

Audit Evidence and Risk Response

IAASB Meeting
September 18, 2024
Agenda Item 6

Audit Evidence and Risk Response

Project Team



Ana
Espinal-
Rae

Megan
Leicht

Hankenson
Jane
Talatala

Jasper van
den Hout

Focus Group



Julie
Corden

Vishal
Doshi

Sachiko
Kai

Edo
Kienhuis

Warren
Maroun

Objective of Sessions

Sessions
(11:00 – 12:30 and
13:30 – 15:00)

- Obtain the Board's input on
 - The draft project proposal on audit evidence and risk response, presented in **Agenda Item 6-A**
 - The issues identified relating to risk response, presented in **Agenda Item 6-B**.

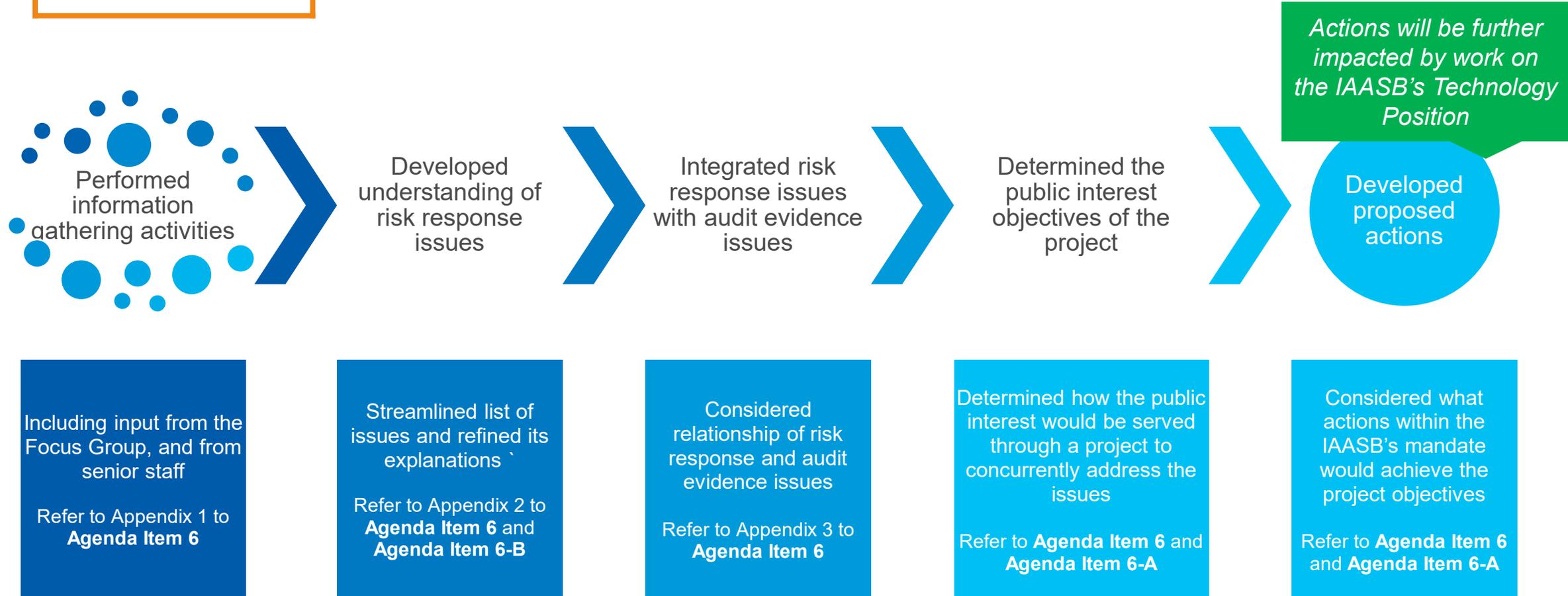
Information Gathering Activities Since March 2024

Targeted Outreach

**Desktop-Based
Activities**

**Consultation and Other
Activities**

Developing the Project Proposal



Interaction with Work on Technology Position



Ongoing staff-level coordination between project team and Technology Position staff team

Project team involvement in Preliminary Gap Analysis (**Agenda Item 5**)



Participation of project team in Q3 Technology Consultation Group meeting

Key Insight from the Preliminary Gap Analysis Regarding the Ordering of Current and Future Projects

“Any project that is endorsed by the Board to enhance quality management, for example, to augment the principles in ISQM 1 pertaining to technological resources, would not need to happen before technology-related enhancements are explored for the in-scope ISAs, including ISA 500 and ISA 330”

'Gap Analysis' and the Project Proposal

Agenda Item 5 (Table A) identifies opportunities to clarify certain questions and enhance the ISAs for matters **relevant to obtaining and evaluating audit evidence, and the performance of further audit procedures**, under the following themes:

Theme 1: Foundational questions on the objective of an audit

Theme 3: Determining whether to use technology in an engagement

Theme 4: Using technology in an engagement

Theme 6: Addressing entities' use of technology

Actions in the project proposal aim to address these gaps

Matter for IAASB Consideration

1. The Board is asked for their views on the proposed **Subject, Introduction and Project Objectives** that Support the Public Interest, as included in the project proposal (see **Agenda Item 6-A**, Sections I, II and III)

Matter for IAASB Consideration

2. The Board is asked for their views on whether the issues identified relating to risk response (see **Agenda Item 6-B**) are complete and appropriately reflect issues to be explored in revising ISA 330 and ISA 520

Matters for IAASB Consideration

3. The Board is asked for their views on whether the **issues** identified are complete and appropriately reflect the issues to be addressed by this project
4. The Board is asked for their views on whether the **proposed actions** are sufficient and appropriate to address the issues identified and achieve the project objectives

Objective A: Professional Judgement and Skepticism

Issues 1–4

Objective B (i): Auditor's Work on Internal Controls

Issues 5–8

Objective B (ii): Auditor's use of Technology

Issues 9–16

Matters for IAASB Consideration

5. The Board is asked for their views on the project timeline (see **Agenda Item 6-A**, Section V)
6. The Board is asked whether there are any other matters within the project proposal that should be considered in its finalization, including any matters not already specifically addressed

Way Forward

Q4 Activities

Address key matters raised by Board, with further input from Focus Group

Align Project Proposal with work on Technology Position

Continue information gathering activities on specific topics, as needed

Collaborate with the IAAER on their research study

Coordinate with the IESBA and others

Expected Approval of Project Proposal: December 2024

