's report are expected to be extremely rare, with the decision to not communicate being based on whether the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- This requirement in proposed ISA 701 would not apply if the entity has publicly disclosed information about the matter, and this should be explicitly acknowledged in proposed ISA 701.

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<sup>1</sup> Proposed ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

<sup>2</sup> Proposed ISA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*

<sup>3</sup> Proposed ISA 260 (Revised), *Communication with Those Charged with Governance*

- As the requirement refers to circumstances in which a matter determined to be a KAM is not communicated in the auditor's report as being "extremely rare", application material should be limited so as not to imply more circumstances in which non-communication might occur or appear to provide "exemptions" from disclosure, a point which was also raised by the CAG.
- Application material should highlight that the auditor takes into account the facts and circumstances related to the matter, and communication with management and those charged with governance (TCWG) helps the auditor to understand management's views about the significance of the adverse consequences that may arise as a result of communicating about a matter, and any relevant communications with applicable regulatory, enforcement or supervisory authorities.
- Application material should also acknowledge the potential need to consider relevant ethical requirements at a high level, but it is not possible to address specific circumstances in which relevant ethical requirements may preclude communication about a matter.

The Board agreed also conforming changes to the requirement in paragraph 40(c) of proposed ISA 700 (Revised)<sup>4</sup> to align with the final requirement in proposed ISA 701.

#### IAASB CAG Chairman's Remarks

In relation to the possibility that the auditor might not communicate a matter determined to be a KAM, Ms. de Beer noted the CAG was supportive of DT-701's recommendation to explain that such circumstances are expected to be extremely rare, and to put a sufficient process in place around this determination, with the CAG being of the view that the standard was now appropriately limited. However, some suggestions were made to improve the requirement in paragraph 14 of proposed ISA 701 to acknowledge that a decision not to communicate a matter is balanced against the public interest benefits of such communication. Suggestions were also made to improve and streamline the related application material, as the CAG was of the opinion that the volume, and certain aspects, of the application material could be viewed to contradict the related requirements and the desire to ensure that such circumstances are extremely rare, especially the reference to "harm to the entity's commercial negotiations or competitive position," which could be interpreted as a possible result of auditor communication of many types of matters.

#### *Other Changes to Proposed ISA 701*

The Board generally agreed with DT-701's recommendations as set out in Agenda Items 2-A and 2-C. In addition to various editorial and other less substantive amendments to proposed ISA 701, the Board agreed to:

- Make clear that communicating KAM is not a substitute for reporting in accordance with proposed ISA 570 (Revised)<sup>5</sup> when a material uncertainty (MU) exists relating to events or conditions that may cast significant doubt on an entity's ability to continue as a going concern (GC).
- Retain the notion of "areas of higher assessed risks of material misstatement" in paragraph 9(a) of proposed ISA 701. The IAASB did not believe it would be appropriate to develop a definition of the

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<sup>4</sup> Proposed ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

<sup>5</sup> Proposed ISA 570 (Revised), *Going Concern*

term, as doing so would require substantive change to the approach taken in ISA 315 (Revised).<sup>6</sup> The IAASB noted the concept of higher assessed risks was used in various ISAs and agreed to incorporate additional application material in proposed ISA 701 to provide greater context.

- While a few IAASB members agreed with the view of the certain CAG Representatives that communication of KAM should be prohibited when the auditor expressed an adverse opinion, the IAASB retained its position to require KAM to be communicated except when the auditor disclaims an opinion on the financial statements. However, the IAASB believed it was necessary to explain in the application material that, depending on the significance of the matter(s) giving rise to an adverse opinion, the auditor may determine that no other matters are KAM. In addition, if other KAM are communicated, application material highlights that it is important that the descriptions of such other KAM do not imply that the financial statements as a whole are more credible in relation to those matters in view of the adverse opinion.
- Revise the documentation requirement in paragraph 18 of proposed ISA 701 in view of the importance of the auditor's professional judgments in determining KAM, and to provide a means by which these judgments can be better understood, which would help to increase the enforceability of the standard. The Board was of the view that the matters that required significant auditor attention and the rationale for the auditor's determination as to whether or not each of these matters is a KAM should be documented. However, the Board did not believe it was necessary to extend the documentation requirement to all matters communicated with TCWG, as this was deemed overly burdensome without an apparent benefit given the many communications with TCWG (either required or voluntary), including communications that may be specifically required by law or regulation.
- The IAASB was of the view that its previous position to allow auditors flexibility in the requirement to describe how a KAM was addressed in the audit remained appropriate, noting this approach was not inconsistent with that taken by the United Kingdom (UK) Financial Reporting Council (FRC) and in the European audit reforms.

#### IAASB CAG Chairman's Remarks

Ms. de Beer conveyed the most pertinent comments from the CAG:

- In relation to the requirement in paragraph 9 of proposed ISA 701 for the auditor to determine matters that required significant auditor attention, the regulator members of the CAG noted that the ISAs do not define "higher assessed risks of material misstatement" as referred to in paragraph 9(a) and that a definition or more guidance would be helpful to ensure consistent application and enforceability of the standard.
- In relation to the requirement in paragraph 13 of proposed ISA 701, some CAG Representatives from the regulatory community suggested the IAASB should reconsider its position that the auditor is not required in all cases to communicate the outcome of the auditor's procedures in the description of a KAM, as investors viewed this information as useful. However, other CAG members disagreed and supported the flexibility embedded in the standard for the auditor to

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<sup>6</sup> ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

communicate how the matter was addressed in the audit, with the option of communicating an outcome if the auditor so desired.

