

### Minutes of the 143<sup>rd</sup> Meeting of the INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)

Held on March 18–21, 2024 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  
Sami Alshorafa  
Hernán Casinelli  
Julie Corden  
Vishal Doshi  
William Edge  
Kai Morten Hagen  
Sachiko Kai  
Edo Kienhuis  
Robert Koethner  
Prof. Warren Maroun<sup>V</sup>  
Neil Morris  
Chrystelle Richard  
Greg Schollum  
Wendy Stevens  
Eric Turner

#### Technical Advisors (TA)

Helene Agélii (Mr. Hagen)  
Wolf Böhm (Mr. Koethner)  
Antoine Boitard (Ms. Richard)  
Johanna Field (Mr. Turner)<sup>V</sup>  
Amy Groves (Ms. Corden)  
Rene Herman (Mr. Edge)  
Susan Jones (Mr. Morris)  
Sripriya Kumar (Mr. Doshi)<sup>V</sup>  
Yvette Lange (Prof. Maroun)<sup>V</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)  
Fernando Zanet (Mr. Casinelli)

#### Non-Voting Observers

Apology: Japanese Financial Services Agency  
Andreia Delia Mehedintu (European Commission)

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

Present: Ms. Janine van Diggelen

<sup>1</sup> The March 2024 IAASB meeting was held in-person at the AICPA offices 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 “<sup>V</sup>,” who joined via videoconference using Zoom.

### IAASB Technical Staff

Present: James Gunn (Managing Director, Professional Standards) (March 18-19), Willie Botha (Program and Technical Director), Nathalie Baumgaertener Dutang, Ida Diu, Ana Espinal-Rae, 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 March 2024 IAASB meeting.
- The Chair specifically welcomed the incoming Board members, Mr. Alshorafa, Mr. Casinelli, Mr. Doshi, Mr. Koethner and Ms. Richard to their first in-person IAASB meeting.
- The Chair also welcomed two new IAASB staff members who joined the IAASB in February 2024, Ms. Baumgaertener Dutang and Ms. Espinal-Rae.
- The IAASB Chair updated the Board on the outreach performed since the December 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 \(Agenda Item 1\)](#)
- [Going Concern \(Agenda Item 2\)](#)
- [Sustainability Assurance \(Agenda Item 3\)](#)
- [Technology Position \(Agenda Item 4\)](#)
- [Audit Evidence \(Agenda Item 5\)](#)
- [Integrated Project - Risk Response \(Agenda Items 6\)](#)

### Approval of Minutes (Agenda Item 1)

#### Decision

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

### Going Concern (Agenda Item 2)

#### Other Substantial Matters

2. The Going Concern Task Force (GC TF) provided the Board with a high-level overview of the stakeholder feedback received to the public consultation on the exposure draft for proposed ISA 570 (Revised 202X)<sup>3</sup> and an update of the outreach and other activities undertaken since the publication of ED-570.
3. In reflecting on the feedback to ED-570, the Board:

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<sup>3</sup> Exposure Draft (ED-570): [Proposed International Standard on Auditing 570 \(Revised 202X\), Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs](#)

- Noted the importance of the ongoing liaison and engagement with accounting standard setting bodies with respect to going concern, such as with the International Accounting Standards Board (IASB) and the International Public Sector Accounting Standards Board (IPSASB).
- Shared observations in relation to the feedback for certain key topics where mixed views were present (i.e., strong views that agree or disagree), such as for the timeline over which the going concern assessment is made and for enhancing transparency about going concern in the auditor's report.
- Supported the GC TF initiative to engage in further outreach with users of financial statements to supplement the written responses to ED-570 with insights from this stakeholder group, and also encouraged engaging with preparers, lenders, creditors and prudential regulators.
- Emphasized the importance to also keep at the forefront the stakeholder feedback from the Discussion Paper<sup>4</sup> when developing proposals in response to the written responses.

