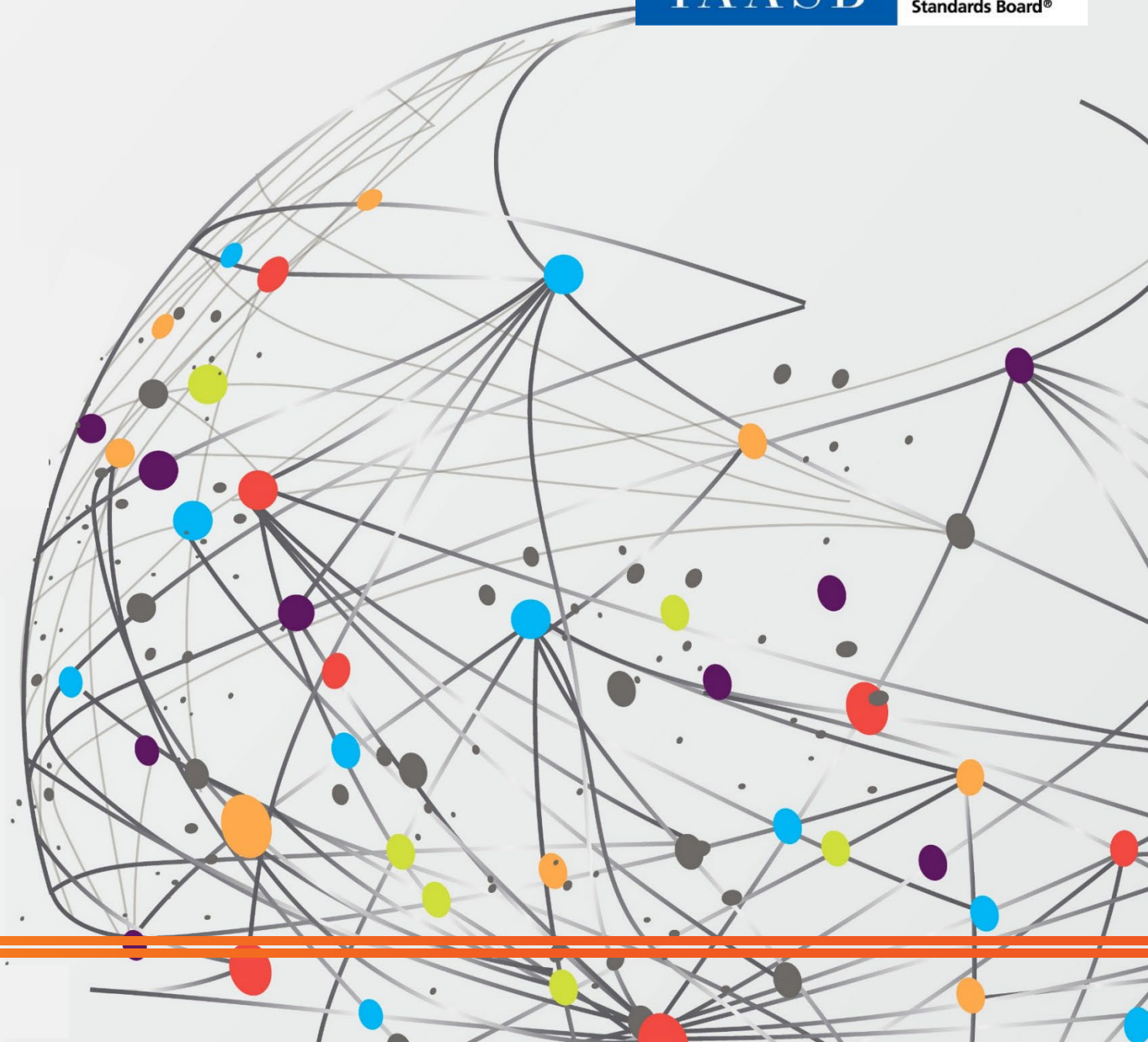


Fraud

IAASB Meeting
September 19, 2024
Agenda Items 8 to 8.C.4

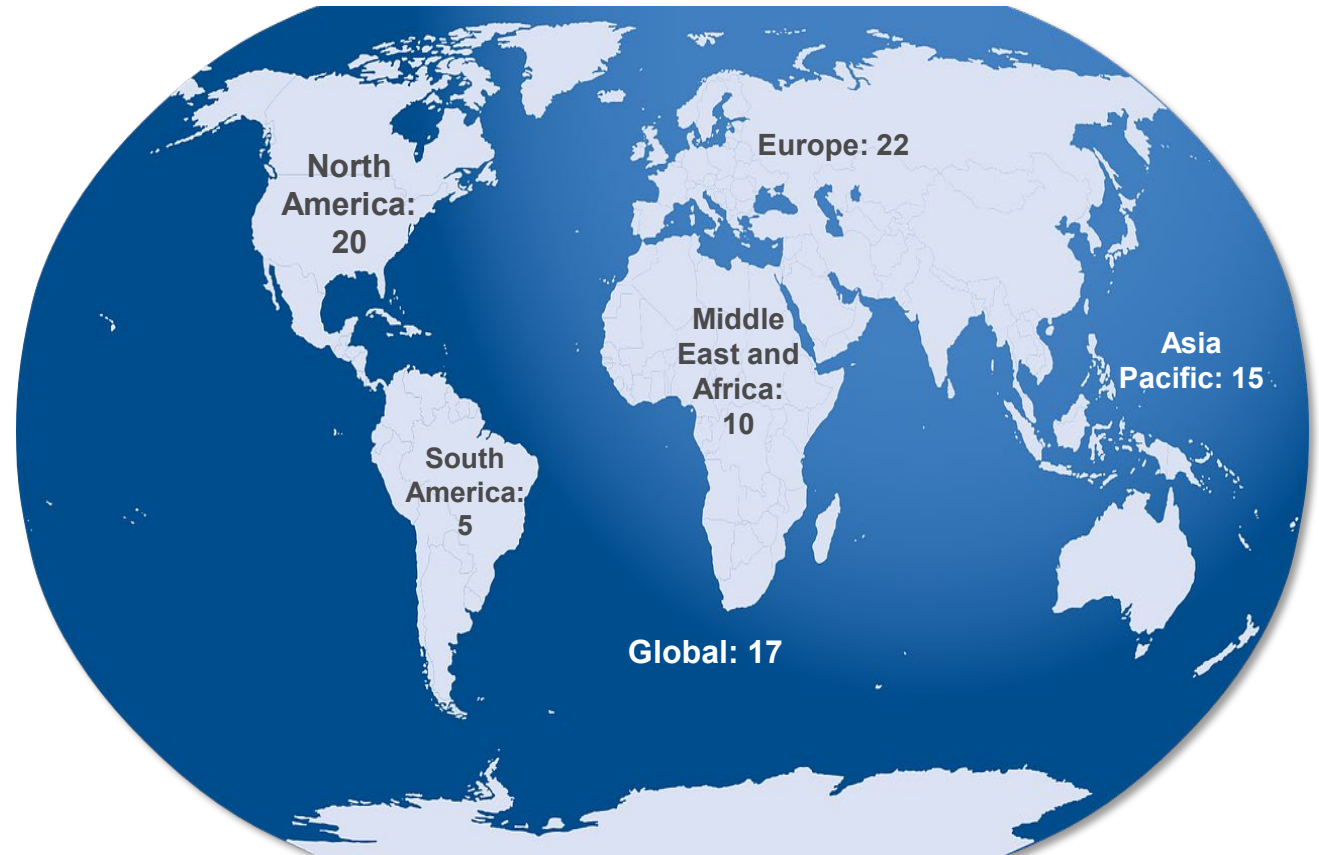
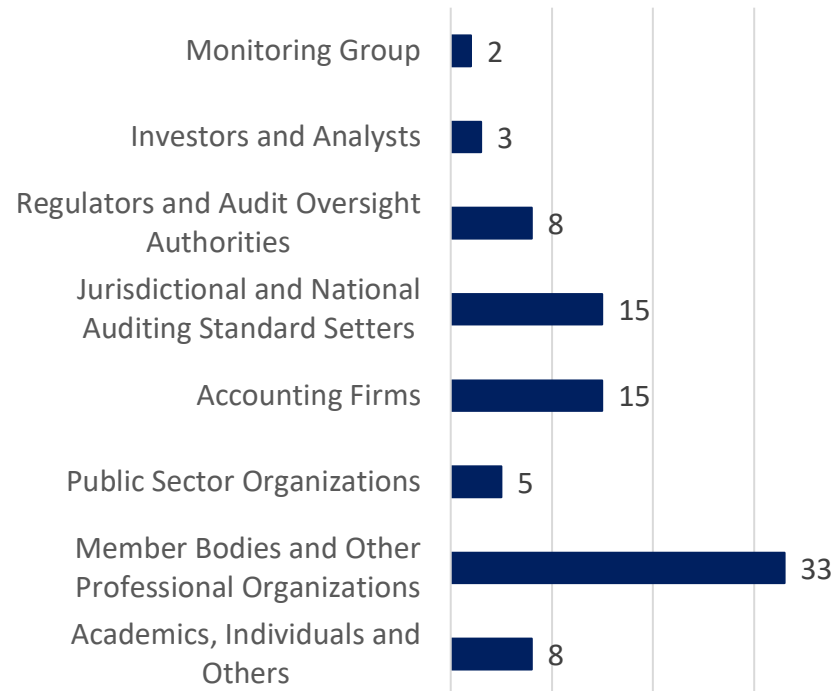


Fraud Task Force and Staff



Overview of Responses to ED-240

Respondents by Type



Total responses: 89

Overarching Themes from the Responses

Auditor's
responsibilities
relating to fraud in
an audit of financial
statements [Q1] ✓

Professional
Skepticism [Q2]

Risk Identification
and Assessment
[Q3] ✓

Requirements for
fraud or suspected
fraud [Q4] ✓

Transparency on
Fraud-Related
Responsibilities and
Procedures in the
Auditor's Report
[Q5] ✓

