This summary of decisions of the International Auditing and Assurance Standards Board (IAASB) has been prepared for information purposes only. Except for approval of documents for public exposure and issuance of final Standards, decisions reported are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IAASB.

A podcast recording giving a short audio summary of the main outcomes of the March 2019 IAASB meeting is also available on the IAASB website, as are the agenda materials that were considered by the IAASB.

For more detailed information about IAASB projects, please refer to the project summaries under Current Projects.

**Group Audits**

The Board was updated on the work performed by the Group Audit Task Force since the start of the project to revise ISA 600 and was asked for its views on issues related to scoping a group audit, the definitions, and the linkages with other ISAs. The Board continued to support developing a risk-based approach for scoping a group audit and generally supported the Group Audit Task Force’s approach on the definitions and the issues that were presented in relation to the responsibilities of the group engagement partner, acceptance and continuance, understanding the group and its components, understanding the component auditor, identifying and assessing the risks of material misstatement and responding to assessed risks, the consolidation process, communication between the group auditor and component auditors, and evaluating the audit evidence obtained. These and other issues need to be further developed in the context of the risk-based approach and changes made to other of the IAASB’s International Standards. The Group Audit Task Force will continue to work on the issues related to scoping a group audit, the definitions and other issues identified in the Invitation to Comment, and will present it for further discussion at the June 2019 IAASB meeting.

**Conforming Amendments**

The Board discussed the approach to develop conforming amendments to standards relating to the restructured and revised *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA), as well as conforming amendments that relate to the IAASB quality management Exposure Drafts (EDs). Staff were asked to prepare project proposals and commence the projects.

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1 International Standard on Auditing (ISA) 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*
Identifying and Assessing the Risks of Material Misstatement

The Board discussed the ISA 315 Task Force’s initial proposals to address specific responses to the proposed ISA 315 (Revised)² (ED–315), in particular, the broad concerns in relation to the length and complexity of the standard. In doing so, the Board considered alternative approaches about how to present the requirements for the auditor’s understanding of the entity’s system of internal control.

The Board agreed to move forward by presenting the requirements at a broader, higher level (i.e., in a more direct way in terms of focusing on the ‘what’ that is required from the auditor), while maintaining the robustness of the current standard. Accordingly, all of the requirements will be reconsidered, the criteria or matters that are definitional will be relocated to definitions, and the ‘why’ and ‘how’ will be further explicitly considered as to where it is appropriate to be moved to. The Board acknowledged that scalability was likely best addressed in the application material.

The Board’s discussions also focused on proposed changes to address specific issues within the section on understanding the entity’s system of internal control, in particular, in relation to clarifications on controls relevant to the audit, the information system and control activities components, and the various evaluations required within this section of the standard.

Aspects of ED–315 and related feedback that have not been addressed during this meeting will be presented at the June 2019 IAASB meeting. The ISA 315 Task Force will continue to progress the proposed changes to ED–315 with a targeted approval of the final standard at the September 2019 IAASB meeting.

Audits of Less Complex Entities

The Board discussed a proposed Discussion Paper (DP), Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Implementing the ISAs. The discussion highlighted the shift in focus on complexity of the entity rather than its size in driving the ongoing discussions and activities to address issues and challenges in audits of less complex entities (LCEs). The Board was supportive of the DP’s overall direction, noting the importance of the project and the need for action by the IAASB and others.

The Board liked the simple, clear way the DP had been presented and noted it was appropriate for its key target audience (i.e., auditors of LCEs). The Board made suggestions for improvements, particularly with respect to the issues and challenges, the possible actions presented within the DP and the questions to be posed to respondents in order to obtain relevant and useful feedback. Proposed changes to the DP will be presented in a Board call on April 10th, with the final DP targeted to be published for public consultation before the end of April 2019.

Extended External Reporting (EER) Assurance

The Board approved for public comment Phase 1 of the draft guidance in January 2019. At its current meeting, the Board discussed several challenges related to Phase 2 of the guidance. The challenges include: determining the scope of an EER assurance engagement; communicating effectively in the assurance report; exercising professional skepticism and professional judgment; obtaining the competence necessary to perform the engagement; and obtaining evidence in respect of narrative and future-oriented information. The Board’s deliberations of the challenges concerned were facilitated.

² Proposed ISA 315 (Revised), Identifying and Assessing the Risks of Material Misstatement
through breakout sessions, after which each breakout group reported back to the Board in a plenary session. The EER Task Force will consider the inputs that were received in progressing the development of Phase 2 of the guidance for further discussion at the June 2019 IAASB meeting.

**Technology**

The IAASB received presentations on the subjects of the use of artificial intelligence in business as well as the use of data analytics in the audit of financial statements.

**Audit Evidence**

The Board was presented with a Staff prepared paper on issues impacting audit evidence, in particular, the evolution of the environment in which audits are performed and how this has given rise to questions about the application of the ISAs in various circumstances. The Board also received an update on the American Institute of Certified Public Accountants (AICPA) Auditing Standards Board’s project to address audit evidence. The Board provided views on the identified issues regarding audit evidence for the purpose of providing input to the newly formed Audit Evidence Working Group (AEWG). This was also facilitated through break-out sessions and a report back to the Board in a plenary session. The Board encouraged the AEWG to commence activities to further understand the key issues as a basis for identifying areas of focus in scoping a possible future project.

**Next Meeting**

The next IAASB teleconferences will be held on April 10 and May 2, 2019. The next physical IAASB meeting will be held in New York, United States of America on June 17–21, 2019.