#### *PIOB Observer Remarks*

4. Ms. van Diggelen acknowledged that there is a broad range of feedback for the GC TF and the Board to consider in response to ED-570 and supported that further outreach is undertaken with investors and other users of financial statements. She encouraged the Board, as they move forward with this important project, to keep at the forefront the clear public interest for the project and the need to move the needle further in order to narrow the expectation gap.
5. Ms. van Diggelen emphasized the need for the Board to find the right balance for providing transparency about the auditor's responsibilities in relation to going concern through the auditor's report to support the interest of investors and other users of financial statements. She also encouraged the Board to refer to the PIOB Public Interest Issues for the project as published on the PIOB website and the qualitative standard-setting characteristics of the Public Interest Framework that are of most relevance to the project as guiding principles when finding the optimal standard-setting solution from a global perspective.

#### *Next Steps*

6. In June 2024, the GC TF will present to the Board an analysis of stakeholder feedback to ED-570 for certain key themes from the responses and its initial views and proposals to address the significant matters from the feedback for those themes.

### **Sustainability Assurance (Agenda Item 3)**

#### **Decisions**

7. The Board noted their overall support for the revisions that the Sustainability Assurance Task Force (SATF) made to ED-5000<sup>5</sup> as presented in [Agenda Item 3-H](#). The Board provided the SATF with directional input on certain matters, as further explained in the "Directions" section below.

<sup>4</sup> Discussion Paper (DP), [Fraud and Going Concern in an Audit of Financial Statements: Exploring the Differences Between Public Perceptions About the Role of the Auditor and the Auditor's Responsibilities in a Financial Statement Audit](#)

<sup>5</sup> Exposure Draft (ED)-5000: Proposed International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements, and Proposed Conforming and Consequential Amendments to Other IAASB Standards*

*Sustainability Matters, Sustainability Information and Disclosures*

8. The Board supported the addition of “governance” to the core definition of sustainability matters as presented in paragraph 17(vv) of **Agenda Item 3-H**. The Board also supported deletion of the terms “economic” and “cultural” from the definition.
9. The Board supported reinstating the word “sustainability” in the definition of disclosure(s) as presented in paragraph 17(i) of **Agenda Item 3-H** to emphasize that references in ISSA 5000 are disclosure(s) about sustainability information.

*Relevant Ethical Requirements and Quality Management Standards*

10. The Board agreed with the streamlined definition of the relevant ethical requirements in paragraph 17(nn) of **Agenda Item 3-H**.
11. The Board supported the revised requirements regarding the concept of “at least as demanding as” in relation to firm-level quality management. However, the Board requested the SATF to revise paragraph 29 of **Agenda Item 3-H** to clarify that the application of ISQM<sup>6</sup> or an appropriate authority’s determination of “at least as demanding” are the preferred options and that a determination by the firm/ practitioner of “at least as demanding” applies only in the absence of the other options.
12. The Board supported the changes made to the requirements in paragraph 68 of **Agenda Item 3-H** regarding the documentation of the basis for the practitioner’s determination that the relevant ethical requirements or quality management standards applied are “at least as demanding” as the IESBA Code or ISQM 1, respectively. The Board also supported the enhanced reporting requirement in paragraph 170(d)(iv) to identify the relevant ethical requirements applied in the engagement but suggested providing transparency in the assurance report about the determination of “at least as demanding.”

*Materiality*

13. The Board supported the changes made to ED-5000 with respect to the entity’s “materiality process” and provided suggestions for additional clarity. In particular, the Board supported:
  - The use of the term “entity’s process to identify sustainability information to be reported” but also discussed the need to clarify the scope of the term and consider the consistency of its use throughout the standard.
  - The new requirement in paragraph 70 and related application material in **Agenda Item 3-H**, for the practitioner to consider, at the acceptance and continuance stage, whether the entity has a process to identify sustainability information to be reported.
  - The new requirement in paragraph 105A and related application material in **Agenda Item 3-H** for the practitioner to obtain an understanding, as part of understanding the entity’s information system and communication, of the entity’s process to identify the sustainability information to be reported.

