

**Minutes of the 144th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)**

Held on June 18-21, 2024, at the PIOB Offices in Madrid, Spain¹

Voting Members

Present:² Tom Seidenstein (Chair)
Josephine Jackson (Vice-Chair)
Sue Almond
Sami Alshorafa
Hernan Casinelli
~~Richard Chrystelle~~
Julie Corden
Vishal Doshi
William Edge
Kai Morten Hagen
Sachiko Kai
Edo Kienhuis
Robert Koethner
Prof. Warren Maroun
Neil Morris
~~Chrystelle Richard~~
Greg Schollum
Wendy Stevens
Eric Turner

Technical Advisors (TA)

Helene Agéllii (Mr. Hagen)
Wolf Böhm (Mr. Koethner)
Johanna Field (Mr. Turner)
Amy Groves (Ms. Corden)
Rene Herman (Mr. Edge)
Susan Jones (Mr. Morris)
Sripriya Kumar (Mr. Doshi)
Yvette Lange (Prof. Maroun)
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)

Public Interest Oversight Board (PIOB) Observer

Present: Mr. Mark Smith
~~Mr. Pavel Hrivnák~~

IAASB Technical Staff

Present: Willie Botha (Program and Technical Director), Nathalie Baumgaertner Dutang, Ida Diu, Ana Espinal-Rae, Angelo Giardina, Claire Grayston, Megan Leicht, Fadi Mansour, Isabelle Raiche, Kalina Shukarova Savovska, Hankenson Jane Talatala, Jasper van den Hout and Dan Montgomery (Senior Advisor – Technical Projects)

Welcome and Introduction

¹ The June 2024 IAASB meeting was held in-person in Madrid, Spain. Dial-in was made available for all sessions.

² Participants were present in person, except for those marked with “v,” who joined via videoconference using Zoom.

- The IAASB Chair welcomed members, technical advisors (TAs), official observers and public observers via YouTube to the June 2024 IAASB meeting.

Meeting Topics

- [Approval of Minutes \(Agenda Item 1\)](#)
- [Sustainability Assurance \(Agenda Item 2\)](#)
- [Going Concern \(Agenda Item 3\)](#)
- [IAASB-IESBA Coordination – Sustainability Project Update \(Agenda Item 4\)](#)
- [Technology Position \(Agenda Item 5\)](#)

Approval of Minutes (Agenda Item 1)

Decision

1. The Board approved the minutes of the March 2024 IAASB quarterly meeting unanimously.

Sustainability Assurance (Agenda Item 2)

Decisions

2. The Board noted their overall support for the revisions that the Sustainability Assurance Task Force (SATF) made to ED-5000³ as presented in [Agenda Item 2-A.1](#) and [Agenda Item 2-A.2](#). The Board also provided the SATF with directional input on certain matters, as further explained in the “Directions” section below.

Introduction and Scope

3. Some Board members noted that the term “substantially lower” in paragraph 7 of **Agenda Item 2-A.1** might not accurately reflect the level of assurance obtained in a limited assurance engagement. The Board agreed to retain the term “substantially lower,” recognizing distinctly different nature, timing and extent of procedures in a limited assurance engagement compared with a reasonable assurance engagement. The Board suggested providing additional wording to explain the different starting points and objectives of limited and reasonable assurance engagements to provide better context for the levels of assurance.

Objectives and Definitions

4. The Board supported the additional changes proposed at the meeting to simplify the core definitions of sustainability matters and sustainability information and asked the SATF to continue coordination with IESBA to ensure alignment of these definitions.
5. The Board agreed to:
 - Reinstate the phrase “or individuals from a firm” previously deleted from the definition of another practitioner in paragraph 17(a1) and include, in the definition or early part of the standard, the point that another practitioner is performing procedures in the context of a separate engagement.

³ 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*

- Reinstated the wording deleted from the definition of relevant ethical requirements in paragraph 17(nn).
6. The Board supported the definition of a component in paragraph 17(g1) of **Agenda Item 2-A.1**. The Board also supported the application material in paragraph A13x of **Agenda Item 2-A.2** indicating that a component may be identified within or outside of the reporting entity's operational control (a "group component" or "value chain component," respectively).

