

**Minutes of the 142<sup>nd</sup> Meeting of the  
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)  
Held on December 11–14, 2023 in New York, United States of America<sup>1</sup>**

**Voting Members**

Present:<sup>2</sup> Tom Seidenstein (Chair)  
Josephine Jackson (Vice-Chair)  
Sue Almond  
Chun Wee Chiew  
Julie Corden  
William Edge (December 14 only)<sup>✓</sup>  
Kai Morten Hagen  
Sachiko Kai  
Edo Kienhuis  
Diane Larsen  
Prof. Warren Maroun<sup>✓</sup>  
Prof. Kai-Uwe Marten  
Neil Morris  
Fernando Ruiz Monroy  
Greg Schollum  
Wendy Stevens  
Isabelle Tracq-Sengeissen  
Eric Turner

**Technical Advisors (TA)**

Helene Agélii (Mr. Hagen)  
Vivienne Bauer (Mr. Monroy)  
Wolf Böhm (Prof. Marten)  
Antoine Boitard (Ms. Tracq-Sengeissen)  
Antonis Diolas (Mr. Chiew)  
Johanna Field (Mr. Turner)  
Amy Groves (Ms. Corden)  
Diane Hardesty (Ms. Larsen)  
Rene Herman (Mr. Edge)  
Susan Jones (Mr. Morris)  
Yvette Lange (Prof. Maroun)<sup>✓</sup>  
Thokozani Nkosi (Ms. Jackson)  
Misha Pieters (Mr. Schollum)  
Claire Revenig (Ms. Almond)  
Jamie Shannon (Mr. Kienhuis)  
Brian Wilson (Ms. Stevens)  
Kazuko Yoshimura (Ms. Kai)

**Non-Voting Observers**

Present: Jim Dalkin (IAASB Consultative Advisory Group (CAG) Chair) and Yoshinao Matsumoto (Japanese Financial Services Agency)

Apology: Andreia Delia Mehedintu (European Commission)

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

Present: Mr. Philippe Christelle

<sup>1</sup> The December 2023 IAASB meeting was held in-person in New York, USA. Dial-in was made available for all sessions.

<sup>2</sup> Participants were present in person, except for those marked with "✓," who joined via videoconference using Zoom.

### IAASB Technical Staff

Present: James Gunn (Managing Director, Professional Standards), Willie Botha (Program and Technical Director), Ida Diu, Angelo Giardina, Claire Grayston, Armand Kotze, Fadi Mansour, Isabelle Raiche, Kalina Shukarova Savovska, Hankenson Jane Talatala, Jasper van den Hout and Dan Montgomery (Senior Advisor – Technical Projects).

### Welcome and Introduction

- The IAASB Chair welcomed members, technical advisors (TAs), official observers and public observers via YouTube to the December 2023 IAASB meeting.
- The Chair welcomed the incoming Board members who were recently announced and congratulated the Board members who have been reappointed. He extended a special welcome to Ms. Chrystelle Richard, who observed the meeting in-person.
- The IAASB Chair updated the Board on the outreach performed since the September 2023 meeting, highlighting the extent of the IAASB's interactions with its key stakeholders across various projects ([Agenda Item 1](#) includes a summary of outreach activities).

### Meeting Topics

- [Approval of Minutes \(Agenda Item 1\)](#)
- [Fraud \(Agenda Item 2\)](#)
- [Listed Entity and Public Interest Entity \(PIE\) – Track 2 \(Agenda Item 3\)](#)
- [Strategy and Work Plan 2024–2027 \(Agenda Item 4\)](#)
- [International Accounting Standards Board \(IASB\) Update \(Agenda Item 5\)](#)
- [Sustainability Updates \(Agenda Items 6, 7 and 9\)](#)
- [Audit Evidence \(Agenda Item 8\)](#)