- A few CAG Representatives encouraged the IAASB to reconsider whether communicating KAM should be required or permitted when the auditor expresses an adverse opinion, as users of the financial statements could be confused by several “positive” KAM in an auditor’s report with an adverse opinion and may inappropriately view these descriptions to be “piecemeal opinions”.
- There was support amongst the CAG for a more stringent documentation requirement as to why matters communicated with TCWG were not determined to be KAM, given the importance of this judgment and to increase the enforceability of the standard.

#### *Proposed ISA 706 (Revised)*

The Board generally agreed with DT-701’s recommendations as set out in Agenda Items 2-A and 2-D. In addition to various editorial and other less substantive amendments to the proposed changes, the Board agreed that:

- Reference to the possibility that law or regulation may prescribe a specific heading for an Emphasis of Matter (EOM) paragraph was unnecessary. As EOM paragraphs are not addressed in the requirement in paragraph 50 of proposed ISA 700 (Revised), the ISAs are sufficiently flexible to allow a different heading to be used when law or regulation prescribe a specific layout or wording of the auditor’s report.
- The statement included in extant ISA 706 explaining that an EOM paragraph shall refer only to information presented or disclosed in the financial statements should be reinstated as a means of further emphasizing the difference between EOM paragraphs and KAM.
- Examples of EOM paragraphs could be refined, including in the Appendices to the ISA, to better align with circumstances where the auditor may consider it necessary to include an EOM paragraph.

#### *IAASB CAG Chairman’s Remarks*

Ms. de Beer noted that the CAG supported DT-701’s efforts in revising proposed ISA 706 (Revised) to further differentiate between the concepts of KAM and EOM paragraphs. It was suggested that, due to the underlying complexities in how all the standards fit together, examples or guidance to explain the relationship between the various elements of the auditor’s report could be usefully developed to ensure that practitioners, preparers and investors understand the intent of the changes. The CAG also supported the proposal that a KAM cannot be disclosed as an EOM.

#### *Proposed ISA 260 (Revised)*

The IAASB did not consider it necessary to elevate application material addressing the timing of communications about KAM to a requirement, as the determination of “matters of most significance” is in the context of the audit that was performed, and may differ from what might have been anticipated at the planning stage of the audit. However, the Board agreed to further highlight that the auditor may communicate preliminary views about matters that may be areas of significant auditor attention in the audit and therefore may be KAM when communicating with TCWG about the planned scope and timing of the audit.

## IAASB CAG Chairman's Remarks

Ms. de Beer noted a view at the CAG that the auditor should have a holistic approach and communicate with TCWG which matters are likely to be KAM in the planning stage of the audit.

### *Conforming Amendments*

The Board generally agreed with DT-701's recommendations as set out in Agenda Item 2-F in relation to conforming amendments to ISA 210,<sup>7</sup> ISA 220,<sup>8</sup> ISA 230,<sup>9</sup> and ISA 540,<sup>10</sup> with minor editorial changes necessary to align to the final changes to proposed ISA 700 (Revised).

## **4. Auditor Reporting – Going Concern / Proposed ISA 570 (Revised)**

### *Description of Management's and Auditor's Responsibilities with Respect to GC*

The Board generally supported requiring statements in the auditor's report describing both management's and the auditor's responsibilities with respect to both the use of the GC basis of accounting in the preparation of the financial statements and the identification of MUs, and the proposed illustrative wording that had been developed by the Drafting Team (DT-570) in this regard. It was acknowledged that such descriptions usefully incorporated material that would have been required in the context of the two separate statements proposed in the Exposure Draft (ED) and would be informative to users, given the importance placed on GC due to the global financial crisis.

However, various suggestions were made both in relation to the illustrative wording and the underlying requirements in proposed ISA 700 (Revised) to address the CAG's concerns and streamline and clarify the descriptions of responsibilities. In addition to editorial changes, the IAASB agreed to:

- Revise the format and content of the description of management's responsibilities, explaining that the responsibilities relating to GC are in the context of preparing the financial statements. The IAASB also agreed to make the requirement in proposed ISA 700 (Revised) addressing these responsibilities more principles-based to allow for tailoring in circumstances in which International Financial Reporting Standards (IFRS) is not the applicable financial reporting framework.
- Revise the guarantee statement in the auditor's responsibilities section to highlight that the auditor's conclusions with respect to MUs are based on the audit evidence obtained up to the date of the auditor's report and that future events or conditions may cause the entity to cease to continue as a going concern.

The IAASB also reconsidered whether, in light of the feedback from the CAG and concerns over the length of the respective descriptions of responsibilities for GC, presentation of all matters relating to GC in a single section of the auditor's report would be more appropriate. The Board ultimately decided that such presentation would over-emphasize GC in circumstances when no MU had been identified, and that instances where the description of auditor's responsibilities would not be included in the auditor's report (e.g., because of reference being made to a website) were likely to be infrequent.

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<sup>7</sup> ISA 210, *Agreeing the Terms of Audit Engagements*

<sup>8</sup> ISA 220, *Quality Control for an Audit of Financial Statements*

<sup>9</sup> ISA 230, *Audit Documentation*

<sup>10</sup> ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

## IAASB CAG Chairman's Remarks

Ms. de Beer noted that there was strong support from the CAG for the enhancement of the statements in the auditor's report describing management and the auditor's respective responsibilities in relation to GC. She noted comments by investors that they are not as concerned with the length of the responsibilities, but are more interested in the informational content. However, in respect of the statement that "future events or conditions may cause an entity to cease to continue as a going concern," (the "guarantee statement"), Ms. de Beer suggested it would be preferable for the language to be as balanced and factual as possible to respond to the CAG's concerns about the inclusion of such a statement in the auditor's report. Ms. de Beer also noted that some concern had been expressed that there may be a disconnect in circumstances when the description of the auditor's responsibilities (including those specifically related to GC) may be moved to an appendix to the auditor's report or reference made to such description on a website, while management's responsibilities will always appear in the auditor's report. Prof. Van Hulle stated that, from the public interest perspective, the balance between the description of management's responsibilities and that of the auditor's responsibilities has to be right and well-articulated in the auditor's report.