Quality Management

7. The Board supported the changes proposed at the meeting by the SATF to delete the options, in paragraphs 29 and 33 of **Agenda Item 2-A.1**, allowing the practitioner to determine whether quality management and relevant ethical requirements are "at least as demanding as" ISQM1 and the IESBA Code of Ethics, respectively. The Board also supported the changes proposed by the SATF to the related application material in paragraphs A48A and A58B, and the deletion of paragraphs A48B and A58C, of **Agenda Item 2-A.2**.
8. The Board supported the retention of the concept of "one-to-many" reports but asked the SATF to reconsider the wording "designed for the purpose of conveying assurance" and whether more general wording may be more appropriate.

Fraud and Non-Compliance With Law or Regulation

9. The Board noted that ED-5000 does not require the practitioner to report non-compliance with law or regulation to relevant authorities. The Board requested the SATF to introduce an additional requirement for practitioners to report non-compliance with law or regulation to relevant authorities unless prohibited by law or regulation, aligning this with similar provisions in ISA 240.⁴

Communication with Management and Those Charged With Governance

10. The Board supported the changes made to paragraph 62 of **Agenda Item 2-A.1** and the related application material, including requiring the practitioner to explicitly communicate with management and those charged with governance. The Board also provided the SATF with some recommendations, as detailed in the "Directions" section below.

Planning Activities

11. The Board agreed to strengthen the wording of the application material in paragraph A89 of **Agenda Item 2-A.2** on work performed in relation to sustainability information of a group component, to a presumption (rather than expectation) of the ability of the practitioner to be sufficiently and appropriately involved in the work. The Board asked the SATF to continue coordinating with IOSCO C1, who specifically raised this matter, to further explain the practical implications of allowing the use of the work of another practitioner in a group component, and to consider developing further educational material in this regard.
12. Although supportive of the changes made to the diagram on components, the Board did not support including it as an appendix to the standard.

Materiality

⁴ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

13. The Board supported the new conditional requirement in paragraph 91A of **Agenda Item 2-A.1** related to double materiality but agreed to replace the term “apply” with “take into account.”

Risk Assessment Procedures

14. The Board supported the new requirement introduced in paragraph 110AR of **Agenda Item 2-A.1** on the risk of management override of controls but requested the SATF to further explain the reasons for not extending this requirement to limited assurance engagements.

Responding to Risks of Material Misstatement

15. The Board supported keeping the requirements and application material for estimates and forward-looking information together.
16. The Board agreed to delete the requirement related to revision of the risk assessment for limited assurance in paragraph 134BL of **Agenda Item 2-A.1** as it is not necessary in addition to the “deep dive” requirement in paragraph 134CL. In addition, the Board asked the SATF to present the requirements in paragraphs 134BR and 134CL separately under different subheadings.

Directions

Introduction and Scope

17. A Board member suggested that the SATF consider adding material in the Introduction section to explain the differences between limited assurance and reasonable assurance engagements.
18. The Board raised concerns about the clarity of paragraph A9C of **Agenda Item 2-A.2** and asked the SATF to review the wording to ensure it accurately conveys that the sustainability information incorporated by reference is within the scope of the sustainability assurance engagement.
19. The Board asked the SATF to consider adding a reference to paragraph 72 in paragraph 3A of **Agenda Item 2-A.1**.

Objectives and Definitions

20. The Board requested that the application material in paragraph A24C of **Agenda Item 2-A.2** be revised to indicate that single legal entities with branches or divisions would be treated as a group only in circumstances in which the sustainability information is aggregated through a process to align with ISA 600 (Revised) (akin to “consolidation process”).

Communication with Management and Those Charged With Governance

21. The Board requested the SATF to consider clarifying in paragraph 62 of **Agenda Item 2-A.1** that only “significant” matters need to be communicated with management or those charged with governance.
22. The Board supported the new application material in paragraph A139A of **Agenda Item 2-A.2** about communication with regulatory bodies but requested the SATF to revisit the removal of “others” from the subheading above the requirement to ensure alignment between the requirement and the application material.

Documentation

23. The Board asked the SATF to consider providing additional guidance about expectations for the documentation required, particularly in limited assurance engagements, of risks assessed at the higher end of the spectrum of risk, for example, for forward-looking information.

Preconditions

24. The Board requested clarity regarding the relationship between the entity's reporting policies and the applicable criteria in paragraph A170 of **Agenda Item 2-A.2** and requested the SATF to address the entity's reporting policies relating to both framework criteria and entity-developed criteria, without creating unnecessary complexity.
25. The Board requested the SATF to consider changing the subheading above paragraphs 69 and 70 of **Agenda Item 2-A.1** to "Establishing Whether the Preconditions are Present" to align with the term used in the requirements.
26. The Board requested the SATF to use terminology consistent with the rest of the standard for the public sector in paragraph A159A of **Agenda Item 2-A.2** and to review the relevance of this application material to both public sector and non-public sector engagements.