### Approval of Minutes (Agenda Item 1)

#### Decision

1. The Board approved the minutes of the September 2023 IAASB quarterly meeting unanimously.

### Fraud (Agenda Item 2)

#### Decisions

#### *Approval of the Exposure Draft of Proposed ISA 240 (Revised)*

2. After presenting an updated version of the Exposure Draft (ED), *Proposed International Standard on Auditing (ISA) 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements and Proposed Conforming and Consequential Amendments to Other ISAs* (ED-240), the Board approved ED-240 for public exposure with 17 affirmative votes out of 18 Board members in attendance. One Board member dissented.
3. The revisions made in finalizing ED-240, which addressed Board members' comments, indicated in mark-up, are highlighted in [Agenda Items 2–E, 2–F 2–G and 2–I](#).
4. The Board broadly agreed not to add a separate stand-back requirement in ED-240 and supported:

- Explaining in the Explanatory Memorandum (EM) the Board's current position on the matter; and
  - Adding a specific question in the EM whether a stand-back requirement is needed in ED-240.
5. The Board agreed with the proposed consultation period of 120 days.

## Directions

### Updates to ED-240

6. The following are the substantive Board comments received and addressed in finalizing ED-240 (paragraphs references below are to [Agenda Item 2-I](#)):

#### Introduction

- Streamlined the introductory material in paragraph 14 relating to non-compliance with laws and regulations by deleting requirements and guidance already addressed in ISA 250 (Revised).<sup>3</sup>

#### Engagement Resources

- Added "sufficient time" as part of the engagement partner's required determination in paragraph 22.

#### Professional Skepticism

- Added and enhanced application material in paragraphs A26A–A27 that explains that the auditor is not required to perform procedures that are specifically designed to identify conditions that indicate that a record or document may not be authentic. However, audit procedures performed in accordance with proposed ISA 240 (Revised) or other ISAs, or information from other sources, may bring to the auditor's attention conditions that cause the auditor to believe that a record or document may not be authentic.

#### Obtaining an Understanding of the Entity's System of Internal Control – Control Activities

- Aligned paragraph 38 of proposed ISA 240 (Revised) with the foundational requirement in paragraph 26(a) of ISA 315 (Revised 2019)<sup>4</sup> by clarifying that the auditor obtains an understanding of the control activities component by identifying controls that address risks of material misstatement due to fraud at the assertion level.
- Deleted paragraph 38(b) of proposed ISA 240 (Revised) and the related application material in paragraph A101 because it was deemed to be covered by paragraph 26(a)(iv) of ISA 315 (Revised 2019).

#### Audit Procedures Responsive to Risks Related to Management Override of Controls – Accounting Estimates

- Aligned the requirements addressing accounting estimates in paragraphs 51–52 with the foundational requirements in ISA 540 (Revised).<sup>5</sup>

<sup>3</sup> ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

<sup>4</sup> ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

<sup>5</sup> ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

## Fraud or Suspected Fraud

- To improve the overall operability of the requirement to obtain an understanding of the fraud or suspected fraud in paragraph 54:
  - Replaced “engagement partner” with the “auditor” and streamlined the application material in paragraph A148 to reflect this change.
  - Clarified that the auditor only inquires about the fraud or suspected fraud with those charged with governance (TCWG) “when appropriate in the circumstances.”
- Clarified in paragraph 56(c) that the auditor is required to “reconsider the reliability of management’s representations and audit evidence previously obtained when the circumstances or conditions giving rise to the misstatement indicate possible collusion involving employees, management or third parties.”

## Other Substantial Matters

### *Due Process Considerations*

7. The IAASB Program and Technical Director confirmed that the significant matters identified by the Fraud Task Force as a result of its discussions since the beginning of the project have been presented in the issues papers presented to the IAASB for deliberation, and that there are no significant matters that have not been brought to the attention of the Board. In addition, he noted that in the Fraud Task Force’s view, no further consultation (such as roundtables or further consultation with particular stakeholder groups) or field testing is needed at this stage of the project.