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<sup>6</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

14. The Board supported the recommendation of the SATF to pursue developing a conditional requirement with respect to double materiality. The Board also supported the revisions to the application material regarding the practitioner's work effort when double materiality applies.
15. The Board supported the changes made to ED-5000 with respect to the practitioner's approach to materiality and provided suggestions for additional clarity. In particular, the Board supported:
  - Retaining the bifurcated approach to determine materiality for quantitative disclosures and to consider materiality for qualitative disclosures materiality.
  - The new requirement in paragraph 92A of **Agenda Item 3-H** to reconsider materiality as the engagement progresses.
  - The new requirements in paragraph 144A of **Agenda Item 3-H** to document accumulated misstatements and the practitioner's conclusion as to whether uncorrected misstatements are material, and the basis for that conclusion.

*Engagement Team, Using the Work of Others and "Group" Engagements*

16. The Board supported the changes with respect to the engagement team and using the work of others and provided suggestions for additional clarity. In particular, the Board supported:
  - The definition of "another practitioner" as presented in paragraph 17(a1) of **Agenda Item 3-H**.
  - The revised definition of "engagement team, and clarifications made to the concept of "sufficient involvement" in the work of others."
  - The new conditional requirement in paragraph 51A of **Agenda Item 3-H**, and related application material, with respect to the practitioner's plan to use an assurance report of another practitioner that has been designed for use by user entities and their assurance practitioners. However, the Board asked the SATF to clarify that a "one-to-many" report may address the information provided by the source entity as well as any controls identified by the source entity that may need to be implemented by the reporting entity.
  - The requirements and related application material for evaluating the work of a practitioner's expert.
  - The revised requirement in paragraph 89 of **Agenda Item 3-H** for the practitioner to develop an overall engagement strategy and engagement plan.
17. The Board supported the changes made to ED-5000 with respect to "group engagements" and provided suggestions for additional clarity. In particular, the Board supported:
  - Keeping the new definitions specific to a "group" sustainability assurance engagement as presented in paragraphs 17(g1), 17(g2), 17(u1), 17(u2) and 17(u3) of **Agenda Item 3-H**, provided they are used in requirements.
  - The new requirement in paragraph 55A of **Agenda Item 3-H** regarding the engagement leader taking responsibility for appropriate and timely communications between the engagement team (including component practitioners) and, as applicable, practitioner's external experts and the internal audit function.

- The new conditional requirement in paragraph 89A of **Agenda Item 3-H** for the overall engagement strategy and engagement plan if the sustainability information includes information from multiple entities or business units.
- The new conditional requirements in paragraphs 135AL and 135AR of **Agenda Item 3-H** with respect to the entity's process for assembling the sustainability information if it includes information from multiple entities or business unit.

#### *Limited and Reasonable Assurance*

18. The Board supported the changes made to ED-5000 with respect to understanding the system of internal control and provided suggestions for additional clarity. In particular, the Board supported:
  - The separate requirements for understanding each component of the system of internal control presented in columnar format.
  - The relocation and clarification of the conditional requirement to understand the control activities for a limited assurance engagement. The Board asked the SATF to revisit the requirement in paragraph 107R of **Agenda Item 3-H** to ensure clarity.
  - The additional and revised application material for a number of matters related to the understanding of the system of internal control.
19. The Board supported the new requirement for the practitioner to identify and assess the risks of material misstatement at the disclosure level for a limited assurance engagement. The Board also supported the new and revised application material that clarifies the "spectrum of risk" and asked the SATF to consider developing additional guidance around this topic.
20. The Board supported the new requirement in paragraph 98A of **Agenda Item 3-H** with respect to the practitioner's determination of whether the criteria are suitable for the engagement circumstances.