Entity's Process to Identify Sustainability Information to be Reported

27. The Board asked the SATF to reconsider the reference to adequacy of controls in paragraph A162 of **Agenda Item 2-A.2** and the implications of the characteristics of the sustainability matters listed in paragraph A165 for the appropriateness of the sustainability matters.
28. The Board noted that while the diagram presented in **Agenda item 2-B.1 (Supplement to Agenda Item 2-B)** regarding the entity's process to identify sustainability information to be reported is generally helpful, it might oversimplify the process and miss some concepts. The Board supported the inclusion of the current version of the diagram as an appendix to the standard but asked the SATF to consider adding more details to the appendix.

Evidence

29. The Board asked the SATF to revisit the wording in paragraph A236 of **Agenda Item 2-A.2** as it suggests that inherent limitations on management's ability to obtain information from the value chain might always lead to a scope limitation. However, the Board noted that this does not change the practitioner's responsibility to obtain sufficient appropriate evidence about such information. The Board also asked the SATF to consider:
 - Adding a reference to "material information" in paragraph A236.
 - Providing transparency in the assurance report about inherent limitations with respect to value chain information.
30. The Board noted the importance of developing educational materials to provide further guidance on the challenges that may be faced in obtaining and evaluating evidence from- value chain information, and the types of procedures that may be performed.

Risk Assessment Procedures

31. The Board provided its overall support for the changes made and requested the SATF to consider revising the wording in paragraph A348CL of **Agenda Item 2-A.2** to clarify the identification and

assessment of the risks of material misstatement for a limited assurance engagement being “at a higher level and less detailed” than for a reasonable assurance engagement.

DRAFT

Responding to Risks of Material Misstatements

32. The Board highlighted that the wording in paragraph 135AAR of **Agenda Item 2-A.1** was derived from ED-240⁵ and asked the SATF to consider the input on ED-240 when finalizing the requirement.

Other Information

33. The Board supported the explicit requirement in paragraph 158(a) of **Agenda Item 2-A.1** for the practitioner to communicate with the auditor of the entity's financial statements but requested the SATF to check the placement of the requirement as it presumes that the practitioner has already concluded that a material misstatement of the financial statements exists without first communicating the matter to management. The Board also asked the SATF to consider adding application material (e.g. to the requirements for planning the engagement) to encourage communication between the practitioner and the auditor of the financial statements on matters that intersect between the sustainability information reported and the financial statements.

Preparing the Assurance Report

34. The Board supported the changes made to the requirements and application material with respect to the preparation of the assurance report and provided the SATF with some recommendations, including to:
- Clarify that the practitioner is not issuing an opinion on the outcome of the forward-looking information.
 - Consider adding application material to address situations in which the practitioner is issuing different conclusions on separate sustainability information prepared under different reporting frameworks.
 - Consider adding application material to paragraph 182(c) of **Agenda Item 2-A.1** to address situations in which the practitioner's firm has provided an opinion on the audited financial statements that are part of the other information.
 - Consider whether the requirement regarding references to a practitioner's expert in the assurance report in paragraph 172 of **Agenda Item 2-A.1** should be aligned with the more restrictive requirement in ISA 620.
 - Consider whether the fact patterns for the illustrative reports necessitate inclusion of the name of the appropriate authority and jurisdiction for relevant ethical requirements that are at least as demanding as the IESBA Code.
 - To make sure that all changes made to the "Preparing the assurance report" section have been reflected in the illustrative reports in **Appendix 2 of Agenda Item 2-A.2**.

Other Substantial Matters

PIOB Observer Remarks

35. Mr. Smith acknowledged the extensive work done by the SATF to address stakeholder comments and public interest issues.