### *Reasons for Dissenting*

8. Mr. Kienhuis recognized the approval of ED-240 as a great step forward in creating a more robust fraud standard. He dissented because of the lack of a stand-back requirement in ED-240. He explained that the stand-back requirement was introduced as part of the Audit Quality project completed in February 2014 and thereafter, included in ISA 315 (Revised 2019), ISA 540 (Revised), ISA 600 (Revised)<sup>6</sup> as well as [ED-570](#).<sup>7</sup> While he appreciates the concern raised by stakeholders about the proliferation of stand-back requirements in the ISAs, he is of the view that the Board in previous standard-setting projects has consistently applied the overall evaluation of the sufficiency and appropriateness of audit evidence obtained towards the end of the audit. The absence of a stand-back requirement in ED-240 seems to break this trend and the arguments against a separate stand-back requirement in ED-240 are not dissimilar to the arguments against stand-back requirements in other ISAs at those times and yet the Board did decide to include them. Due to the nature of fraud, Mr. Kienhuis believes it is especially important that an overall evaluation needs to be performed by the engagement partner that considers the outcome of the various risk assessment and further audit procedures as well as any other observations in the aggregate – and this should be done with the appropriate professional skepticism. The focus of the evaluation would primarily be on whether the risk assessment remains appropriate and on whether any further fraud risk factors have been identified that would require further consideration or audit response. Mr. Kienhuis provided various examples of matters that need to be considered, including undue time pressure, quality of

<sup>6</sup> ISA 600 (Revised), *Special Considerations-Audits of Group Financial Statements (Including the Work of Component Auditors)*

<sup>7</sup> Exposure Draft of Proposed ISA 570 (Revised 202X), *Going Concern*, and Proposed Conforming and Consequential Amendments to Other ISAs

management's responses, control deficiencies, and changes in incentives, for which the auditor may, in the course of the audit, have been satisfied with the explanations of management or circumstances on an individual basis, but when considered in the aggregate, a trend, pattern or bias may be noticeable that could or should give reason for pause and reconsideration. Given that fraud is a significant public interest matter, he emphasized the importance of such an overall evaluation towards the end of the audit.

#### *IAASB CAG Chair Remarks*

9. Mr. Dalkin noted the ongoing interest and support from the IAASB CAG's Representatives in the fraud project.

#### *PIOB Observer Remarks*

10. Mr. Christelle congratulated the Board on the approval of ED-240 and noted the importance of the project from the public interest perspective.

#### *Next Steps*

11. ED-240 will be exposed for public comment in early February 2024, with a 120-day consultation period.

### **Listed Entity and Public Interest Entity (PIE) – Track 2 (Agenda Item 3)**

#### **Decisions**

##### *Approval of the ED<sup>8</sup>*

12. After presenting an updated version of the ED, the IAASB approved the proposed narrow scope amendments to the ISQMs, ISAs and ISRE 2400 (Revised) with 18 affirmative votes out of 18 Board members in attendance.
13. The revisions made in finalizing the ED, which addressed Board members' comments, indicated in mark-up, are collectively included in [Agenda Item 3–B.2](#).

##### *EM Accompanying the ED*

14. Subject to addressing the matters discussed below, the Board supported the proposed draft content of the EM accompanying the ED as presented in [Agenda Item 3–A](#). Once updated, the EM will be published together with the ED for a 90-day consultation period.

#### **Directions**

##### *Updates to the ED*

15. The following are the substantive comments received from the Board to the requirements and definitions, and changes made to address them, in finalizing the ED:

<sup>8</sup> ED for Proposed *Narrow Scope Amendments to International Standards on Quality Management (ISQMs), International Standards on Auditing (ISAs), and International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements as a Result of the Revisions to the Definitions of Listed Entity and PIE in the IESBA Code*

- The applicability of the differential requirements for listed entities in ISA 720 (Revised)<sup>9</sup> was amended to apply to “publicly traded entity.” The IAASB was of the view that this would be appropriate to reduce complexity to the scope of the standard, given that listed entity will no longer be a defined term for the ISQMs and ISAs and because in certain jurisdictions, law or regulation may not define a listed entity.
- The explanation to the definition of PIE included in ISQM 1<sup>10</sup> and ISA 200<sup>11</sup> was refined to clarify that law, regulation or professional requirements may define more explicitly the categories of entities in the PIE definition.
- The requirements for PIEs in paragraphs 18A and 18B of ISQM 1 and paragraphs 23A and 23B of ISA 200 in **Agenda Item 3–B.2** were combined given it was not necessary to repeat the categories of entities included in the PIE definition. In addition, to recognize the role of the firm in determining whether to treat entities as PIEs, paragraph 23A of ISA 200 in **Agenda Item 3–B.2** was clarified that the auditor shall follow the firm related policies and procedures.