#### *Scope and Applicability of Proposed ISSA-5000*

21. The Board supported the recommendation of the SATF for ISSA 5000 to apply to all assurance engagements on sustainability information (including greenhouse gas-related information, regardless of form) and for ISAE 3410<sup>7</sup> to be withdrawn in accordance with due process.
22. The Board asked the SATF to reassess whether all requirements of ISAE 3410 have been addressed in ISSA 5000. The SATF also was asked to identify specific paragraphs from the application material of ISAE 3410 that could be incorporated directly into ISSA 5000 or that could be repurposed as guidance or educational materials.

#### *Other Matters*

23. The Board noted its support for a conditional requirement for the practitioner to communicate with the auditor of the financial statements, unless prohibited by law or regulation, if the practitioner has identified material inconsistencies in the other information.
24. The Board also supported ISA 720 (Revised)<sup>8</sup> as the basis for the requirements related to other information in proposed ISSA 5000.

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<sup>7</sup> International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements

<sup>8</sup> ISA 720 (Revised), The Auditor's Responsibilities Relating to Other Information

## Directions

### *Sustainability Matters, Sustainability Information and Disclosures*

25. The Board suggested that the SATF reconsider and streamline the definition of sustainability information and also look to provide further clarity to better differentiate in the standard between ~~references to~~ “sustainability information reported” and “sustainability information subject to assurance.”
26. The Board asked the SATF to further consider whether any references to disclosure(s) throughout the standard may need to be clarified to avoid confusion with financial statement disclosures.

### *Relevant Ethical Requirements and Quality Management Standards*

27. The Board suggested that the SATF continue coordination with the International Ethics Standards Board for Accountants (IESBA) to ensure alignment with IESBA’s *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code).

### *Materiality*

28. The Board encouraged the inclusion in an appendix to ED-5000 of a diagram to illustrate how the entity’s process to identify sustainability information to be reported is considered throughout the various stages of the engagement.
29. The Board suggested that the SATF consider further clarifying the practitioner’s approach to identifying and assessing the risks of material misstatement at the disclosure level (for limited assurance engagements) and at the assertion level for the disclosures (for reasonable assurance engagements).

### *Engagement Team, Using the Work of Others and “Group” Engagements*

- ~~30. The Board asked the SATF to clarify that a “one-to-many” report as described in paragraph 51A of Agenda Item 3-H may address the information provided by the source entity as well as any controls identified by the source entity that may need to be implemented by the reporting entity.~~
- ~~31-30.~~ The Board supported continued coordination with IESBA to ensure alignment with the IESBA Code and consider if any revisions would be required to definitions or requirements in proposed ISSA 5000.
- ~~32-31.~~ The Board asked the SATF to continue to refine and clarify the diagram presented during the meeting that illustrates the relationship between the value chain, reporting boundary, components, and component practitioners. In particular, the Board asked the SATF to avoid references to “group components” and “value chain components.” The Board provided further suggestions for enhancements of the diagram and asked the SATF to present the revised version during the June 2024 IAASB meetings~~supported the inclusion of the revised diagram in an appendix to ED-5000.~~

### *Limited and Reasonable Assurance*

- ~~33-32.~~ The Board supported the new requirement in paragraphs 104L and 105L of **Agenda Item 3-H**, and related application material, with respect to the practitioner’s understanding of the results of the entity’s risk assessment process and the entity’s process for monitoring the system of internal control. The Board asked the SATF to further explain the practitioner’s response in addressing the results of the inquiries.



~~34.33.~~ The Board supported the new requirements as presented in paragraphs 132LA and 132RA of **Agenda Item 3-H** with respect to the practitioner's revision of the risk assessment due to new information. However, the Board requested that, for limited assurance engagements, the SATF further clarify the procedures to be performed if the practitioner becomes aware of a matter that causes the practitioner to believe the sustainability information may be materially misstated (paragraph 133L). The Board also asked the SATF to consider a better link between this “deep dive” and the assessment of risks of material misstatement at the disclosure level in a limited assurance engagement.

## Other Substantial Matters

### *Due Process Considerations*

~~35.34.~~ The Board agreed with the SATF analysis and summary of respondents' comments on ED-5000 for the questions discussed in March.