⁵ Exposure Draft (ED), Proposed ISA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* (ED-240)

36. Mr. Smith expressed concerns from a public interest perspective about the definition of another practitioner and highlighted the potential risk that an engagement leader might not have full control over all practitioners involved in a sustainability assurance engagement, unlike in a financial statement audit. ~~Mr. Smith suggested restricting the definition of another practitioner to the value chain to mitigate this risk.~~
37. Mr. Smith noted concerns about the option allowing firm-level determination of relevant ethical requirements and quality management standards. Mr. Smith indicated that the proposed solution of deleting this option seemed positive and would take this back to the PIOB for further consideration.
38. Mr. Smith highlighted that in a sustainability assurance engagement, like a financial statement audit, not every component needs to be subject to a full-scope engagement. Mr. Smith raised concerns similar to those from IOSCO C1 about the involvement of “another practitioners” in group components and emphasized the importance of the engagement leader’s control over the work performed at group components.
39. Mr. Smith emphasized the need for clear communication between sustainability practitioners and auditors of the entity’s financial statements, if not prohibited by laws and regulations. Mr. Smith highlighted that firms should not use confidentiality as a barrier for effective collaboration.

Next Steps

40. The SATF will address the Board’s comments. In addition, the SATF will complete the analysis of the comments received in response to the question in the Explanatory Memorandum on the effective date of proposed ISSA 5000 and bring proposals to the Board for consideration, along with proposed revisions to the conforming and consequential amendments.
41. While acknowledging that the Board as a whole does not have a role in the due process for the development of the first-time implementation guidance to be issued with the standard, the SATF agreed to ~~share an outline of the content proposed for the Board’s consideration~~ consider circulating draft guidance to get practical input from Board members.
42. Staff- and Task Force-level coordination between the IAASB and IESBA on identified coordination topics will continue in Q3 2024. In addition, an IAASB-IESBA Chairs’ coordination meeting is planned for July 15, 2024, to further facilitate aligned outcomes on identified coordination topics.
43. The SATF will present to the Board during its September 2024 meeting a full revised draft of proposed ISSA 5000 for approval as a final standard.

Going Concern (Agenda Item 3)

Decisions

44. The Board agreed with the Going Concern Task Force’s (GC TF):
 - Summary of respondents’ feedback for certain questions of the Exposure Draft (ED-570): [Proposed ISA 570 \(Revised\), Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs](#) presented in [Agenda Item 3](#). The Board also did not note any other significant issues raised by respondents, in addition to those summarized, that should be discussed.
 - Proposals to address key themes identified from the responses for the questions analyzed, including:

- Enhancing the examples for professional skepticism.
- Removing the reference to “auditor’s professional judgment” from the definition of Material Uncertainty (Related to Going Concern) and elevating the phrase “may cast significant doubt” to the definition.
- Elevating to the requirements that the auditor considers events or conditions that may cast significant doubt on a gross basis.
- Retaining the proposal for the auditor to request management to extend its going concern assessment to cover a period of at least twelve-months from the date of approval of the financial statements.
- Distinguishing between management’s unwillingness to make and unwillingness to extend an assessment.
- Recognizing “timeliness” in the requirements when communicating with those charged with governance (TCWG).
- Retaining the conditional approach for the requirement to communicate with appropriate external parties based on requirements established by law, regulation or relevant ethical requirements. In addition, enhancing the application material to promote early communication ~~when significant going concern issues are identified.~~
- Providing context to the explicit statements to support users understanding that such statements are not an opinion on a discrete matter neither a guarantee on the future viability of the entity.
- Clarifying the threshold for reporting “close call” situations by referring to “significant management judgments.”
- Strengthening the written representation requirements.

Directions

45. The Board provided directional input and suggestions for the substantial matters outlined below to be considered by the GC TF when developing the draft for proposed ISA 570 (Revised 202X), *Going Concern* presented in [Agenda Item 3-A](#).

Definition of Material Uncertainty (Related to Going Concern)

- By relegating the reference to disclosures from the definition to the application material, consider whether the definition has become unclear as to what is ‘material’. In addition, the drafting for paragraph A4A should be reconsidered because it reads as a requirement rather than application material.
- Reorder the wording of the definition to make it clearer that the auditor’s conclusion about whether a material uncertainty exists is after considering management’s plans for future actions.
- Consider whether the wording used in paragraph 32(b) remains aligned with the definition.
- Continue to engage with the International Accounting Standards Board (IASB) with respect to the changes proposed for the definition and other terminology.

Risk Identification and Assessment

- Strengthen the wording used in paragraph 11 given that “consider” may be a too low bar for the auditor when assessing whether events or conditions exists that may cast significant doubt.
- Enhance the linkages between paragraph 12(g) on discussing the entity’s risk assessment process, with the section addressing management’s assessment of going concern.
- Consider whether any changes are needed for the requirement in paragraph 12(h) when addressing respondents’ feedback for the method, assumptions and data used by management to make its assessment.