#### *Updates to the EM Accompanying the ED*

16. The Board directed the PIE Task Force to address the following key matters when finalizing the EM accompanying the ED:
- Provide an explanation of how the proposed narrow scope amendments for Track 2 would impact the differential requirements for listed entities being considered under the fraud and going concern projects. In doing so, the Board suggested that further views be sought from respondents about extending the applicability of such requirements to apply to PIEs or “publicly traded entities.”
  - Include a specific question for respondents to explore whether the proposed amendments of the differential requirements for listed entities to apply to “publicly traded entity” is appropriate in the context of ISA 720 (Revised).
  - Remain silent on the application of the proposed narrow scope amendments before the effective date to be specified therein, given the need to coordinate effective dates with the revised standards on fraud and going concern that are also considering changes that may impact the auditor’s report.

### **Other Substantial Matters**

#### *Due Process Considerations*

17. The IAASB Program and Technical Director confirmed that the significant matters identified by the PIE Task Force as a result of its discussions since the beginning of the project have been presented in the issues papers for the IAASB’s deliberation, and that there are no significant matters that have not been brought to the attention of the Board. In addition, he noted that in the PIE Task Force’s view, no further consultation (such as roundtables or further consultation with particular stakeholder

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<sup>9</sup> ISA 720 (Revised), *The Auditor’s Responsibilities Relating to Other Information*

<sup>10</sup> ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements or Other Assurance or Related Services Engagements*

<sup>11</sup> ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

groups) or field testing is needed at this stage of the project. Also, he noted the close collaboration with the International Ethics Standards Board for Accountants (IESBA) throughout the development of the ED.

#### *IAASB CAG Chair Remarks*

18. Mr. Dalkin thanked the Board, noting that in December 2023 Representatives provided support for the proposed narrow scope revisions to the ISQMs, ISAs and ISRE 2400 (Revised) included in the ED.

#### *PIOB Observer Remarks*

19. Mr. Christelle noted the PIOB's support for the alignment of the definitions of PIE in the IESBA Code<sup>12</sup> and the IAASB standards and the proposals included in the ED, except for the proposal in ISA 260 (Revised)<sup>13</sup> to relegate to the application material the requirement to communicate with TCWG fee related matters. He commented that from the public interest perspective, the IAASB should further consider whether this has weakened the requirements of the standard given that certain jurisdictions may not adopt the IESBA Code.

#### *Next Steps*

20. The ED will be published in January 2024, for a 90-day public comment period.

### **Strategy and Work Plan 2024–2027 (Agenda Item 4)**

#### **Decisions**

##### *Approval of the Strategy and Work Plan for 2024–2027*

21. After presenting an updated version of the Strategy and Work Plan for 2024–2027 (the Strategy and Work Plan), the Board approved the Strategy and Work Plan with 18 affirmative votes out of 18 Board members in attendance.
22. The revisions made in finalizing the Strategy and Work Plan, which addressed Board members' comments during the final approval session, are reflected in [Agenda Item 4-D](#).

#### **Directions**

##### *Updates to the Strategy and Work Plan for 2024–2027*

23. In addition to various editorial changes, the following changes were made in finalizing the Strategy and Work Plan in response to substantive comments from the Board:
- Added a bullet point to the Strategic Actions of Strategic Objective 1, to provide more prominence to the IAASB's strategic focus on technology and to clarify that the Board will articulate a clear vision and roadmap on its approach to addressing technology in the IAASB's standards.
  - Added in Table B a separate project, covering the Board's establishment of a position on addressing the impact of technology in the IAASB's standards, with targeted commencement

<sup>12</sup> The IESBA's *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code)

<sup>13</sup> ISA 260 (Revised), *Communication with Those Charged with Governance*



in the first half of 2024.