~~36.35.~~ The Board confirmed that there were no other significant issues raised by respondents that should have been discussed related to those questions.

### *PIOB Observer Remarks*

~~37.36.~~ Ms. van Diggelen highlighted the importance of transparency regarding ethical and quality management requirements and suggested that the assessment of whether the quality management requirements are “at least as demanding” as ISQM 1 be done at the jurisdictional level.

~~38.37.~~ Ms. van Diggelen noted the importance of clear definitions in ISSA 5000. Clear definitions are important for driving understanding, particularly for non-accountant practitioners, as well as consistency in practitioners' behaviors when doing the assurance work. Ms. van Diggelen also highlighted the importance of continued coordination with IESBA to align the definitions.

~~39.38.~~ Ms. van Diggelen noted her support for the alignment between ISSA 5000 and ISA 600 (Revised) to the extent possible. She recommended additional guidance on the concept of the practitioner's sufficient involvement in the work performed by a component practitioner.

~~40.39.~~ Ms. van Diggelen inquired about the basis for determining the minimum level of work effort for limited assurance engagements. She suggested exploring the application of a risk model, similar to the one used in financial statement audits, to determine the work effort in limited assurance engagements.

~~41.40.~~ Ms. van Diggelen highlighted the need for broader communication and information sharing between the sustainability assurance practitioner and the auditor of the financial statements.

### *Next Steps*

~~42.41.~~ The SATF will address the Board's comments and will continue analyzing the comments received on the remaining questions from the Explanatory Memorandum of proposed ISSA 5000 that were not presented to the Board in March 2024.

~~43.42.~~ The SATF will present to the Board during its June 2024 meeting the results of the analysis of the remaining questions and a full revised draft of proposed ISSA 5000.



## Technology Position (Agenda Item 4)

### Other Substantial Matters

44.43. In the public segment ([link to YouTube Livestream](#)) of the Technology Position–Introduction to Development session, Tom Seidenstein, Chair of the IAASB, initiated the discussion by emphasizing the necessity for a collective stance on technology to guide ongoing and future projects of the IAASB (i.e., the Board's Technology Position). He stressed the importance of challenging the IAASB's current approach and adopting a bold perspective. Mr. Seidenstein highlighted that while there's no predetermined outcome in terms of what the Board's Technology Position turns out to be, there's a bias towards action and pushing boundaries. Mr. Seidenstein underscored the strategic significance of the session.

45.44. Following Mr. Seidenstein's remarks, Angelo Giardina, Principal of the IAASB, provided further context, outlining the agenda and objectives of the session. Mr. Giardina introduced a conceptual framework that the Board would be using to shape its Technology Position, including a description of the conceptual framework's three components as follows:

- Component one involves the articulation by the Board of a Technology Posture. That posture, aligned with the IAASB's strategic objectives, will serve as a guiding paradigm for the Board's overarching approach to address the impact of technology in its standard-setting initiatives and related activities."
- Component two involves deliberations by the Board on how best to operationalize its Technology Posture.
- Component three involves deciding on a process that the Board will adopt to ensure its Technology Posture remains well calibrated to new technology-related developments to ensure its ongoing relevance and effectiveness.

46.45. Mr. Giardina described a tentative timeline for the Board that would culminate with the approval by the Board of its Technology Position at the September 2024 Board meeting. Components one and two will be discussed at this meeting (i.e., March 2024) and then again at the June 2024 meeting, while component 3 will be discussed at the June 2024 meeting.

47.46. Mr. Giardina described factors that the Board may consider as it sets out to determine its Technology Posture, including advancements in technology like generative AI that are increasingly being used by entities and auditors. Additionally, Mr. Giardina highlighted considerations for operationalizing the Technology Posture, including how to best utilize the IAASB's toolkit (e.g., full-scope development and revision of standards, narrow-scope maintenance of standards, non-authoritative materials).

47. The public segment concluded with an invitation for comments before transitioning to the Private Workshop, where the board set out to shape their Technology Position with their deliberations on components 1 and 2.

