

**Minutes of the 150<sup>th</sup> Meeting of the  
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)  
Held on September 15-18, 2025, in New York, United States of America<sup>1</sup>**

**Voting Members**

Present: Tom Seidenstein (Chair)  
Josephine Jackson (Vice-Chair)  
Sami Alshorafa  
Hernan Casinelli  
Nancy Cheng  
Vishal Doshi  
William Edge  
Amaro Gomes  
Edo Kienhuis  
Robert Koethner  
Neil Morris  
Mikiko Ono  
Chrystelle Richard  
Greg Schollum  
Wendy Stevens  
Xiaoyue Sun

**Technical Advisors (TA)**

Svetlana Berger (Ms. Cheng)  
Wolf Böhm (Mr. Koethner)  
Antoine Boitard (Ms. Richard)  
Juan Carlos Guerra (Mr. Casinelli)  
Piyush Sohanrajji Chhajed (Mr. Doshi)  
Rene Herman (Mr. Edge)  
Susan Jones (Mr. Morris)  
Sachiko Kai (Ms. Ono)  
Misha Pieters (Mr. Schollum)  
Jamie Shannon (Mr. Kienhuis)  
Wenjing Shi (Ms. Sun)  
Brian Wilson (Ms. Stevens)

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

Present: Mr. Tomoyuki Furusawa

**IAASB Technical Staff**

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

<sup>1</sup> The September 2025 IAASB meeting was held in-person in New York, New York, United States of America. Dial-in was made available for all sessions and the meeting was live broadcast on the IAASB YouTube channel.

## **Welcome and Introduction**

- The IAASB Chair welcomed members, technical advisors (TAs), official observers and public observers via YouTube to the September 2025 IAASB meeting.

## **Meeting Topics**

- [Approval of Minutes \(Agenda Item 1\)](#)
- [Experts Narrow Scope Amendments \(Agenda Item 2\)](#)
- [Sustainability Reporting \(Agenda Item 3\)](#)
- [ISA 540 \(Revised\) \(Agenda Item 4\)](#)
- [Strategy and Work Plan 2028-2031 \(Agenda Item 5\)](#)
- [ISRE 2410 \(Issues\) \(Agenda Item 6\)](#)
- [Technology \(Agenda Item 7\)](#)
- [IESBA – Firm Culture and Governance \(Agenda Item 8\)](#)
- [Audit Evidence and Risk Response \(Issues\) \(Agenda Item 9\)](#)
- [ISSA 5000 Adoption and Implementation Update and IFAC State of Play Update \(Agenda Item 10\)](#)
- [The ISA for LCE Maintenance Project \(Agenda Item 11\)](#)

## **Approval of Minutes (Agenda Item 1)**

### **Decisions**

1. The Board approved the minutes of the June 2025 IAASB meetings unanimously.

## **Experts Narrow Scope Amendments (Agenda Item 2)**

### **Decisions**

*Approval of Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's<sup>2</sup> Using the Work of an External Expert Project (Experts Narrow-Scope Amendments)*

2. After being presented an updated version of proposed Experts Narrow-Scope Amendments, the Board approved the final revisions to ISA 620,<sup>3</sup> ISRE 2400 (Revised),<sup>4</sup> ISAE 3000 (Revised)<sup>5</sup> and ISRS 4400 (Revised)<sup>6</sup> with 16 affirmative votes out of 16 Board members in attendance.
3. The Board agreed with the project team's conclusion, as presented in [Agenda Item 2-E](#), that the changes made to Experts Narrow-Scope Amendments since the exposure draft did not require re-exposure and unanimously voted against re-exposure.

---

<sup>2</sup> International Ethics Standards Board for Accountants (IESBA)

<sup>3</sup> International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*

<sup>4</sup> International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

<sup>5</sup> International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

<sup>6</sup> International Standards on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements*

4. The revisions made in finalizing Experts Narrow-Scope Amendments, which addressed Board members' comments, are reflected in the approved [Agenda Item 2-B.2](#).

#### *Revisions to the Proposed Experts Narrow-Scope Amendments*

5. The following key changes to the requirements and application material in ISA 620 were made in finalizing the narrow-scope amendments in response to substantive comments from the Board:

- Revised the wording of paragraph 8(f) to focus on considering *whether* relevant ethical requirements include provisions related to using the work of an expert.
- Clarified paragraph 9A to provide a clear link to the evaluation in paragraph 9 and to improve readability.
- Streamlined the application material to paragraph 9A (paragraphs A19A and A19B) and added a footnote in paragraph A19B to refer, by example, to the relevant provision in the IESBA Code.<sup>7</sup>
- Reverted paragraph A18A to the original wording in the exposure draft to avoid inadvertently changing the guidance in ISA 620 related to obtaining written representations, which was outside the scope of the project. The Board also concluded that the footnote reference to the relevant provisions in the IESBA Code is sufficient regarding the different parties from whom the auditor may need to obtain information in writing to evaluate the objectivity of an external expert.