- Replaced in Table B, “Conforming and Consequential Amendments” with “Narrow Scope Amendments” for the project resulting from IESBA’s Use of Experts project.
- Added in Table B, under the project “Modernization of Other Targeted Standards in the ISA 500 Series, Including Focus on Technology,” a sentence to further clarify that the focus on technology follows from the Board’s position for addressing technology in the ISAs and other relevant recommendations resulting from the work undertaken for the integrated audit evidence and risk response project.

## Other Substantial Matters

### *Due Process Considerations*

24. The IAASB Program and Technical Director confirmed that, up to the December 2023 IAASB meeting, the Strategy and Work Plan has been developed in accordance with the IAASB’s due process. He also confirmed that the significant matters identified by the Planning Committee as a result of its discussions since the beginning of the project have been presented in the issues papers for the IAASB’s deliberation, and that there are no significant matters that have not been brought to the attention of the Board. He advised the IAASB that the Planning Committee also does not believe that further consultation in the form of roundtables or focus groups is needed at this stage, given the results of the public consultation process, as well as the ongoing outreach on the Strategy and Work Plan during 2023.

### *IAASB CAG Chair Remarks*

25. Mr. Dalkin thanked the Board for finalizing the Strategy and Work Plan and recommended that the Board reflect strategically on the alignment of the standards and the timing of the revisions to these standards.

### *PIOB Observer Remarks*

26. Mr. Christelle thanked the Board for the thorough discussion and expressed satisfaction with the Strategy and Work Plan and support for the planned new project, “Integrated Approach to Audit Evidence and Risk Response, Including Focus on Technology and Internal Control.”

### *Next Steps*

27. The approved Strategy and Work Plan, together with relevant due process documentation will be submitted to the PIOB for consideration at the PIOB’s April 2024 meeting. Once the IAASB obtains the PIOB’s conclusion as to whether the Strategy and Work Plan was developed in a manner consistent with the agreed due process and whether it is responsive to the public interest, the Strategy and Work Plan will be published on the IAASB’s website.

## International Accounting Standards Board (IASB) Update (Agenda Item 5)

### Other Substantial Matters

28. Mr. Seidenstein introduced Rika Suzuki, IASB member, and Jenifer Minke-Girard, IASB Technical Staff, for their second update to the IAASB during 2023 (earlier update in 2023 was in [February](#)). He reiterated his appreciation for the collaborative relationship between the IAASB and the IASB. He



also reminded the Board of the importance of the ecosystem of standard setters working closely together to instill the necessary confidence in standards, including auditing and accounting standards, which underpin well-functioning capital markets.

29. Ms. Suzuki and Ms. Minke-Girard specifically focused on topics that could affect the work of the IAASB. Among the various matters covered, the Board was updated on:

- New requirements;
- Recently published and forthcoming documents;
- Post-implementation reviews;
- Standard-setting projects;
- Maintenance projects;
- Other topics – going concern;
- Connection between the IASB and the International Sustainability Standards Board (ISSB); and
- Digital financial reporting.

30. A topic that attracted significant interest among Board members was the IASB's update on going concern. Ms. Suzuki and Ms. Minke-Girard acknowledged the continuing and open dialogue between the IAASB's Going Concern Task Force and the IASB about the consistency of the period that the auditor is required to cover as part of the auditor's evaluation of management's assessment of going concern as proposed in ED-570 and management's assessment period as required by the International Accounting Standard 1, *Presentation of Financial Statements* (IAS 1). Ms. Minke-Girard noted that the IASB does not currently have an active project on going concern. She also noted that the IASB believes that the required assessment period in IAS 1 is not inconsistent with the period the auditor is required to cover as proposed in ED-570. Ms. Suzuki and Ms. Minke-Girard expressed their interest in understanding the relevant feedback that the IAASB received in comment letters on ED-570.