### *Proposed New Requirement to Evaluate the Adequacy of Disclosures when Events or Conditions Have Been Identified but No MU Exists*

The majority of the Board continued to support the new requirement in paragraph 20 of Agenda Item 3-C to address the auditor's work effort in relation to disclosures when events or conditions that may cast significant doubt on the entity's ability to continue as a GC had been identified, but the auditor had concluded that no MU exists after considering the mitigating effects of management's plans.

However, some Board members expressed continued concern around the application material relating to this new requirement, believing it could be interpreted as setting additional disclosure requirements beyond those in the accounting standards, notwithstanding that the proposed requirement sought to explain that the auditor's work effort was in view of what was required by the applicable financial reporting framework and the existing "stand-back" requirement in proposed ISA 700 (Revised). Other Board members noted the guidance was consistent with the accounting standard recently issued by the U.S. Financial Accounting Standards Board<sup>11</sup> and the Agenda Decision issued by the International Financial Reporting Interpretations Committee<sup>12</sup> and therefore appropriate to include in proposed ISA 570 (Revised). After some debate, the IAASB agreed further revisions to this application material to indicate that some financial reporting frameworks may require such disclosures, and to more closely align with such disclosure requirements. The IAASB also considered it necessary to more clearly articulate the relationship between the auditor's consideration of disclosures relating to MUs required by the applicable financial reporting framework and the requirement set out in paragraph 19 of proposed ISA 570 (Revised), explaining that the auditor's determination of the adequacy of disclosures in accordance with proposed ISA 570 (Revised) is in addition to the auditor determining whether disclosures about a MU, when required by the applicable financial reporting framework, are adequate.

The IAASB also considered whether the application material proposed by DT-570 in paragraph A24 of Agenda Item 3-C was appropriate in light of the intent of the fair presentation "stand-back" provision in proposed ISA 700 (Revised). The Board agreed that reference to the requirement to evaluate whether the

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<sup>11</sup> ASU No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40)*, issued August 2014

<sup>12</sup> <http://media.ifrs.org/2014/IFRIC/July/IFRIC-Update-July-2014.pdf>

financial statements achieve fair presentation within the application material in proposed ISA 570 (Revised) was appropriate, but made certain revisions to further clarify the point and deleted the proposed example that had been included in the agenda material.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted that there was very strong support from the CAG for the inclusion of the new requirement and, while it was viewed as clarifying (rather than increasing) the auditor's responsibilities in relation to GC disclosures, it was considered an important step forward in further focusing the auditor's attention on the area of GC. Taking an alternative approach to drawing auditor attention to GC was appropriate, in light of the Board's decision not to require a GC section in all auditors' reports. Ms. de Beer also noted that the CAG debated the matter but did not express concerns that the requirement or application material may be viewed as setting accounting standards.

#### *Other Revisions to Proposed ISA 570 (Revised)*

One Board member also expressed concern about the application of proposed ISA 570 (Revised) to financial institutions. The IAASB agreed to include application material highlighting that the auditor of a regulated entity may have a duty to communicate with the applicable regulatory, enforcement or supervisory authorities when a reference is made to GC matters in the auditor's report.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted that the CAG had discussed the interaction between proposed ISA 570 (Revised) and proposed ISA 701, with some Representatives being of the view that proposed ISA 570 (Revised) should explicitly acknowledge the possibility that matters related to GC may be determined to be KAM and that care should be taken in proposed ISA 701 not to imply that these may be sensitive matters about which the auditor may decide not to communicate. The IAASB supported this view and agreed to include application material in proposed ISA 570 (Revised) to highlight the linkage to proposed ISA 701.

#### *Objectives of Proposed ISA 570 (Revised)*

In light of the new requirement to evaluate the adequacy of disclosures related to GC, the IAASB considered whether an additional objective should be added to proposed ISA 570 (Revised) and the draft wording to this effect. On further reflection, the Board concluded that evaluating disclosures with respect to GC are sufficiently addressed by the existing objectives in proposed ISA 570 (Revised) and, as such, has not include an additional objective in the final standard.

#### *Flowchart*

The Board considered a decision flowchart relating to the auditor's work effort under proposed ISA 570 (Revised) included in Agenda Item 3-D, and whether it could be usefully included in the final standard, the Basis for Conclusions or another publication. The Board expressed mixed views on the inclusion of a flowchart in proposed ISA 570 (Revised) and instead supported considering whether it could be further developed as a Staff publication as part of efforts to support implementation of the revised standard. It was noted further consideration may be needed as to whether to address in the flowchart circumstances when a compliance framework is the applicable financial reporting framework.



## **5. Auditor Reporting – Remaining Suggested Improvements to the Auditor’s Report, Including Proposed ISA 700 (Revised) and Proposed ISA 705 (Revised)<sup>13</sup>**

### *Proposed ISA 700 (Revised)*

#### Statement of Independence and Other Relevant Ethical Requirements

Mr. Winter noted that the International Ethics Standard Board for Accountants (IESBA) unanimously supported the proposals set forth in Agenda Item 4-B relating to having an explicit statement in the auditor’s report about the auditor’s independence. Mr. Winter also indicated that the CAG was generally supportive of the revised proposal, but expressed mixed views about the extent to which the sources of the independence and other ethical requirements should be referenced in the auditor’s report. Ms. de Beer agreed, adding that the CAG was of a view that the standard should be more explicit about when a reference should be made to the IESBA Code versus including an identification of the jurisdiction of origin of the relevant ethical requirements relating to the audit (jurisdiction of origin).