6. The various changes made to ISA 620 were also applied to related paragraphs in ISRE 2400 (Revised), ISAE 3000 (Revised) and ISRS 4400 (Revised).

#### *Draft Basis for Conclusions*

7. The Board agreed that the project team will finalize the Basis for Conclusions based on the draft included in the Appendix to [Agenda Item 2-E](#).

### **Other Substantial Matters**

#### *Due Process Considerations*

8. The IAASB Program and Senior Director confirmed that the project team had followed due process effectively and with proper regard for the public interest in the development of Experts Narrow-Scope Amendments. The IAASB agreed that significant matters identified by the project team as a result of its discussions since the beginning of the project had been presented in the issues papers for the IAASB's deliberation, and that there were no significant matters that were not brought to the attention of the Board. In addition, the IAASB agreed that no further consultation (such as roundtables or further consultation with particular stakeholder groups) or field testing was needed. The IAASB Program and Senior Director advised the IAASB that it had adhered to its stated due process in finalizing the standard.

---

<sup>7</sup> IESBA's International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code)

*PIOB Observer Remarks*

9. Mr. Furusawa expressed satisfaction with the project.

*Next Steps*

10. The IAASB will issue the final Experts Narrow-Scope Amendments after PIOB certification, which is expected in January 2026.

**Sustainability Reporting Update (Agenda Item 3)**

**Other Substantial Matters**

*International Sustainability Standards Board (ISSB) Update*

11. Ms. Lloyd, Vice-Chair of the ISSB, provided an update on the ISSB's activities, including the jurisdictional profiles and snapshots that provide information about jurisdictional approaches to adoption of IFRS<sup>®</sup> Sustainability Disclosure Standards. In addition, the update covered the ISSB's implementation support for IFRS S1<sup>8</sup> and IFRS S2,<sup>9</sup> the Global Reporting Initiative (GRI) equivalence agreement, and the effort towards further improvement in interoperability with ESRS<sup>10</sup>. Ms. Lloyd responded to questions from the Board.

*Global Sustainability Standards Board (GSSB) and GRI Update*

12. Ms. Adams, Chair of the GSSB and Mr. Buck, Chief Standards Officer at the GRI, provided an update on GRI standard-setting activities, the global reporting system and potential areas for collaboration between the IAASB and GSSB. Ms. Adams and Mr. Buck responded to questions from the Board.

**ISA 540 (Revised) Post Implementation Review (Agenda Item 4)**

**Decisions**

13. The Board agreed with the proposed post-implementation review (PIR) plan for ISA 540 (Revised), as presented in [Agenda Item 4-A](#), subject to clarifications to the objectives and targeted outreach activities as described in the Directions below. The Board supported the two-phased approach, noting that it will allow for more focused and better-informed questions for the public consultation survey.
14. The Board endorsed the development of a PIR framework for the International Foundation for Ethics and Audit (IFEA) standard-setting Boards in coordination with the International Ethics Standards Board for Accountants (IESBA).

**Directions**

15. The Board suggested that the objectives of the PIR plan be reframed for greater clarity, emphasizing that the main objective should focus on whether the standard has achieved its intended purpose. The Board also encouraged the project team to elaborate on the targeted outreach planned for phase 2, including the specific stakeholders to be engaged.

<sup>8</sup> IFRS Sustainability Disclosure Standard S1, *General Requirements for Disclosure of Sustainability-related Financial Information*

<sup>9</sup> IFRS Sustainability Disclosure Standard S2, *Climate-related Disclosures*

<sup>10</sup> European Sustainability Reporting Standards

16. The Board advised the project team to analyze inspection findings carefully to distinguish between auditor performance issues and issues arising from the standard itself. The Board emphasized that the project team should consider the identified issues, understand their root causes, and use this analysis to formulate relevant recommendations to the Board.
17. The Board also suggested that the public consultation survey include questions designed to highlight both the benefits and key lessons learned from implementing the revised standard.
18. The Board directed the project team to describe the interconnection with ISA 315 (Revised 2019)<sup>11</sup> in the public consultation survey, given that both standards address the risk assessment process in an audit engagement. The Board noted that respondents are likely to provide feedback on both standards, and therefore it would be prudent to proactively acknowledge this linkage.

### Other Substantial Matters

#### *PIOB Observer Remarks*

19. Mr. Furusawa emphasized the importance of ensuring that the consultation process for the PIR includes all relevant stakeholders, and particularly users of financial statements. He further noted that this consideration is especially significant given the active involvement of the Basel Committee during the development of ISA 540 (Revised).

#### *Next Steps*

20. In December 2025, the project team will present to the Board the proposed public consultation survey, with the finalized version expected to be released in January 2026. Over the next quarter, the project team will continue to liaise with IESBA to develop the PIR framework and will maintain active outreach with key stakeholders.