48. Board members made a number of initial comments relating to matters such as the principles-based approach applied in the IAASB's standards, users' expectations of auditors to use technology in certain circumstances, and the focus on audit and other assurance engagements. These comments assisted in setting up and were further explored during the Private Workshop. Also, Mr. Seidenstein, in response to encouragement for the Technology Position to be finalized at the June 2024 IAASB

meeting, clarified that the commitment in the IAASB Strategy and Work Plan for 2024–2027 was to finalize the position within this year.

## Audit Evidence (Agenda Item 5)

### Decisions

49. Subject to the further directions discussed below, the Board supported the cumulative work of the Audit Evidence Task Force (AETF) from the September 2023 IAASB meeting through March 2024 in responding to the comments received on ED-500,<sup>9</sup> and as reflected in the drafting for the Pre-finalization Holding Package of proposed ISA 500 (Revised) presented in [Agenda Item 5-A](#).

### Directions

50. The Board provided directional input for the substantial matters outlined below to be further considered:

#### *Draft of Proposed ISA 500 (Revised)*

- Clarify paragraph 9 of **Agenda Item 5-A** given that the revised drafting may imply that the auditor is not required to consider the attributes of relevance and reliability themselves, but rather to only consider their significance.
- Enhance the linkage between the requirements in paragraphs 9 and 10 of **Agenda Item 5-A**, including the consistency of the wording used for the threshold of the attributes (i.e., “significance” versus “significant”).
- Clarify the essential material in paragraph 10 of **Agenda Item 5-A** to recognize that the attributes of accuracy and completeness may not always be of significance when performing risk assessment procedures.

#### *Updates to the Conforming and Consequential Amendments*

- Consider whether the proposed consequential amendment to paragraph A5 in ISA 501<sup>10</sup> of **Agenda Item 5-B** should be deferred until a time when a comprehensive revision of the standards in the 500-series of ISAs is undertaken, as anticipated by the IAASB Strategy and Work Plan for 2024–2027.

### Other Substantial Matters

#### Threshold for the Attributes

51. One Board member continued to disagree with the use of the term “significance” as an appropriate term to be used for the threshold for the auditor’s consideration of the attributes of relevance and reliability when evaluating information, given it may imply a too low bar for the auditor’s work effort.

#### *PIOB Observer Remarks*

<sup>9</sup> Exposure Draft (ED-500): [Proposed International Standard on Auditing \(ISA\) 500 \(Revised\), Audit Evidence, and Proposed Conforming and Consequential Amendments to Other ISAs](#)

<sup>10</sup> ISA 501, *Audit Evidence—Specific Considerations for Selected Items*

**51-52.** Ms. van Diggelen supported that further outreach be undertaken with regulatory stakeholders for certain proposals reflected in the updated draft of proposed ISA 500 (Revised). In particular, she emphasized that sufficient balance of requirements versus application material is an area of interest for regulators, both in terms of volume of application material and whether certain concepts included in the application material should be elevated to the requirements of the standard.

**52-53.** Ms. van Diggelen reflected that she found proposed ISA 500 (Revised) as not the easiest standard to read and understand because of the cross-referencing between the definitions section and the application material of the standard. In addition, she expressed an interest for the project continuing, noting that the proposals in response to the objective for technology-focused modernization of proposed ISA 500 (Revised) is an area of work that is yet to be fully completed, as informed by the ongoing work of the Board to establish a position on addressing the impact of technology in the IAASB's standards.

#### Next Steps

**53-54.** Beyond March 2024, the revision of proposed ISA 500 (Revised) will resume in due course in accordance with the project proposal for the integrated project on audit evidence and risk response.<sup>11</sup> In addition, further outreach will be undertaken with regulatory and other stakeholders to inform the Board on certain changes that have been proposed for ED-500, including its position on the threshold for the auditor's consideration of the attributes of relevance and reliability of information.