Five Board members noted that, as presented in Agenda Item 4-B, there was a risk that the auditor may refer to the IESBA Code even when it does not apply. Those Board members suggested that the standard explain that a reference should be made to the IESBA Code only when it is clear that the IESBA Code is the sole source of the relevant ethical requirements relating to the audit. Another Board member questioned whether a dual reference could be made to the IESBA Code and the identification of the jurisdiction of origin.

The Drafting Team (DT-700) explored revisions to the application material and illustrative auditor’s reports during the meeting, and the Board agreed to new application material and revisions to the illustrative auditor’s reports to clarify that the auditor’s report could include either: (i) an identification of the jurisdiction of origin; (ii) a reference to the IESBA Code, when it comprises all of the ethical requirements relevant to the audit; or (iii) a reference to both (i) and (ii) (see revised application material (paragraphs A34–A39)).

#### Location of Description of Auditor’s Responsibilities

##### IAASB CAG Chairman’s Remarks

Ms. de Beer noted that the CAG expressed mixed views about whether the proposed standard should permit auditors to refer in the auditor’s report to an auditor’s responsibilities section that is located on a website of an appropriate authority, when permitted by law, regulation or national auditing standards. Ms. de Beer explained that one investor Representative indicated a preference for having a more fulsome auditor’s report, and did not favor needing to have to retrieve information from more than one place. She was of the view that this concern was heightened because the description of the auditor’s responsibilities with respect to GC section could now be moved to a website, and thus in certain circumstances not be included in the auditor’s report. Ms. de Beer suggested that the IAASB consider moving the requirement about the auditor’s responsibilities with respect to GC to paragraph 38 of proposed ISA 700 (Revised) so that it could be included in every auditor’s report, much like the objective of the audit or the statements about reasonable assurance and materiality.

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<sup>13</sup> Proposed ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor’s Report*

Mr. Montgomery cautioned against this approach noting that there are other matters other than GC, (e.g., estimates, and disclosures) that are addressed within the auditor's responsibilities. See further discussion of the description of management's and auditor's responsibilities with respect to GC in section 4 above.

One Board member pointed out that in the UK the option to refer to the description of the auditor's responsibilities on the FRC's website was introduced as a response to UK investors' calls to de-clutter the auditor's report. The Board member added that description on the FRC's website addressed more than just the auditor's responsibilities, and allows for a more fulsome discussion about the audit and the roles and responsibilities of all those involved.

Prof. Van Hulle asked whether the IAASB had explored permitting the option for relocating the description of the management responsibilities to a website. Ms. Healy explained that the description of management's responsibilities includes information that is useful to establish the premise of an audit.

The Board reaffirmed that it was important to allow flexibility in the standard for jurisdictions to continue to tailor auditor's reports to make them relevant to users in the context of their local regulatory and corporate governance regimes as well as their customs and preferences. The Board confirmed that the proposal in Agenda Item 4-B included appropriate parameters around the possibility of reference being made to a website, because it only allows a reference to a description of the auditor's responsibilities to a website of an appropriate authority when law, regulation or national auditing standards expressly permit the auditor to do so.

#### Other Changes to Proposed ISA 700 (Revised)

The Board generally agreed with DT-700 recommendations set out in Agenda Items 4-A and 4-B. In addition to the various editorials and other less substantive amendments to proposed ISA 700 (Revised), the Board agreed to:

- Revise the text of the requirement and new application material to allow the description of "materiality" in the auditor's report to be tailored to the applicable financial reporting framework when such framework is not IFRS (see paragraphs 38(c) and A52). One Board member was of the view that this flexibility was necessary because the description of the concept of materiality varies across financial reporting frameworks.
- Reinstate application material from the ED to explain that the description of the auditor's responsibilities may be tailored to reflect the specific nature of the entity, for example, when the auditor's report addresses consolidated financial statements.
- Clarify the requirements related to the heading of the section related to responsibilities for the financial statements, including when the heading should also identify those responsible for oversight of the financial reporting process.
- Changes to proposed requirements related to KAM and GC are discussed in sections 3 and 4 above.

#### *Proposed ISA 705 (Revised)*

The Board agreed to the recommendations of DT-700 set out in Agenda Items 4-A and 4-C. In addition to the various editorials and less substantive amendments to proposed ISA 705 (Revised), the Board agreed to clarify the application material related to prohibiting the reporting of a KAM when the auditor disclaims an opinion on the financial statements. The Board concluded that communication of any KAM

other than the matter(s) giving rise to the disclaimer of opinion may suggest that the financial statements as a whole are more credible in relation to those matters than would be appropriate in the circumstances, and would be inconsistent with the disclaimer of opinion on the financial statements as a whole.

#### *Conforming Amendments*

The Board generally agreed with DT-700's recommendations as set out in Agenda Item 2-F in relation to conforming amendments to ISA 210, as well as the illustrative reports included in ISA 510,<sup>14</sup> ISA 600,<sup>15</sup> and ISA 710,<sup>16</sup> with minor editorial changes necessary to align to the final changes to proposed ISA 700 (Revised).