### Strategy and Work Plan 2028-2031 (Agenda Item 5)

#### Decision

21. In discussing [Agenda Item 5](#), which addressed the development of the IAASB's and IESBA's future Strategies and Work Plans for 2028 – 2031 (SWPs), the Board agreed:
  - To utilize a survey to inform the development of both the IAASB's and IESBA's Consultation Papers.
  - To undertake the survey jointly with IESBA and in the form of an online survey.
  - To develop a communications plan and conduct outreach activities to supplement the joint survey.
  - To include in the joint survey the following topics: joint value proposition, key environmental trends, and potential joint projects and activities to be reflected in the IAASB's and IESBA's respective work plans.

#### Directions

<sup>11</sup> ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

22. The Board provided the following directional input and suggestions:

*The Use of a Joint Survey*

- Ensure that stakeholders perceive the survey as genuinely joint, rather than as two parallel workstreams combined in a single survey. The Board agreed that the joint survey should generally cover aspects relevant to both the IAASB and IESBA, while recognizing that certain areas may require sections or questions specific to each Board.

*Process for Developing the Survey and Information Gathering Activities*

- Develop a communications plan designed to reach a wide range of stakeholders, highlighting topics of particular relevance to each group. The Board also suggested leveraging social media and engaging regional standard setters as part of the communications plan.
- Ensure engagement with all stakeholder categories and encourage comprehensive feedback. The Board provided suggestions regarding key stakeholder groups for targeted outreach both before and after the issuance of the joint survey, and during the development of the IAASB's and IESBA's Consultation Papers. In addition to the stakeholders identified in paragraph 13 of [Agenda Item 5](#), the Board recommended including the public sector, academics, preparers, and those charged with governance.

*Joint Value Proposition*

- Include a clear and concise joint value proposition in the survey for stakeholder comments, including requests for views on expectations of both Boards. The Board provided various suggestions for the content of the joint value proposition and preferred including in the survey a draft value proposition for consultation rather than only having questions aimed at developing a joint value proposition post-survey.
- In addition to developing a joint value proposition common to both Boards, consider whether each Board should also have a specific value proposition.

*Information-Gathering on the IAASB's and IESBA's Environment*

- Avoid including overly detailed descriptions of trends. The Board noted that, given the rapidly changing environment, it will be difficult to predict what trends will prevail at the start of the strategy period, and their relevance may evolve over time. Accordingly, the Board suggested using the survey to solicit stakeholder perspectives on how identified trends are expected to evolve through 2028–2031.

*Work Plans*

- Focus survey questions on areas where the Boards could collaborate.
- [Apart from seeking feedback about possible topics or items where both Boards have a role to play and that may be undertaken jointly, to avoid soliciting feedback in the joint survey on specific separate potential projects or activities \(except potential joint projects and activities\)](#) for each of the IAASB and IESBA for the 2028–2031 SWP period, as it is premature to do so.

## Other Substantial Matters

### *PIOB Observer Remarks*

23. Mr. Furusawa thanked the Board for its coordination efforts with the IESBA, highlighting the joint survey and the joint value proposition as tangible examples of the type of collaboration the PIOB encourages. He also emphasized the importance of early coordination and expressed support for the direction taken.

### *Next Steps*

24. The Board will be presented with a draft survey in December 2025, including discussion during a joint plenary session with IESBA, with the finalized version expected to be released in January 2026.

## ISRE 2410 (Issues) (Agenda Item 6)

### Decisions

25. The Board discussed the matters in **Agenda Item 6**, along with the selected drafting in **Agenda Item 6-A**, and agreed to:
- Have the project team explore an overarching requirement relating to engagement-level quality management, with application material to support consistent application.
  - Include a requirement for the auditor to determine materiality in an interim review engagement, and revise the related application material in paragraph A53.
  - Revise the requirement in paragraph 40, relating to the auditor's understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control, by combining subparts (a) and (b) into one overall requirement.
  - Address matters relevant to first-time interim review engagements in application material rather than in separate requirements, consistent with the approach in paragraph A60.
  - Retain the requirement in paragraph 41(b) for procedures to address all material areas in the interim financial information, including disclosures. The Board asked the project team to consider further clarify the concept of "material areas" in the application material.
  - Develop requirements related to going concern in an interim review engagement, consistent with the work effort described in **Agenda Item 6**.
  - Include explicit statements related to going concern in the auditor's interim review report. While some Board members expressed concern that this might widen the expectations gap, the Board agreed that including such statements is in the public interest. However, there were mixed views on the precise wording and placement of these statements in the interim review report, and the project team was asked to consider these further (see Directions below).
  - Retain high-level requirements relating to other information, and pursue introducing a definition or description in the context of ISRE 2410.
  - Pursue drafting revisions in line with the approach presented in **Agenda Item 6** relating to group interim financial information.

## Directions

26. The Board asked the project team to further consider the following matters in progressing the drafting of proposed ISRE 2410 (Revised):

### *Approach to the Drafting of the Proposed Revised Standard*

- How best to address the fact that an interim review engagement is performed by the auditor of the entity's annual financial statements. Some Board members suggested including clarifying language in the introduction or scope section of the standard.
- The Board generally supported avoiding direct references to the ISAs in proposed ISRE 2410 (Revised). However, some Board members noted that a few targeted references in the application material may be appropriate were needed to provide context for the requirements.