Timeline Over Which the Going Concern Assessment is Made

- Enhance the linkages between paragraph 16 and paragraphs A43 and A45 as they are also relevant to the auditor when management is unwilling to make an assessment.
- Replace the word “considers” in paragraph 23 with “concludes” or “determines” to provide a stronger message when management is still unwilling to extend its assessment.

Communication with Appropriate External Parties

- Consider whether paragraphs A91 and A92 could be streamlined, as well as whether the example referring to the NOCLAR provisions of the IESBA Code⁶ remains relevant when communicating going concern matters with appropriate external parties.

Transparency About Going Concern in the Auditor’s Report

- When providing explicit statements about going concern in the auditor’s report, consider whether the use of the word “guarantee” is appropriate. In addition, consider whether the statements should differentiate cases where management has (or has not) provided corresponding statements in the financial statements.
- Reinstate the words “if any” in paragraph 33(b)(i) given that the applicable financial reporting framework in certain jurisdictions may not require disclosure in the financial statements even when significant judgments are made by management in concluding that no material uncertainty exists.
- Consider whether the title of the “Going Concern” section remains appropriate.
- Review the ordering of the statements in the illustrative reports 3-4 when a material uncertainty exists, and disclosure is appropriate.
- For an audit of financial statements of a listed entity, consider adding a requirement for the auditor to provide their key observations with respect to the events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern.

Written Representations

- Consider whether the use of the words “in view” of the applicable financial reporting framework in paragraph 37A(c) may imply that this refers to management’s views, rather than the auditors

⁶ See [Section 360, Responding to Non-compliance with Laws and Regulations](#) of the *International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)*.

view that the financial statements provide adequate disclosures. In addition, provide specificity that “all” matters refer to the completeness of the events or conditions that may cast significant doubt.

- Consider whether the example in paragraph A86 referring to obtaining written representations from management for their reasons to not extend their assessment is appropriate, given that such written representation may imply it is sufficient appropriate audit evidence on its own.

Other Substantial Matters

Investor or Users Outreach

46. In discussing the overall response rate to ED-570, the Board acknowledged the usefulness of the additional outreach with investors and other users of financial statements undertaken by the GC TF to supplement the information-gathering on ED-570.

Placement for Reporting Going Concern “Close Call” Situations

47. Majority of the Board supported using the Going Concern section as a more appropriate location to provide the disclosure for “close call” situations in the auditor’s report given its utility for users of financial statements to locate all going concern commentary in a single section of the auditor’s report. These Board members also supported other reasons in support of this approach as described in [Agenda Item 3](#). Other Board members supported using the key audit matter (KAM) section of the auditor’s report, noting this approach aligns with the approach taken by the IAASB for providing increased transparency on fraud matters and other reasons in [Agenda Item 3](#).

PIOB Observer Remarks

~~(a)48.~~ Mr. Smith noted his appreciation for the IAASB’s discussion on going concern. While directionally supportive of the proposals for the timeline over which the going concern assessment is made, he encouraged the Board to provide further guidance on the meaning of ‘foreseeable future’ that reflects the timeline expressed in financial reporting standards that the requirement is more closely aligned with wording used in IAS 1.⁷ In addition, Mr. Smith supported the use of the Going Concern section for reporting “close call” situations, and suggested including a cross reference between the KAM section and the Going Concern section of the auditor’s report to enhance their connectivity.

Next Steps

~~48.49.~~ In September 2024, the GC TF will present to the Board an analysis of respondents’ feedback for the remaining questions to ED-570, along with the GC TF proposals to address the key themes from those responses. In addition, the Board will be presented with a first full draft of the revised going concern standard. The GC TF will continue its outreach with key stakeholders in the financial reporting ecosystem.

⁷ ~~International Accounting Standard (IAS) 1, Presentation of Financial Statements~~

IAASB-IESBA Coordination – Sustainability Project Update (Agenda Item 4)

Other Substantial Matters

49-50. Mr. Siong, IESBA Program and Senior Director, updated the Board on IESBA's sustainability reporting and assurance project and the parallel project addressing using the work of an external expert.