### **6. Auditor Reporting – Due Process, Approval, Need for Re-Exposure and Way Forward**

#### *Due Process Considerations*

The IAASB agreed with the respective DT positions set out in Agenda Items 2-A, 3-A and 4-A and confirmed that there were no issues raised by respondents to the ED, in addition to those summarized by the DTs, that should have been discussed. Messrs. Montgomery, Landes and Winter confirmed that the DTs have raised with the IAASB all significant issues they have deliberated. Ms. Healy advised the IAASB that it had adhered to its stated due process in finalizing the new and revised standards and related conforming amendments.

#### *Approval*

After agreeing all necessary changes to the standards and conforming amendments, the IAASB approved, on an individual basis, the new and revised Auditor Reporting standards and related conforming amendments as final standards, with 17 affirmative votes out of the 17 Board members present. One member was not present at the meeting and was therefore ineligible to vote. His Technical Advisor noted he supported the standards as revised during the meeting.

#### *Consideration of the Need for Re-Exposure*

The IAASB noted the DT Chairs' assessment that there is not a need for re-exposure of any of the standards. The Board agreed with their view that the changes to the ISAs since exposure have been in response to comments received and will be viewed as improving the proposals set forth in the ED and enhancing the standards, both from a public interest perspective as well as in terms of the ability to be implemented in practice. The IAASB voted on the matter, and no members voted in favor of re-exposure.

#### *Effective Date and Way Forward*

The Board agreed that the new and revised Auditor Reporting standards would be effective for audits of financial statements for periods ending on or after December 15, 2016 ("2016 audits"), and discussed a number of initiatives highlighted in Agenda Item 2-4 aimed at promoting awareness and understanding and supporting effective implementation of the new and revised Auditor Reporting standards.

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<sup>14</sup> ISA 510, *Initial Audit Engagements—Opening Balances*

<sup>15</sup> ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

<sup>16</sup> ISA 710, *Comparative Information—Corresponding Figures and Comparative Financial Statements*

The final standards are tentatively planned for release in early January 2015, pending approval from the PIOB that due process was followed in their development.

## **7. Consequential Amendments to the ISA 800 Series**

### *Proposed ISAs 800<sup>17</sup> (Revised) and 805<sup>18</sup> (Revised)*

Except for various editorial and non-substantive changes that were suggested during the meeting, the Board generally agreed with DT-700's proposed consequential amendments to proposed ISAs 800 and 805 as proposed in Agenda Items 5-A, 5-B and 5-C.

With respect to the requirement to disclose the name of the engagement partner (EP) in the auditor's report for listed entities, two Board members challenged the need to do so in the case of the auditor's reports on financial statements prepared in accordance with special purpose frameworks, or single financial statements or specific elements. Those Board members noted that the name of the EP is typically known among users of auditor's reports in these circumstances. Ms. de Beer noted that the CAG provided a very strong steer for including the name of the EP in all auditor's reports. Ms. Healy explained that the requirement to disclose the name of the EP for audits of special purpose financial statements or single financial statements or specific elements for listed entities can be included in the ED for ISAs 800 and 805 as a proposed conforming amendment to ISA 700 (Revised). The Board agreed with this approach.

One Board member questioned whether the communication of KAM would be beneficial to users of auditor's reports on financial statements prepared in accordance with special purpose frameworks, or single financial statements or specific elements. Mr. Winter explained that the communication of KAM in those circumstances is not required, but voluntary.

### Way Forward

The Board agreed to consider the approval of an exposure draft for proposed ISAs 800 and 805 at its December 2014 meeting.

### *Proposed ISA 810 (Revised)<sup>19</sup>*

The Board had mixed views about the extent of changes that should be made to the auditor's report on summary financial statements (ISA 810 auditor's report). On one hand, there were three Board members who were of the view that the changes to the ISA 810 auditor's report should be minimal given that the objective is to report on the derivation of the summary financial statements from the audited financial statements and not to express an opinion on the fairness of the summary financial statements. Accordingly, the inclusion of additional information in an ISA 810 auditor's report may give the impression that the engagement is something other than what is intended. Those Board members noted that the ISA 810 auditor's report should not be viewed by users as a substitute for reading the full financial statements or the auditor's report thereon and that it is therefore important that the summary auditor's report provide reference to, without repeating the details of, the full auditor's report. Those Board members also cautioned against including additional audit-related information in the ISA 810 auditor's report because

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<sup>17</sup> ISA 800, *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*

<sup>18</sup> ISA 805, *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*

<sup>19</sup> ISA 810, *Engagements to Report on Summary Financial Statements*

the summary financial statements may not have the context of all the information that is contained in the audited financial statements that is necessary for users' full understanding.

On the other hand, three Board members expressed support for DT-700's proposal set forth in Agenda Items 5-A and 5-D, noting that it was in the public interest to highlight certain information from the full auditor's report in the ISA 810 auditor's report (e.g., description of KAM, GC related to MU, EOM paragraph), as it would increase the transparency of the matters included in the full auditor's report for users of the ISA 810 auditor's report.

The IAASB debated the merits of the varying viewpoints, as follows:

- Three Board members suggested that the IAASB develop an approach that provides maximum flexibility for the auditor to tailor the ISA 810 auditor's report based on the specific needs of the users and based on the circumstances of the engagement. One Board member cautioned against being too prescriptive about what the auditor should publicly communicate in their ISA 810 auditor's report.
- One Board member noted that it was important to highlight information about the audit in the ISA 810 auditor's report with sufficient details so as to serve as a teaser to those users who may not otherwise read the full auditor's report. This Board member was also of the view that this approach was a useful way of addressing those users' concerns about information overload in financial reporting.
- One Board member pointed out that it is necessary to rethink what information should be included in an ISA 810 auditor's report in light of the increasing complexity of financial reporting and more informative auditor's reports. He added that, with the finalization of the new auditor reporting enhancements, it would be useful to revisit the principles in extant ISA 810 to determine whether they are still fit for purpose in the current environment.
- Prof. Schilder noted that it is important for users to have a full understanding of the auditor's report on the audited financial statements. He also agreed with the suggestions that were made for having ISA 810 requirements that allow auditor maximum flexibility to tailor their ISA 810 auditor's reports based on specific user needs and circumstances of the engagement.