### *Acceptance and Continuance of Interim Review Engagements*

- Consider the appropriate level of detail in requirements and application material related to client acceptance and continuance, recognizing that some such matters may already be addressed within the audit client relationship.

### *Materiality*

- Provide further clarification in the application material on how the auditor may address challenges arising from determining materiality with reference to interim, rather than annual, financial information.

### *Going Concern*

- Explain in application material how the auditor's work effort may differ depending on whether management's assessment has changed, or may need to change, from the assessment done at the date of the prior annual audited financial statements.
- Include contextual wording in the proposed statement in the auditor's interim review report on the appropriateness of management's use of the going concern basis of accounting for the interim financial information.
- Consider whether the proposed auditor statements in the interim review report could be linked to those in the auditor's audit report for the previous reporting period.

## Other Substantial Matters

### *PIOB Observer Remarks*

27. Mr. Furusawa thanked the project team for its work to date on the revision of ISRE 2410 and the Board for the in-depth discussion. He emphasized the need to:
- Focus on the Public Interest Framework characteristics of clarity, understandability and proportionality in the drafting of the revised standard; and
  - Clearly distinguish between reasonable and limited assurance engagements, and between audit work and the work performed in an interim review engagement.



28. Mr. Furusawa also highlighted two particular public interest factors:

- The need for transparency regarding going concern-related matters in the auditor's interim review report; and
- The importance of achieving balance and proportionality in the requirements and application material for group interim review engagements.

#### *Next Steps*

29. The Board will be presented a first full draft of proposed ISRE 2410 (Revised) at its December 2025 meeting.

### **Technology (Agenda Item 7)**

#### **Decisions**

30. The Board considered three interrelated topics under **Agenda Item 7**, the Technology session:

- The Monitoring Update under Component 3 of the IAASB's Technology Position;
- Updates to the Catalog of Issues and Possible Actions under Component 2; and
- Progress on the Technology Quality Management Workstream.

Together, these discussions provided a comprehensive update on how the IAASB is implementing its Technology Position and engaging with emerging technological developments affecting audit and assurance engagements.

31. **Component 3 – Monitoring Update**

- The Board considered the Monitoring Update ([Agenda Item 7-A](#)) which outlined emerging developments in AI governance, the use of AI in audit and assurance engagements, quantum computing, data analytics, cybersecurity, and third-party dependencies.
- The Board provided feedback to assist in preparing future updates and reaffirmed the importance of maintaining a proactive, evidence-based approach to monitoring technological trends that may affect IAASB standard-setting or related activities.

32. **Component 2 – Catalog of Issues and Possible Actions**

- The Board deliberated on the updated Gap Analysis: Catalog of Issues and Possible Actions (the "Catalog") presented in [Agenda Item 7-B](#) and expressed broad support for the revisions.
- The Board agreed to delegate the finalization of Version 2 of the Catalog to staff, in coordination with the Chair and the Program and Senior Director, following the September meeting.

33. **Technology Quality Management Workstream**

- The Board endorsed the planned Technology Quality Management stakeholder roundtables that were described in [Agenda Item 7](#) and agreed that the outcomes would inform the IAASB's consideration of next steps at its December 2025 and March 2026 meetings.
- The Board confirmed the value of engaging a diverse range of global and regional perspectives to assess the application of ISQM 1 and ISA 220 (Revised) to emerging technologies.

## Directions

### Component 3 – Monitoring Update

34. The Board provided directional input to enhance future monitoring updates by incorporating the following considerations:
- *AI Use by Auditors:* Include a clearer picture of the current status of technology deployment in practice and expected timelines for broader adoption, including AI, in audit and assurance engagements.
  - *AI Used by Audited Entities:* Strengthen engagement with preparers, internal auditors, and technology software providers to better understand how emerging technologies are being implemented by entities and the implications for auditability and assurance.
  - *Emerging AI Risks and Disruptive Potential:* Continue monitoring developments in the emerging area of assurance over AI systems, including initiatives by other bodies (e.g., NIST) and consider implications for the IAASB's broader standards on assurance engagements.
  - *Third-Party Dependencies:* Gather further information about quality risks arising from firms' dependence on certain service providers (e.g., provider concentration, product quality, or market exits).
  - *Outreach:* Diversify outreach activities with regulators and academics to draw a broader range of insights to inform the Board's future activities.
  - *Reporting:* Consider presenting future updates in a manner that highlights *urgency* and *impact* dimensions to help the Board prioritize discussions.

### Component 2 – Catalog of Issues and Possible Actions

35. The Board provided directional guidance for refining the Catalog (Version 2) as follows:
- *Issue 9(a) - Auditor Reporting and Transparency:* The Board supported prioritizing possible actions associated with this issue as "low" but asked staff to initially focus on communications relating to technology-related matters with those charged with governance.
  - *Theme 2 - Conceptual Framework:* The Board directed that possible actions associated with Issue 2(a) on inherent limitations of the audit remain a low priority but be monitored as AI developments evolve, to allow for reassessment if circumstances change.
  - The Board requested that Catalog updates highlight significant milestones and avoid repetitive or generic descriptions to keep the document concise and current.