50-51. Mr. Siong provided the Board with a high-level overview of the responses received on the IESBA exposure draft package (Sustainability and Experts). In addition, Mr. Siong presented the Board with an update on the coordination between IESBA and IAASB to address the following matters:

- Definition of sustainability information
- Group sustainability assurance engagements
- Determination of components
- Using the work of another practitioner
- Other matters

52. Board members thanked Mr. Siong for the update and highlighted the importance of ongoing coordination between the IAASB and IESBA to reach practical solutions to align the standards as both Boards move to finalize their standards by the end of 2024.

PIOB Observer Remarks

51-53. Mr. Smith encouraged the Board to address the coordination in a structured way in order that matters are resolved in the limited time available to enable orderly approval and PIOB certification of the respective standards. It would be helpful if the Boards could agree that no further changes should be made regarding common definitions and other convergence issues following the finalization of ISSA 5000.

Technology Position (Agenda Item 5)

Decisions

52-54. The Board noted its overall support for the direction of the technology position as presented in Agenda Item 5 and provided some recommendations for enhancement as detailed in the Directions section below.

Directions

53-55. The Board highlighted the importance of further supporting the consistent performance of quality engagements. The Board agreed to strengthen the commitments in the Technology Position Statement, making it more action-oriented, including a clear commitment to explore introducing ~~ing conditional~~ requirements in the standards to support the use of technology in circumstances which call for it~~circumstance call for it.~~

54-56. The Board noted the importance of sharing feedback with a broader audience, including software providers, and emphasized that keeping stakeholders informed and engaged is crucial for the successful implementation of standards. The Board also supported referencing a wider range of technologies beyond Artificial Intelligence (AI).

55-57. The Board noted that the language used in the Technology Position Statement is mainly focused on risks, and stressed the need for a balanced approach that considers both risks and opportunities. The Board suggested that terms like "guardrails" and "artificial barriers" might imply unnecessary constraints and recommended exploring more appropriate terminology. The Board also emphasized the importance of removing redundancies in the standards that might hinder technology use.

56-58. The Board emphasized the need to react more quickly to technological innovations while adhering to due process. The Board suggested publishing non-authoritative materials to help auditors navigate the intersection of technological innovations and the auditing standards.

57-59. The Board supported the development of a gap analysis, heat map, and road map for operationalizing the Technology Position Statement. These tools will help identify priority areas for standard setting and other related activities.

60. The Board emphasized the importance of regularly updating the gap analysis and the heat map, to reflect new technological developments.

58-61. The Board committed to keeping references in the standards to technology principles-based to mitigate the risk that those references become outdated as the technological landscape changes.

59-62. The Board deliberated on which standards to prioritize in the gap analysis, citing mainly ISQM1,⁸ ISA 200,⁹ and ISA 220 (Revised).¹⁰ The Board agreed that in principle, the gap analysis should start with ISA 500 and ISA 330 as these are part of an ongoing project (Integrated Approach to Audit Evidence and Risk Response) and the related project proposal is expected to be approved in December 2024.

60-63. The Board supported the establishment of a mechanism to monitor technological advancements and recalibrate the position statement as necessary. This mechanism will ensure that the IAASB remains responsive to technological changes and can update its standards accordingly.

61-64. The Board supported the coordination with the IESBA on ethical dimensions of technology use. This coordination will ensure that the IAASB's approach to technology is aligned with ethical standards and principles.

Other Substantial Matters

PIOB Observer Remarks

62-65. Mr. Smith acknowledged that the IAASB's Technology Position Initiative has significant public interest objectives, including a goal of enhancing the quality and efficiency of engagements, and that those objectives align well with the PIOB's mandate.

63-66. Mr. Smith stressed the importance of IAASB considering the findings from regulatory inspections to further inform its Technology Position Initiative. Mr. Smith also noted that inspections findings can identify key factors that affect or prevent audit quality in the context of the use technology in engagements.

⁸ 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*

⁹ International Standard on Auditing (ISA) 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

¹⁰ ISA 220 (Revised), *Quality Management for An Audit of Financial Statements*

64-67. Mr. Smith advised the Board to continue to embrace a positive and proactive stance towards the use of technology in engagements, but acknowledged the importance of continuing to emphasize that technology should also be used responsibly and in the public interest.

65-68. Mr. Smith noted the importance of aligning the technology initiatives of both the IAASB and IESBA and that this alignment could provide a more comprehensive approach to addressing technology in the audit and assurance landscape.

Next Steps

66-69. The project team will update the Technology Position based on the comments received from the Board during the June 2024 meeting and will present to the Board during its September 2024 meeting a full revised draft of the proposed Technology Position.

DRAFT