#### Way Forward

The Board agreed to consider further research aimed at understanding how ISA 810 is being used in practice before finalizing an ED. Accordingly, the Board agreed to further consider an appropriate approach and timing for ISA 810 in view of the results from the additional information-gathering activities.

### **8. The IAASB's Strategy for 2015–2019 and Work Plan for 2015–2016**

#### *The IAASB's Strategy for 2015–2016*

The Board was supportive of the format and content in the Strategy, including the changes that had been made to the strategic objectives. The Board also agreed to remove 'financial' from 'financial reporting supply chain' so as not to exclude the public sector or other reporting.

A Board member commended the changes that had been made to acknowledge the public sector more throughout the document.

### *Work Plan for 2015–2016*

The Board agreed with the projects and initiatives set out in the IAASB's 2015–2016 Work Plan, including the descriptions of the possible activities in 2015 and 2016 for each of these initiatives. A Board member suggested that the governance structures of firms and networks should also be considered as part of the Quality Control project and the Board agreed to the addition. Board members generally supported the changes made to:

- Revise the potential scope of the project on agreed-upon procedures (ISRS 4400),<sup>20</sup> and expand this to include consideration of the need for further time to understand the market needs in this area (e.g., 'hybrid' engagements) and the underlying conceptual considerations for these new types of services.
- Include planned time for information-gathering activities to inform future work on ISA 315 (Revised) to respond to the findings from the ISA Implementation Monitoring project in this area.
- Emphasize that if time was needed for further work on disclosures (e.g., guidance relating to sufficient appropriate audit evidence), it would be considered in light of other competing priorities at the time.
- Acknowledge that further work on GC would be considered as part of the potential projects for the 2017–2018 Work Plan as it was not considered a priority above the other projects and initiatives proposed for 2015–2016 in light of the support for these projects and initiatives.

The Board agreed with some small editorial and consistency changes, including alignment with the planned efforts to promote awareness and understanding and support effective implementation of the new and revised auditor reporting standards, and for the activities of the Innovation Working Group (WG).

The Board also agreed changes to:

- Make clear that by commencing more activities in 2015 and 2016 it would be unlikely that any of these would be completed in that period, notwithstanding that there may be other outputs from the activities undertaken.
- Respond to the CAG comment about further consideration of the need for IAASB efforts in relation to new or amended financial reporting standards through changes to the ISAs or other outputs.

### *IAASB CAG Chairman's Remarks*

Ms. de Beer noted that the CAG had been very supportive of the revised Strategy for 2015–2019 (Strategy) and Work Plan for 2015–2016 (2015–2016 Work Plan), in particular the strategic objectives and planned projects and initiatives. She also noted that the CAG was pleased with the changes that had been made to address CAG concerns previously raised. She noted that as far as the proposed agreed-upon-procedures project was concerned, the CAG had mixed views as to the priority thereof. The CAG also flagged the importance of a mechanism for the Board to follow upcoming financial reporting standards to anticipate and consider the audit implications thereof.

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<sup>20</sup> International Standard on Related Services (ISRS) 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*

### *Due Process Considerations*

The IAASB agreed with the Strategy as set out in Agenda Item 6-A, and the 2015–2016 Work Plan as set out in Agenda Item 6-B, subject to agreed changes, and confirmed that there were no further issues raised by respondents to the Consultation Paper, *The IAASB's Strategy for 2015–2019* and *The IAASB's Work Plan for 2015–2016*, that it considered should have been discussed. Prof. Schilder confirmed that all matters deliberated by the Steering Committee had been raised with the IAASB. Ms. Healy advised the IAASB that it had adhered to its stated due process in finalizing the Strategy and 2015–2016 Work Plan. The Board agreed that there was sufficient and appropriate discussion during the development of these documents and therefore that no re-exposure was necessary.

### *Approval*

After agreeing the necessary changes, the IAASB approved the Strategy and 2015–2016 Work Plan, with 17 affirmative votes out of the 17 Board members present. One member was not present at the meeting and was therefore ineligible to vote, though his Technical Advisor noted he supported the Strategy and 2015–2016 Work Plan as revised during the meeting.

### *Way Forward*

The final Strategy and 2015–2016 Work Plan are tentatively planned for release in December 2014, pending approval from the PIOB that due process was followed in their development.

## **9. Proposed ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information***

The Board considered recommendations from the ISA 720 Task Force in response to the comment letters received on the Exposure Draft of proposed ISA 720 (Revised).

### *IAASB CAG Chairman's Remarks*

Ms. de Beer noted that the CAG were supportive of the project and had not identified any major issues. She noted that a new investor representative at the CAG asked how this project has gone further, which flagged the anticipation and priority from investors and others of this standard.

### *Work Effort Requirements*

Overall, a majority of members supported the direction of the Task Force's recommendations for the work effort requirements as set out in Agenda Item 7-A, but also requested that the Task Force:

- Should consider providing application material to explain how the different elements of the work effort requirements operate together to provide clarity on the appropriate work effort over different aspects of the other information.
- Should explore whether further clarification of the work effort is possible by considering whether:
  - The addition of a term like “compare, on a test basis” would provide a clearer statement of the required work effort when comparing the other information with the financial statements; and
  - The requirement in the second sentence of paragraph 14(b) could be more precisely expressed to avoid it being interpreted wider than intended. It was noted that this could be achieved by including, in the requirement, reference to when the auditor's recollection alone

is sufficient to make the consideration of whether there is a material inconsistency between the other information and the auditor's knowledge obtained in the audit.