### Technology Quality Management Workstream

36. The Board provided the following directions regarding the Technology Quality Management Workstream:
- Proceed as planned with the series of roundtables, retaining the current stakeholder composition.
  - Consider including the following in the report back at the December 2025 IAASB meeting to

*IAASB Main Agenda (September 2025)*

inform the Board's determination about next steps:

- Whether feedback obtained in the roundtables is sufficient and whether additional outreach should be undertaken;
- A summary of key opportunities that emerging technologies present for improving audit and assurance engagement quality, together with an overview of current deployment levels;
- Stakeholder expectations regarding the IAASB's role in clarifying how ISQM 1 and ISA 220 (Revised) apply to emerging technologies;
- Reflections on expected timeframes and prioritization for IAASB actions in response to the roundtable and other feedback received; and
- Feedback on potential mechanisms for timely response including, for example, implementation guidance or a possible mechanism in between standard setting and non-authoritative guidance (e.g., interpretation-style outputs).

#### **Other Substantial Matters**

##### *PIOB Observer Remarks*

37. Mr. Furusawa asked whether rapid developments, both on the market side as well as on regulatory aspects, in crypto-assets and digital finance technologies could have implications for audit and assurance practices. The Chair noted that crypto-assets are already included in the Catalog and, given their growing global relevance, the Board may need to consider issuing guidance or taking other actions in the near future.

##### *Next Steps*

38. Version 2 of the Catalog will be finalized by staff, in coordination with the Chair and the Program and Senior Director and is expected to be published on the IAASB's website in October 2025.

#### **IESBA Firm Culture and Governance (Agenda Item 8)**

##### **Other Substantial Matters**

39. Messrs. Siong, Program and Senior Director at the International Ethics Standards Board for Accountants (IESBA), and Kwan, Director at the IESBA, provided an update on IESBA's Firm Culture and Governance (FCG) project. Their presentation summarized coordination since the June 2025 meeting between the IAASB and IESBA, outlined the IESBA's key decisions from its June 2025 meeting, and provided an overview of the draft IESBA FCG Viewpoints as well as the preliminary plan for non-authoritative and other supporting materials. In addition, Messrs. Siong and Kwan updated the Board on discussions held by the IESBA at its September 2025 meeting.
40. The Board commented about:

- The importance of clarifying the linkage between the Viewpoints and ISQM 1.<sup>12</sup> The Board questioned the justification for clarifying the linkages to ISQM 1 only after the Viewpoints are finalized, noting a risk that the Viewpoints might be retrospectively fitted into ISQM 1.
- The purpose and intent of the Viewpoints. The Board noted that, since the Viewpoints do not reference the IESBA's *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) (and ISQM 1), their status, authority and intended purpose are unclear. As a result, the Board questioned the value and intended use of the Viewpoints.
- The involvement of firm leadership responsible for implementing ISQM 1 in developing the Viewpoints. The Board noted that involving firm leadership may provide valuable insights into how firms have already addressed aspects of the Viewpoints in their implementation of ISQM 1, and whether ISQM 1 has been applied consistently across the entire firm or primarily within the audit practice.

#### *PIOB Observer Remarks*

41. The PIOB observer emphasized the importance of continued collaboration between the IAASB and IESBA and encouraged both Boards to draw lessons from past experiences, specifically referencing the IESBA's project on the definitions of listed entity and public interest entity (PIE) and the subsequent IAASB PIE Track 1 and Track 2 projects.

### **Audit Evidence and Risk Response (Issues) (Agenda Item 9)**

#### **Decisions**

#### *Outreach Activities and Consideration of Feedback*

42. The Board acknowledged the significant outreach activities undertaken to date with a broad range of stakeholders to inform the understanding of the issues and emphasized the importance of continued engagement with stakeholders throughout the development of the exposure draft.

#### *Proposals in Agenda Items 9–A to 9–H*

43. The Board agreed to:
  - Continue exploring options as a possible way forward on the auditor's work for material classes of transactions, account balances, and disclosures (COTABDs).<sup>13</sup> These should include (with an initial majority preference for the first option below):
    - Removing paragraph 18 of ISA 330<sup>14</sup> and enhancing requirements and application material in ISA 315 (Revised 2019)<sup>15</sup> to clarify certain aspects of the risk assessment

<sup>12</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*

<sup>13</sup> Material COTABDs that are not determined to be significant COTABDs are referred to in an abbreviated manner as 'material COTABDs'.

<sup>14</sup> International Standard on Auditing (ISA) 330, *The Auditor's Responses to Assessed Risks*

<sup>15</sup> ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

process (e.g., the expectation for documentation when performing the 'stand-back' evaluation in paragraph 36 of ISA 315 (Revised 2019)).