## **Sustainability Updates (Agenda Items 6, 7 and 9)**

### **Other Substantial Matters**

31. The Sustainability Assurance Task Force provided the Board with an update on the global outreach conducted to gather feedback on [ED-5000](#)<sup>14</sup> and highlighted some of the feedback obtained on the ED, including that there were consistent calls for implementation guidance and educational material.
32. Mr. Siong, IESBA Program and Senior Director, updated the Board on IESBA's sustainability project and the parallel project addressing the use of experts.
33. Board members thanked the Sustainability Assurance Task Force and Mr. Siong for the updates and highlighted the importance of ongoing collaboration between the IAASB and the IESBA and the need for more engagement at the board level to reach practical solutions for alignment between standards.

<sup>14</sup> Exposure Draft of Proposed International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, and Proposed Conforming and Consequential Amendments to Other IAASB Standards

### ISSB Update

34. Ms. Lloyd, Vice-Chair of the ISSB, provided an update on the ISSB's standard-setting activities and initial reflections on feedback received on the ISSB's consultation on agenda priorities. Ms. Lloyd responded to questions from the Board.

### Global Sustainability Standards Board (GSSB) and Global Reporting Initiative (GRI) Update

35. Ms. Adams, Chair of the GSSB, and Mr. Buck, Chief of Standards at the GRI, provided an update on GRI standard-setting activities and forward agenda. Ms. Adams and Mr. Buck responded to questions from the Board.

### Next Steps

36. The Sustainability Assurance Task Force will update proposed ISSA 5000 after completing the analysis of the comment letters and input from survey responses received, including incorporating the feedback from stakeholders during outreach activities.
37. The Sustainability Assurance Task Force will continue to liaise with the ISSB and the GRI in finalizing proposed ISSA 5000.

## Audit Evidence (Agenda Item 8)

### Decisions

38. The Board supported the usefulness of the additional information-gathering and analysis performed to date to inform the proposed revisions in relation to technology-focused modernization of proposed ISA 500 (Revised), *Audit Evidence*, and for other aspects relevant to the interdependencies between the 'reference framework' aspects of [ED-500](#)<sup>15</sup> and the 'performance' aspects of other ISAs. In considering the additional information-gathering and analysis, the Board reflected on the planned new projects in the IAASB Strategy and Work Plan for 2024–2027<sup>16</sup> and supported to:
- Explore, as part of the “Integrated Approach to Audit Evidence and Risk Response, Including Focus on Technology and Internal Control,” the impacts of applying automated tools and techniques (ATT) when general IT controls implemented by the entity are not operating effectively.
  - Establish a Board position on addressing the impact of technology in the IAASB's standards, including the Board's vision and roadmap to inform standard-setting and other related activities during the work plan period.

### Directions

39. The Board provided directional input for the substantial matters outlined below to be considered by the Audit Evidence Task Force in updating the text of proposed ISA 500 (Revised) (paragraph references below are to [Agenda Item 8–A](#)).

<sup>15</sup> Exposure Draft of *Proposed ISA 500 (Revised), Audit Evidence, and Proposed Conforming and Consequential Amendments to Other ISAs*

<sup>16</sup> See the IAASB Strategy and Work Plan for 2024–2027.

### *Introductory Material*

- Enhance the drafting for the new introductory material in paragraph 4A to avoid using the present tense. In addition, reconsider the use of the phrase “may not ignore” in this paragraph as it can be misinterpreted to mean that the contrary outcome may apply.

### *Definition of Audit Evidence*

- Consider whether the second sentence added to the definition of audit evidence should be retained or whether it could form part of the application material to the definition.