- Consider how the requirement to “remain alert” that, in general, received support from the Board, could better be distinguished from what may be seen as the normal application of professional skepticism.
- Should consider whether there were calls for changes to the requirement to determine if a material misstatement of the other information exists, particularly with reference to omissions from the other information.

#### PIOB Observer's Remarks

Prof. Van Hulle noted that the requirement to “remain alert” was important from a public interest perspective, but that it may be challenging for regulators to enforce and therefore that the IAASB should consider finding a description that indicates a more active work effort.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted the most significant comments raised at the CAG meeting:

- The International Organization of Securities Commissions was concerned that using the phrase “shall consider” in the key work effort paragraphs was not precise and that a word such as “assess” would be preferable. The addition of limited procedures as the basis for the consideration of material inconsistencies between the other information with the financial statements was welcome. Accordingly, it was noted that the addition of similar requirements to the other steps in identifying whether a material inconsistency appears to exist (or other information appears to be materially misstated) would be warranted.
- The final sentence in paragraph 14(a) referring to the use of professional judgment in selecting amounts or other items on which to perform the procedures was seen to be application material, and risked undermining the requirement to perform procedures if professional judgment was used to determine that there was no amounts or other items on which procedures should be performed.

#### *The Definition of a Misstatement of the Other Information*

The majority of the Board supported the Task Force's recommendations for the definition of a misstatement of the other information as set out in Agenda Item 7-A. The IAASB asked the Task Force to consider clarifying the application material to better describe materiality in relation to misstatements of the other information.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted that the most significant comment raised at the CAG meeting was that the phrase “omits...information necessary for a proper understanding of a matter” could be clarified to make clear that the omissions relate to a topic addressed in the other information (that is, if the explanation in the other information omits a material item, this may make the other information's explanation misleading).

#### *Implications of Other Information Obtained after the Date of the Auditor's Report*

The IAASB did not conclude on a way forward, and asked the Task Force to consider whether a practical solution could be found that balances the need for transparency regarding such other information with the



risk of undermining the credibility of the auditor's opinion (because users may believe that the audit of financial statements has not been completed) and the need for flexibility at the national level to cater for differing legal and regulatory environments. Accordingly, the IAASB asked the Task Force to consider whether:

- Differential requirements for listed entities and non-listed entities may provide a way forward;
- The ISA could include material on whether management's rationale for not issuing other information prior to the date of the auditor's report is reasonable; and
- The auditor's report could provide a more generic description of such other information rather than listing each by name.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted the most significant comments raised at the CAG meeting included that:

- Some Representatives were unconvinced that, when other information obtained after the date of the auditor's report was materially misstated and management and TCWG refused to correct it, withdrawing from the audit was a useful response. She noted that Mr. Gélard had clarified that that the material referred to withdrawing from future audits for continuing audit engagements, and that the Task Force believed that this may be an appropriate response to these circumstances.
- Reissuing audit reports should be rare as users need to be able to have confidence in the auditor's report.
- There was also support for identifying in the auditor's report the other information expected to be obtained after the date of the auditor's report.

#### *Way Forward*

The Board will consider further issues at an IAASB teleconference in October 2014.

#### **10. Innovation Working Group (WG)<sup>21,22</sup>**

The Board agreed with the recommendation in Agenda Item 8-A to establish two separate WGs for Integrated Reporting (<IR>) and data analytics and the effect on the audit (Data Analytics), as well as to maintain the Innovation WG to continue its strategic monitoring. It also supported the process by which the Innovation WG would provide recommendations to the Board for further action based on the WG activities, as well as the proposed interactions with the IAASB CAG and the IAASB Steering Committee.

The Board highlighted the relevance of the Innovation WG's work to the IAASB's work plan, and encouraged a continued consideration of the public sector. There was support for the proactive approach, but it was recommended that the filter of how the public interest is most effectively served is used so as not to be too far ahead of developments in the marketplace. Also, the various activities suggested by the Innovation WG to inform the Board about identified and emerging issues relevant to international standard setting were well received.

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<sup>21</sup> Previously the Innovation, Needs, and Future Opportunities (INFO) WG

<sup>22</sup> A summary of comments and input from all stakeholders relating to this topic can be found in Agenda Items 8 to 8-A of the [September 2014 IAASB Meeting](#).

The Board supported the interaction with national standard setters, in particular leveraging from their relevant activities, as well as other current developments, for example with regard to performance reporting.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted the broad support from the CAG for the proposed establishment of two separate working groups for <IR> and Data Analytics, as well as for the continued strategic monitoring by the Innovation WG, in particular because of the importance of being at the forefront of evolving developments. The CAG also emphasized the relevance of a continuous focus on the public interest and investor needs as these separate WG progress their respective efforts on <IR> and Data Analytics.

#### *Way Forward*

The <IR> WG will update the IAASB about developments in assurance relating to integrated reports, together with the WG's action plan going forward, at the December 2014 IAASB meeting. The Data Analytics WG will commence activities in early 2015, and the Innovation WG will provide its annual update to the IAASB on its strategic monitoring activities in September 2015.