- Retaining paragraph 18 of ISA 330, with certain refinement as necessary to enhance the requirement's operationalization.
- Continuing to refine Option 3<sup>16</sup> presented in **Agenda Item 9–A**, including enhancing guidance and providing examples, to support operationalizing the proposal.
- Develop application material to facilitate the use of technological tools in audit engagements and not pursue technology-related requirements in ISA 330, Proposed ISA 500 (Revised)<sup>17</sup> and ISA 520<sup>18</sup> that would apply conditionally or otherwise.
- Provide additional specificity in paragraph 25 of ISA 220 (Revised)<sup>19</sup> about the type of resources used on audit engagements, including human, technological and intellectual resources, with related conforming amendments to paragraphs in other ISAs where this requirement is referenced (e.g., paragraph 8 of ISA 300<sup>20</sup> and paragraph 6 of ISA 600 (Revised)<sup>21</sup>).
- Enhance application material in ISA 330 and Proposed ISA 500 (Revised) to address technology-related matters and to include examples of new or evolving risks introduced from the use of emerging technologies by auditors and by entities.
- Clarify the definition of Tests of Controls by broadening its scope to facilitate testing the operating effectiveness of controls that operate more widely than those at the assertion level and provide application material to the definition to further clarify the linkages with Proposed ISA 500 (Revised).
- Enhance application material of ISA 330 with examples and factors to illustrate situations when it may be impossible and impracticable for substantive procedures alone to provide sufficient appropriate audit evidence.
- Pursue improved alignment between the separate assessments of inherent risk and control risk (and the spectrum of inherent risk) required under ISA 315 (Revised 2019) and paragraph 7 of ISA 330.
- Develop a new requirement for evaluating differences that exceed an amount considered acceptable without further investigation, specific to substantive analytical procedures.

44. Subject to the directional feedback discussed below, the Board also expressed broad support for:

---

<sup>16</sup> Option 3 is to modify the existing requirement in paragraph 18 of ISA 330 by making it conditional to perform substantive procedures only when specific criteria are met, such as the presence of specific information needs of users of financial statements.

<sup>17</sup> See '[Proposed ISA 500 \(Revised\) Pre-finalization Holding Package](#)' in Agenda Item 5 discussed by the IAASB at the March 2024 quarterly meeting.

<sup>18</sup> ISA 520, *Analytical Procedures*

<sup>19</sup> ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

<sup>20</sup> ISA 300, *Planning an Audit of Financial Statements*.

<sup>21</sup> ISA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

- Clarifying whether the ISAs permit responding to risks of material misstatement (ROMM) at the assertion level through tests of controls alone.
- Clarifying in Proposed ISA 500 (Revised) that the auditor is not required to consider the authenticity of each document or record encountered during an audit.

## Directions

45. The Board provided directional feedback for the substantial matters outlined below:

### *Performing Tests of Controls Alone to Respond to an Assessed ROMM*

- Consider whether there is a need to reframe paragraphs A4 and A4A of **Agenda Item 9–G** so that the auditor's focus is on the persuasiveness of audit evidence when a test of controls alone approach is applied, rather than providing a list of circumstances and considerations that could be perceived as a too restrictive checklist.
- Provide examples when a test of controls alone approach could be appropriate to respond to an assessed ROMM at the assertion level, such as highly automated environments, or in industries where internal controls are sophisticated, such as in banking and insurance.
- Clarify the differences between when substantive procedures alone cannot provide sufficient appropriate audit evidence, and when tests of control alone may be able to provide sufficient appropriate audit evidence to address a ROMM at the assertion level.
- Reconsider or clarify the final bullet in paragraph A4A of **Agenda Item 9–G** and its interaction with the proposals in **Agenda Item 9–A** related to paragraph 18 of ISA 330.
- Consider whether there is a need to mandate the testing of internal controls in certain instances or circumstances, as well as emphasize the appropriateness of the response to an assessed ROMM irrespective of whether a tests of controls or substantive approach is applied.

### *The Auditor's Work Related to Authenticity*

- Reconsider the placement of the clarification in paragraph A56H of **Agenda Item 9–B**, either as a separate paragraph or in another location, as the work effort remains unclear (i.e., what is necessary), for example, how many documents or records must be considered when conditions are identified.
- Use consistent language across the ISAs to avoid confusion (e.g., 'authenticity' instead of 'genuine').
- Clarify that in the context of Proposed ISA 500 (Revised), a document or record is encompassed by information intended to be used as audit evidence.

### *Technology*

- Consider whether enhancements to ISA 330 are also necessary to emphasize that in some circumstances or industries (e.g., banking, insurance, e-commerce), the use of technological tools is necessary to obtain sufficient appropriate audit evidence.

### *Definition of Tests of Controls*

*IAASB Main Agenda (September 2025)*

- Consider whether further simplifications to the definition presented in **Agenda Item 9–D** could be pursued, such as removing the reference to ROMM from the definition.
- Enhance or clarify the examples in the application material to the definition by:
  - Explaining that while testing General IT Controls may be sufficient to evaluate the reliability of information in the entity's information system, testing more direct application controls may be necessary to address accuracy and completeness as assertions of the financial statements.
  - Expanding the examples by introducing an example that refers to testing manual controls.

