

**Minutes of the 120<sup>th</sup> Meeting of the  
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)  
Held on January 26, 2021 via Videoconference**

	<b>Voting Members</b>	<b>Technical Advisors (TA)</b>
Present:	Tom Seidenstein (Chair)	Helene Agéllii (Mr. Hagen)
	Len Jui (Deputy Chair)	Sara Ashton (Ms. Almond)
	Sue Almond	Vivienne Bauer (Mr. Monroy)
	Chun Wee Chiew	Wolf Böhm (Prof. Marten)
	Julie Corden	Fabien Cerutti (Ms. Tracq-Sengeissen)
	Kai Morten Hagen	Antonis Diolas (Mr. Chiew)
	Josephine Jackson	Johanna Field (Mr. Turner)
	Sachiko Kai	Hiram Hasty (Ms. Stevens)
	Edo Kienhuis	Rene Herman (Prof. Simnett)
	Diane Larsen	Susan Jones (Mr. Jui)
	Prof. Kai-Uwe Marten	Thokozani Nkosi (Ms. Jackson)
	Lyn Provost	Tania Sergott (Ms. Corden)
	Fernando Ruiz Monroy	Jamie Shannon (Mr. Kienhuis)
	Prof. Roger Simnett	Sylvia Van Dyk (Mrs. Provost)
	Wendy Stevens	Denise Weber (Ms. Larsen)
	Isabelle Tracq-Sengeissen	Kohei Yoshimura (Ms. Kai)
	Eric Turner	
	Imran Vanker <sup>1</sup>	
Apology:	<i>None</i>	

**Non-Voting Observers**

Present:	Jim Dalkin (IAASB Consultative Advisory Group (CAG) Chair), Yosh'inao Matsumoto (Japanese Financial Services Authority)
Apology:	Juan Maria Arteagoitia (European Commission)

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

Present:	Ms. Karen Stothers
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<sup>1</sup> Mr. Vanker was supported by Mr. Yussuf Choonara at the January 26 videoconference.

### **IAASB Technical Staff**

Present: Willie Botha (Technical Director), Beverley Bahlmann, Yvonne Chan, Brett James, Natalie Klonaridis, Armand Kotze, Kalina Shukarova Savovska, Hanken Jane Talatala, Jasper van den Hout, Angela Donnelly (IAASB Staff Fellow), Dan Montgomery (Senior Advisor – Technical Projects)

Apology: Phil Minnaar

IAASB agenda materials referred to in these minutes can be accessed on the IAASB's Website for the sessions held on [January 26](#). These minutes are a summary of the decisions made at the January 2021 IAASB video conferences, considering 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 (EDs) of the IAASB's proposals, consideration of previous discussions of the Board and its CAG, and feedback from stakeholders through outreach activities.

### **1. Welcome**

Mr. Seidenstein welcomed all participants to the January 26, 2021 IAASB videoconference. Mr. Seidenstein specifically welcomed Ms. Diane Larsen, Ms. Wendy Stevens and Mr. Edo Kienhuis to their first IAASB meeting as Board Members. Mr. Seidenstein also welcomed the public observers who were observing the meeting via the IAASB's YouTube channel.

### **2. Disruptive Technology**

Mr. James and Ms. Chan shared the findings of the disruptive technology innovations research together with Mr. Gio Donaldson from Founders Intelligence. The presentation included a summary of technology trends and the possible significance and timing of disruption to audit and assurance standard-setting. The Board broadly agreed with the findings of the research presented, noting that some of the disruption may occur earlier than the research suggested. It was also noted that accessing and verifying information will be a key area of disruption in the short to medium term, as well as new technology around internal controls in the longer term. The Board also noted that disruption may create the need for new or different assurance services.

The Board broadly agreed with the preliminary proposed action items presented. Among other matters, the Board emphasized the importance of:

- Identifying adequate resources and accountabilities on technology, both in terms of current projects and longer-term disruption;
- Building and maintaining a knowledge base and keeping the Board informed and educated;
- Incorporating technology considerations into current projects; and
- Taking advantage of the available technologies for the IAASB's own processes.

#### IAASB CAG CHAIR'S REMARKS

Mr. Dalkin noted that technology innovations can also create ethical issues, such as when an entity is asked to host the auditor's software. He encouraged the Board to liaise with the International Ethics Standards Board for Accountants as the initiative advances.

#### PIOB OBSERVER'S REMARKS

Ms. Stothers noted that the PIOB supports the Board's work on disruptive technology. She also highlighted the importance of maintaining the Board's knowledge of technology trends and the pace of change.

#### WAY FORWARD

Staff will develop a forward plan based on the Board's feedback and will discuss possible next steps with the Planning Committee.

### **3. Conforming and Consequential Amendments to the Other IAASB Standards Arising from the Quality Management Standards<sup>2</sup>**

Mr. James introduced the topic and noted that the purpose of the session was to approve the conforming and consequential amendments to the IAASB's review, assurance, and related service standards arising from the changes to the quality management standards. He thanked the Board for the comments made on this topic at the November 11<sup>th</sup>, 2020 Board meeting and highlighted the changes made to address the Board's comments from that discussion.

#### APPROVAL

After agreeing on specific changes, the IAASB approved the proposed conforming and consequential amendment for exposure, with 18 affirmative votes out of the 18 IAASB members present.

#### PIOB OBSERVER'S REMARKS

Ms. Stothers thanked the Board for progressing the necessary conforming and consequential amendments.

#### EFFECTIVE DATE

The Board discussed the effective date and concluded that the effective date should be for reviews of financial statements for periods beginning on or after December 15, 2022, and other assurance and related service engagements beginning on or after December 15, 2022.

### **4. Closing**

Mr. Seidenstein thanked the IAASB Members, TAs, and Staff and closed the meeting.

### **5. Next Meeting**

The next IAASB meeting will be held via video conferences on February 10–11, 2021. The IAASB's quarterly meeting will take place via videoconference between March 15–19, 2021.

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<sup>2</sup> International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements; ISQM 2, Engagement Quality Reviews; and International Standard on Auditing (ISA) 220 (Revised), Quality Management for an Audit of Financial Statements