### **11. Efficiencies and Potential Changes to the IAASB's Terms of Reference**

#### *Accelerated Response Mechanism*

The Board considered revised Staff proposals on the accelerated response mechanism in Agenda Item 9-A in light of feedback from the June 2014 IAASB meeting discussions, but continued to express concerns about this process. Staff was therefore asked to further consider:

- Whether a shortened exposure period is feasible, particularly given the time needed for translations.
- Whether the increased speed achieved through a shortened process adequately offsets the value added through IAASB discussion.
- Whether any issues have been encountered in the past that demonstrate the need for an accelerated response mechanism.
- Whether the extant due process can accommodate a more speedy resolution of urgent issues if the Board, the CAG and the PIOB all agree that the issue requires an accelerated response.

#### IAASB CAG Chairman's Remarks

Ms. de Beer noted that, due to the focus on Auditor Reporting, the CAG did not have sufficient time to debate all matters in this regard. However, to the extent that a discussion was held, the most significant comments raised at the CAG meeting were:

- Notwithstanding that it is proposed to shorten the due process for urgent matters, the exposure period should not be less than 90 days.
- Concern over the role of the CAG, which is to be consulted and to advise. However some recommendations imply that the CAG will only be notified, as indicated by Agenda Item 9-A.

## Way Forward

Staff will coordinate with the other standard-setting Public Interest Activity Committees for comments from their Boards and CAGs, and will make revisions as appropriate for further discussion with the IAASB in 2015.

### *Process to Develop International Practice Notes (IPNs)*

The Board discussed Staff proposals in Agenda Item 9-B for the development of a formal process for IPNs, in light of the Board's discussions on efficiencies, and also to facilitate these types of documents as the Board commences work on its new initiatives in 2015.

The Board was supportive of developing a process for an IPN but asked Staff to further consider the following in revising its proposal:

- The use of “non-authoritative” and the consequential expectation of ‘authority’ still being created by Board approval and public stakeholder consultation. Staff was asked to distinguish between different types of publications, including the objectives for each type of document, as well as the Board involvement that would be required.
- The Board's involvement in the development of an IPN, as it was questioned whether the Board would be in a position to approve an IPN if it has not been closely involved throughout its development, including approving the exposure draft.

### IAASB CAG Chairman's Remarks

Ms. de Beer noted that the CAG commented that while there is a role for non-authoritative material such as staff publications, the role for “non-authoritative” practice notes is less clear, and emphasized that they should never be used as a replacement for new or amended standards. The CAG also highlighted the importance of CAG involvement early in the process where the urgency, authority and scope are considered.

## Way Forward

The IAASB will discuss a revised Staff proposal in December 2014 for approval.

### *Potential Changes to the IAASB's Terms of Reference*

The Board considered Staff recommendations for amendments to the IAASB's Terms of Reference, most arising from changes to the International Federation of Accountants' Constitution and By-laws to clarify and reinforce the independence of the standard-setting boards.

The Board broadly supported the changes, but asked Staff to consider a few editorial changes.

## **12. Closing Remarks from the IAASB CAG Chairman**

Ms. de Beer noted that the Task Force chairs, throughout the discussion of the various agenda items at the CAG, gave a comprehensive reflection of the CAG comments raised at the meeting of the previous week.

### **13. IOB Observer's Remarks**

Prof. Van Hulle congratulated the Board on the approval of the new and revised auditor reporting standards, and noted how important this was in the perspective of the public interest. He highlighted that the comprehensive discussions during the week, in particular relating to the changes in the requirements for the auditor's report, were important because they showed that the Board has listened to stakeholders and responded to their concerns. The changes were essential in order to improve stakeholders' understanding of the auditor's role in providing more useful information about the audit to the users of the financial statements. He also added that he was particularly pleased with the reference to the public interest in one of the revised standards, which served to remind auditors in the profession about this important aspect of their work. He also emphasized the importance of the IAASB's activities in supporting effective implementation of the standards, in particular because some of the intricacies of the text may not be fully understood by all users of the standards.

### **14. IAASB Retirements, Reappointments and New Members**

Mr. Wiersema noted that he would be ending his term early. Prof. Schilder noted that Messrs. Montgomery, Gélard, Sekiguchi, and Winter's terms would be ending at the end of 2014.

Prof. Schilder announced that Mr. Landes would be taking over the role of Deputy Chair, and announced the new IAASB members, who he noted would bring relevant expertise for the new projects and initiatives commencing in 2015, including:

- Ms. Fiona Campbell from Australia – a practitioner nominated by the Forum of Firms.
- Mr. Robert Dohrer from the US – a practitioner nominated by American Institute of Certified Public Accountants, and who also serves as the current Chair of the Forum of Firms.
- Mr. Ron Salole from Canada – A non-practitioner nominated by CPA CA, who is also a former member of the International Public Sector Accounting Standards Board.
- Mr. Rich Sharko from the Russian Federation – A practitioner nominated by the Forum of Firms.
- Ms. Sayaka Sumida from Japan – A practitioner nominated by the Japanese Institute of Certified Public Accountants (JICPA), who is an Executive Board member of the JICPA and former Chairman of the Auditing Standards Committee of the JICPA.

Prof. Schilder noted that the new members would restore the balance to 9 practitioners and 9 non-practitioners. He also added that, as a result of one public member leaving (Mr. Sekiguchi), Ms. Kelsall would be reclassified as a public member.

Prof. Schilder noted that members of the Steering Committee for 2015 would include the addition of Messrs. Landes and Murtagh and Ms. Zietsman. He noted that Ms. Köhler would be rotating off the Steering Committee to maintain the balance between practitioners and non-practitioners, which reflects the same representation as the Board.

### **15. Next Meeting**

The next meeting of the IAASB is a teleconference scheduled for October 28, 2014. The next physical meeting is scheduled for December 1–5, 2014 in New York, USA.

## **16. Closing**

Prof. Schilder thanked the IAASB members, technical advisors, observers, and Staff for their contributions to the meeting. He then closed the meeting.