*Substantive Procedures Alone Unable to Provide Sufficient Appropriate Audit Evidence*

- Consider further refinements to the proposed application material in paragraph A24A of **Agenda Item 9–E** by:
  - Clarifying that the factors and considerations when substantive procedures alone may not be sufficient are indicators only and that no single factor is necessarily determinative. In addition, emphasizing that the auditor considers the combination of conditions in the context of the audit engagement.
  - Reassessing the point on 'significance of the consequence to management or those charged with governance,' as it may be difficult to operationalize from the auditor's lens.
  - Streamlining the number of bullet points to avoid a checklist-like approach and consider relocating certain examples to non-authoritative guidance.
  - Coordinating with the Technology Quality Management Workstream team and clarifying certain technology-related terminology used.

*Alignment with Concepts of ISA 315 (Revised 2019)*

- Consider whether the wording used in paragraph 7(a) of **Agenda Item 9–F** is appropriate with respect to the phrase 'in accordance with ISA 315 (Revised 2019).'
- Consider the wording used in paragraph 7(b) of **Agenda Item 9–F**, so as not to unintentionally weaken the linkage between the auditor's assessment of control risk as described in ISA 315 (Revised 2019) and not lose the clarity that if control risk is assessed at less than maximum, then tests of control procedures are required to be performed.

*Investigating the Results of Analytical Procedures*

- Clarify the lead-in sentence in paragraph 5(e) of **Agenda Item 9–H** to remove repetitive reference to inquiries. In addition, consider explicitly stating that inquiries outside the entity could also be made, in addition to inquiries from management and others within the entity.
- Consider enhancing the wording in the application material paragraph A16D of **Agenda Item 9–H**, to avoid unintentionally implying that the auditor does not need to investigate whether there is a misstatement in circumstances when new information becomes available.



- Consider how to more clearly articulate the different nature of the work effort for investigating the results for analytical procedures as risk assessment procedures, given that the objective of analytical procedures as risk assessment procedures is distinct from analytical procedures performed at other stages of the audit.

## Other Substantial Matters

### *Material COTABD*

- The Board discussed the Options for a way forward for paragraph 18 of ISA 330 as outlined in **Agenda Item 9–A** and expressed the following views:
  - A majority of Board members supported removing paragraph 18 of ISA 330 in view that it undermines the risk assessment process. In addition, it would not be appropriate to retain the requirement only because of performance challenges cited by certain stakeholders relating to auditors not consistently performing robust risk assessment procedures. Suggestions were made that certain clarifications could be pursued through enhancements to ISA 315 (Revised 2019) to further guard against imperfect risk assessments.
  - Two Board members supported retaining paragraph 18 of ISA 330, with minimal refinement, citing the value of retaining substantive work for all material COTABDs (i.e., the rationale for the other options presented are not persuasive to change the status quo).
  - For Option 3, some Board members noted concerns around the ability of auditors to implement this option consistently. They raised concerns that the notion of ‘matters that are of particular importance to users of financial statements’ is dynamic and difficult to interpret and apply. This option may also cause excessive costs if implemented while not solving the operationalization challenges with the extant requirement.
  - One Board member initially indicated support for Option 1, which is to remove paragraph 18 of ISA 330 and introduce a presumption that there is a ROMM in all material COTABDs in ISA 315 (Revised 2019), with a suggestion that the presumption that there is a ROMM in all material COTABDs be rebuttable rather than absolute. The Board member also supported continuing to explore other options, including carving-out material COTABD that are not significant COTABD from the extant requirement.
  - One Board member initially supported Option 2 (i.e., removing paragraph 18 of ISA 330 and revising the ‘stand-back’ requirement in ISA 315 (Revised 2019)), citing its practicality relative to other options presented.

### *Performing Tests of Controls Alone to Respond to an Assessed ROMM*

- One Board member disagreed with staff’s interpretation that the extant ISAs permit a test of controls alone approach to address an assessed ROMM at the assertion level.
- Some Board members expressed caution around explicitly allowing such an approach in the ISAs, citing risks of misapplication and potential negative impacts to audit quality.



### *The Auditor's Work Related to Authenticity*

- The Board expressed a range of views on whether the lead-in sentence of paragraph A24 of ISA 200<sup>22</sup>—which allows the auditor to accept records and documents as genuine unless the auditor has reason to believe the contrary—should be removed or retained:
  - Certain Board members supported its removal as a conforming and consequential amendment arising from the revisions in Proposed ISA 500 (Revised), emphasizing that authenticity is an attribute of information intended to be used as audit evidence that should be considered when evaluating the reliability of that information.
  - Certain Board members were concerned that removal could widen the audit expectations gap and fundamentally alter the nature of an audit of financial statements to a forensic audit, with significant regulatory and legal implications.

### *PIOB Observer Remarks*

46. Mr. Furusawa thanked the Board for its discussions and acknowledged the significant project outreach activities undertaken to gather stakeholder feedback. He emphasized the importance of maintaining continuous dialogue with stakeholders on the outcomes of the Board's deliberations, particularly when those outcomes may differ from stakeholder expectations, including those of users of financial statements.