### Integrated Project – Risk Response (Agenda Items 6)

#### Decisions

**54-55.** The Board was not aware of other issues than those set out in **Agenda Item 6** that should be explored in the revision of ISA 330<sup>12</sup> and ISA 520.<sup>13</sup>

**55-56.** The Board supported Staff's targeted outreach activities planned after the March 2024 Board meeting to inform the information gathering.

#### Directions

**56-57.** The Board supported the primary drivers for revising ISA 330 and ISA 520 and directed Staff to prioritize the following issues identified:

- With respect to the alignment of ISA 330 with ISA 315 (Revised 2019),<sup>14</sup> analyzing and identifying the specific aspects which are resulting in the issues raised related to the operationalization of ISA 330, paragraph 18.
- With respect to enhancing the auditor's work effort relating to internal controls in ISA 330, analyzing and understanding the source of, and impact of, issues identified relating to internal controls, including considering which issues may relate to auditor performance and which may

<sup>11</sup> See "Integrated Approach to Audit Evidence and Risk Response, Including Focus on Technology and Internal Control" as contemplated in the IAASB Strategy and Work Plan for 2024–2027.

<sup>12</sup> ISA 330, *The Auditor's Responses to Assessed Risks*

<sup>13</sup> ISA 520, *Analytical Procedures*

<sup>14</sup> ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

relate to clarity of requirements and application material, in order to determine the appropriate course of action.

- With respect to addressing the use of technology in responding to assessed risks of material misstatement, considering the impact of technology on the categorization of procedures designed and performed to respond to assessed risks.
- With respect to the scope and clarity of ISA 520, analyzing and identifying the specific aspects which are resulting in the issues raised related to developing expectations for substantive analytical procedures.

**57-58.** The Board encouraged Staff to further consider all the issues identified, including those that may appear initially to be ones of auditor performance, because when such issues recur, it may indicate ambiguity or insufficient clarity in a standard. On the other hand, the Board directed Staff to narrow the issues to ones that are able to be addressed through the revision of ISA 330 and ISA 520.

**58-59.** The Board encouraged Staff to continue its close collaboration with the Audit Evidence Task Force, and the Technology Working Group, considering the integrated nature of the project. The Board also directed Staff to other sources of information that may provide further insights into the practical application issues in these standards.

**59-60.** After the public segment of this session concluded, the Board transitioned to a Private Workshop to discuss in breakout groups the questions in Appendix 2 of **Agenda Item 6** to obtain deeper insights on certain identified issues.

## Other Substantial Matters

### *PIOB Observer Remarks*

**60-61.** Ms. van Diggelen highlighted the importance of the Integrated Project, with its focus on the use of technology and the auditor's work on internal control and highlighted its potential to significantly contribute to audit quality by enhancing auditor behavior. She encouraged the IAASB to understand auditors' choices in the design and performance of procedures to respond to assessed risks and to consider how the standard-setting process may be able to influence the auditor's decision-making, particularly relating to internal control testing.

**61-62.** Ms. van Diggelen also highlighted the importance of ensuring clarity in the minimum work effort on internal control testing, including Information Technology General Controls (ITGCs). She noted that, if an entity's internal controls are not operating effectively, there may well be limitations to the auditor's ability to obtain sufficient appropriate audit evidence.

### *Next Steps*

**62-63.** Staff plans to continue with the information gathering as set out in Agenda Item 6 after the March 2024 meeting.

**63-64.** In September 2024, the Staff intends to present to the Board a list of key issues. The Board will also have the opportunity to reflect on a possible outline of a project proposal for the Integrated Project.

**Closing**

Mr. Seidenstein thanked the IAASB members, TAs and IAASB Staff for the efforts leading up to, and during, the March 18–21, 2024 Board meeting.

Mr. Seidenstein then closed the public session.

**Next Meeting**

Mr. Seidenstein confirmed that the mid-quarter Board call that was scheduled for April 17, 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 that will take place in Madrid, Spain at the PIOB offices, from June 18–21, 2024. Details of the meeting will be communicated in due course.