Disclosure
requirements about
fraud extended to
entities other than
listed entities [Q6]

Lack of a Separate
Stand-back
Requirement in
ED-240 [Q7]

Scalability [Q8]

Linkages to Other
ISAs [Q9]

Other Matters [Q10]

Translations [Q11]

Effective Date [Q12]

Matter for IAASB Consideration

Question 1

The Board is asked whether they agree with the Fraud Task Force (Fraud TF) summary of respondents' feedback presented in **Part B** of **Agenda Item 8** and whether there are any other significant issues raised that should also be considered



Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

Matters for IAASB Consideration

Question 2

The Board is asked for its views on the Fraud TF recommendations discussed in **Section I** and reflected in **Agenda Item 8-A** to address matters relevant to the auditor's responsibilities relating to fraud. In particular:

- a) Does the Board agree with the Fraud TF's views and recommendation?
- b) What further revisions are required, if any, to add clarity about the auditor's responsibilities and work effort relating to third-party fraud?
- c) Are there any other matters that should be considered and addressed by the Fraud TF?



**Paras. 1-11, 17, 18
and A1-A12, A18–
A21A**

Risk Identification and Assessment

Matters for IAASB Consideration

Question 3

The Board is asked for its views on the Fraud TF recommendations discussed in **Section II** and reflected in **Agenda Item 8-A** to address matters relevant to the risk identification and assessment, for

- a) Introduction and definition of fraud risk factors (paras 1, 18(b) and A22)
- b) Risk assessment procedures and related activities (paras 26, 27, 29-31, A44-A46, A48-A54)
- c) Obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control (paras 33-36, 39-39A, A59-A96, A98-A103D)
- d) Identifying and assessing the ROMM (paras 40-42, A104-A113)



**Paras. 18, 26, 27, 29-,
36, 38-42, 70(d) and
A22, A44–A46, A48-
A94, A98-A113**

Fraud or Suspected Fraud

Matters for IAASB Consideration

Question 4

The Board is asked for its views on the Fraud TF recommendations discussed in **Section III** and reflected in **Agenda Item 8-A** to address matters relevant to fraud or suspected fraud. In particular

- a) Does the Board agree with the Fraud TF's views and recommendations?
- b) Which of the two alternatives described in paragraph 81 of **Agenda Item 8** is preferred by the Board?
- c) Are there any other matters that should be considered and addressed by the Fraud TF?



**Paras. 55-59, 66-69
and A7-A10, A29,
A144-A145, A146-
A157, A182-A192**

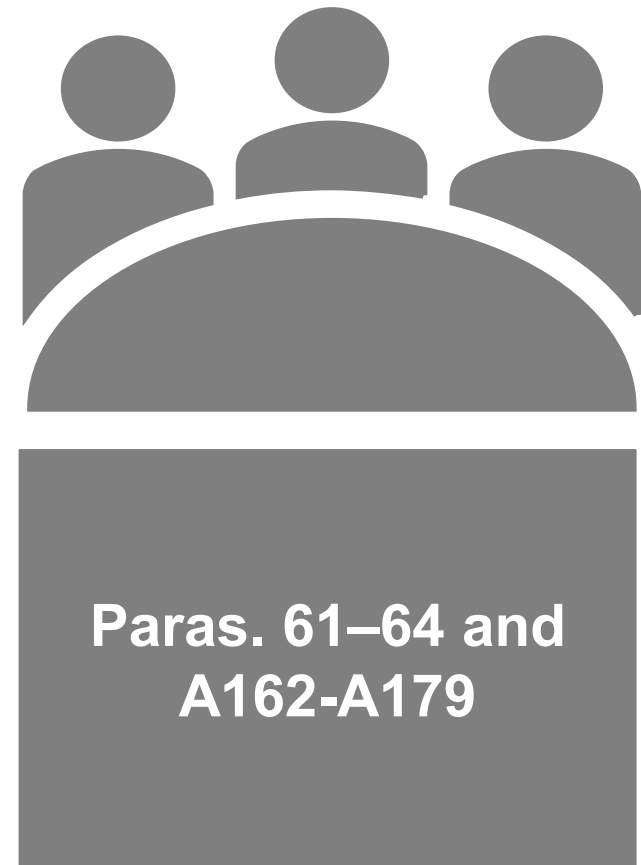
Transparency on Fraud-Related Responsibilities and Procedures in the Auditor's Report

Matters for IAASB Consideration

Question 5

The Board is asked for its views on the Fraud TF recommendations discussed in **Section IV** and reflected in **Agenda Item 8-A** to address matters relevant to transparency of matters related to Fraud in the auditor's report. In particular:

- a) Does the Board agree with the Fraud TF's views and recommendation?
- b) Are there any other matters that should be considered and addressed by the Fraud TF?



Fraud: Way Forward to Final Approval

December 2024

- Consideration of feedback and proposals for remaining topics
- First full read of draft standard

March 2025

- Expected approval ISA 240 (Revised)

- Coordination with IESBA and other IAASB task forces, consultation groups



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