### *Next Steps*

47. In December 2025, the Board will continue deliberations on the Audit Evidence and Risk Response Project, including proposals addressing key issues related to technology and the auditor's work on internal controls. Staff will continue to engage with stakeholders as part of their project-specific outreach or the IAASB general outreach program to inform the work under the project.

## **ISSA 5000 Adoption and Implementation and IFAC State of Play Update (Agenda Item 10)**

### **Other Substantial Matters**

#### *International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, Adoption and Implementation (A&I) Plan*

48. The IAASB staff presented an update on the ISSA 5000 A&I plan, and the activities undertaken, including the publication of ISSA 5000's adoption status in jurisdictions of the members of the IAASB–Jurisdictional Standard Setters Liaison Group, as at August 2025.
49. The Board asked whether there is a threshold for determining when to address increasing requests for more guidance, to help manage on-going demand. The IAASB staff and Board discussed that:
- Such a threshold could be based on the IAASB's implementation objective—whether resources would support consistent implementation that enhances global comparability across jurisdictions.
  - Demand has been managed effectively with the support of the Sustainability Assurance

---

<sup>22</sup> ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

*IAASB Main Agenda (September 2025)*

Implementation Working Group and the ISSA 5000 Technical Implementation Contact Group.

- Requests for resources should be considered only when they do not relate to methodology matters that would be better addressed at the jurisdictional or firm level, as such matters fall outside of the IAASB's remit.
  - Upcoming webinars were noted as valuable opportunities to address many of the implementation questions received to date.
  - Guidance may not be the only way to respond to implementation needs; it may be useful to establish channels for obtaining investors' perspectives, given differing views on what users consider most important.
50. Board members shared updates on sustainability reporting and assurance developments in their regions and jurisdictions, including progress toward adoption of ISSA 5000. Suggestions were provided regarding additional sources of data to broaden jurisdictional coverage in the planned quarterly publication of adoption status.

*International Federation of Accountants (IFAC) State of Play*

51. Mr. Madon, Director at IFAC, provided an update on IFAC's benchmarking study, "*The State of Play: Sustainability Disclosure and Assurance (2025)*," which analyzes trends from 2019 to 2023. Mr. Madon responded to questions from the Board, which commended Mr. Madon and his team for the informative study and insightful analysis of the findings.

**The ISA for LCE Maintenance Project (Agenda Item 11)**

**Decisions**

52. The Board reaffirmed its position on the approach of the maintenance of the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (the ISA for LCE), as set out in paragraphs 15–18 in **Agenda Item 11**, including that:
- The basis for the maintenance of the ISA for LCE should be the new or revised ISAs; and
  - The maintenance of the ISA for LCE should generally commence when the revision to an ISA(s) is almost finalized.
- This approach balances the need for a stable platform to facilitate adoption of the standard while ensuring that the standard supports consistent performance of quality audit engagements.
53. The Board supported the project team's proposal to develop an overarching approach for maintenance of the ISA for LCE.
54. The Board agreed with the proposal of the project team on how to address public interest issues and actions in a maintenance project proposal.

**Directions**

55. The Board provided directional input to the project team on the approach to maintaining the ISA for LCE, including:
- Emphasize the importance of not reopening issues and solutions already concluded in the

development of the ISAs.

- Obtain feedback from stakeholder groups involved with audits of less complex entities when revising or developing new ISAs. The Board observed that ISAs are designed to be scalable and proportionate, and applicable to audits of less complex entities. The Board also noted that the exposure draft for a revision of an ISA or a new ISA could serve to gather information useful for the maintenance of the ISA for LCE. In this regard, the Board suggested including a relevant question in each exposure draft for such projects.
  - Ensure that the ISA for LCE remains consistent with the new or revised ISAs, recognizing that the ISA for LCE is an alternative to the ISAs, designed to be proportionate to the typical nature and circumstances of an audit of an LCE.
56. While recognizing that certain components of a project proposal may need to be repeated for transparency, the Board advised the project team to keep the project proposal for a maintenance project of the ISA for LCE as straightforward as possible. The Board noted that the purpose of the maintenance of the ISA for LCE is to align the ISA for LCE with the ISAs in a proportionate manner. Accordingly, the project team was advised to align the project objectives of a maintenance project with the overarching purpose of maintaining the ISA for LCE—namely, to achieve, to the greatest extent possible, proportionate alignment with the ISAs—and with the project objectives of any project to revise an ISA or develop a new ISA.

#### Other Substantial Matters

##### *PIOB Observer Remarks*

57. Mr. Furusawa supported the Board's direction to keep project proposals for maintenance of the ISA for LCE as straightforward as possible. He encouraged the project team to highlight in future agenda papers how such project proposals are responsive to due process. Mr. Furusawa emphasized the importance of having a clear process for maintaining the ISA for LCE which adheres to due process considerations, including the need for PIOB Certification.

##### *Next Steps*

58. In December 2025, the project team will present for approval by the Board, a draft of the overarching approach for maintenance of the ISA for LCE and a draft project proposal for the IAASB's first maintenance project.