### *Technology*

- Consider whether the description of ATT in paragraph A2A should be elevated to a definition. In addition, consider whether the reference to “for the purpose of planning or performing the audit” in the description of ATT is too general and whether the reference to “drone technology” should be retained.
- With respect to the conditional requirement when the auditor uses ATT in paragraph 10A:
  - Enhance sub-bullet (a) to be more distinct from the requirement in paragraph 9 and reconsider the use of the word “appropriateness” as it is too generic.
  - Reconsider the use of the work effort verb “determine” in sub-bullet (b) as it may have the unintended consequence of being too onerous or cause practical challenges at an engagement level given that the design or purchase of the ATT is generally undertaken at firm level.
  - Replace the work effort verb “determine” in the sub-bullet (c) with “consider” or “conclude.”
- With respect to the application material when the auditor uses ATT in paragraphs A65A–A65J:
  - Streamline the application material further and consider scalability to recognize that the sophistication of an ATT may vary.
  - Enhance the examples in paragraph A65E to support the auditor’s consideration when the data is used for multipurpose audit procedures.
  - Add examples in paragraph A65J of audit procedures to further investigate the outputs from ATT that are inconsistent with the auditor’s expectations or that exhibit characteristics that are unusual for the population.

### *Relevance and Reliability*

- While directionally supportive of the proposals, some Board members questioned whether the use of the word “significant” is appropriate to be used as the threshold for the auditor’s consideration of the attributes of relevance and reliability given that it may result in too low of a bar for the auditor’s work effort. It was suggested that further outreach be undertaken with regulatory stakeholders in relation to this matter.
- Reconsider the need to bifurcate the requirement in paragraph 12. In addition, consider whether paragraph 12A should only apply to information from sources internal to the entity.

### *Accuracy and Completeness*

- Reconsider the essential material in paragraph 9(b) given that accuracy and completeness may not be significant attributes when performing risk assessment procedures.

### *Professional Skepticism*

- Include examples of audit procedures in paragraph A56G for circumstances when the entity's general IT controls are not operating effectively.
- Redraft paragraph A88A to avoid using the present tense in the application material.

## **Other Substantial Matters**

### *IAASB CAG Chair Remarks*

40. Mr. Dalkin noted that the IAASB CAG discussed the audit evidence project at its September 2023 meeting and Representatives had various preferences about the proposed options for the threshold of the attributes of relevance and reliability and the conditional requirement for accuracy and completeness. Given the broad range of views, he supported that further outreach should be undertaken with regulatory stakeholders about the use of the threshold “significant” for the auditor's consideration of the attributes of relevance and reliability.

### *PIOB Observer Remarks*

41. Mr. Christelle noted that the choice of the word “significant” for the threshold of the auditor's consideration of the attributes of relevance and reliability may be interpreted as implying a lower work effort for the auditor as compared to ED-500, given it may be interpreted that certain attributes are “insignificant” to the auditor's consideration. He supported that further outreach be undertaken with regulatory stakeholders in relation to this matter.

### *Next Steps*

42. In March 2024, the Board will consider further revisions to proposed ISA 500 (Revised) based on respondents' feedback. In addition, beyond ED-500, the Board will continue working on an “Integrated Approach to Audit Evidence and Risk Response, Including Focus on Technology and Internal Control.” After March 2024, work on proposed ISA 500 (Revised) will pause temporarily, while work is undertaken to identify, understand and scope the risk response elements of the integrated project, also building on the work already undertaken on ED-500 and informed by the Board establishing a position on addressing the impact of technology in the IAASB's standards.

## **Other Matters Considered**

Mr. Seidenstein thanked outgoing IAASB Members, Mr. Chiew, Ms. Larsen, Prof. Marten, Mr. Monroy and Ms. Tracq-sengeissen, for their service and dedication to the IAASB during their tenure.

## **Closing**

Mr. Seidenstein thanked the IAASB members, TAs and IAASB Staff for the efforts leading up to, and during, the December 11–14, 2023 Board meeting.

Mr. Seidenstein then closed the public session.

**Next Meeting**

Mr. Seidenstein confirmed that the mid-quarter Board call that was scheduled for February 7, 2024, will not be used and that members can remove that from their calendars.

The next meeting of the IAASB will be its quarterly meeting in New York, from March 18–21, 2024. Details of the meeting will be communicated in due course. Mr. Seidenstein also noted that the IAASB's June 2024 meeting will be held in Madrid, Spain and will be hosted by the PIOB.

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