

**Minutes of the 153rd Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)
Held on May 6, 2026, via videoconference using Zoom**

Voting Members

Present: Tom Seidenstein (Chair)
Edo Kienhuis (Vice-Chair)
Sami Alshorafa
Hernan Casinelli
Nancy Cheng
Vishal Doshi
William Edge
Amaro Gomes
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)
Chandrashekar Chitale (Mr. Doshi)
Rene Herman (Mr. Edge)
Susan Jones (Mr. Morris)
~~Akiko Tsuji Sachiko Kai~~ (Ms. Ono)
Misha Pieters (Mr. Schollum)
Jamie Shannon (Mr. Kienhuis)
Wenjing Shi (Ms. Sun)
Brian Wilson (Ms. Stevens)

Official Observers

Present: Mr. Dave Sullivan – Public Interest Oversight Board (PIOB)
Prof. Yoshihiro Sakuma – Financial Services Agency of Japan (JFSA)

IAASB Technical Staff

Present: Willie Botha (Program and Senior Director), Ana Espinal-Rae, Angelo Giardina, Claire Grayston, Dan Montgomery (Senior Advisor), Fadi Mansour, Ida Diu, Isabelle Raiche, Hankenson Jane Talatala, Jasper van den Hout, Kalina Shukarova Savovska, Kazuko Yoshimura, Kristie Zhang, Nathalie Baumgaertener Dutang, and Sachiko Kai (Senior Advisor).

Apologies: James Ferris

Welcome and Introduction

- The IAASB Chair welcomed members, technical advisors (TAs), official observers and public observers (via YouTube) to the May 2026 mid-quarter Board call.
- The IAASB Chair briefly introduced the topic for the Board call, targeted matters related to the Audit Evidence and Risk response project.

Audit Evidence & Risk Response (Agenda Item 1)

Decisions

1. The Board provided the following directional input for the substantial matters outlined below relating to the targeted matters discussed relevant to Proposed ISA 330 (Revised)¹ and Proposed ISA 500 (Revised):²

Proposed ISA 330 (Revised) ([Agenda Item 1–A](#))

2. Definition for Substantive Procedures (paragraphs 4(a) and A0)
 - Consider whether it remains sufficiently clear (or appropriate) for the definition of substantive procedures to *include* tests of details, substantive analytical procedures or other audit procedures for the intended purpose of detecting material misstatements at the assertion level. Suggestions included either elevating the application material in paragraph A0 to the definition of substantive procedures, or relocating the second sentence of the definition to the application material.
 - Clarify what is included in the scope of “other audit procedures for the intended purpose of detecting material misstatements at the assertion level,” or whether a more specific term could be used in doing so (e.g., “other substantive procedures”) to differentiate that such procedures do not intend to encompass tests of controls.
3. Baseline requirements for responding to assessed risks of material misstatement at the assertion level, and for tests of controls and substantive procedures (paragraphs 6, 6A, 7, and A4, A19–A19AB)
 - Consider whether the removal of the article “the” from paragraphs 6 and 6A may be misinterpreted to indicate that the auditor is to respond to *some* of the assessed risks of material misstatement (ROMM), but not *all of* the assessed risks.
4. There was broad support for using the phrase “take into account” and the phrase “the reasons for the assessment of inherent risk and control risk.” in subparagraph 7(a).
 - There was support for emphasizing in subparagraph 7(b) that the auditor’s further audit procedures to be performed include substantive procedures, tests of controls or a combination of both. In addition, the following questions were raised:

¹ International Standard on Auditing (ISA) 330 (Revised), *The Auditor’s Responses to Assessed Risks*

² Proposed ISA 500 (Revised), *Audit Evidence*

- Whether the level at which the audit procedures should be planned is sufficiently clear, i.e., at the significant class of transactions, account balance and disclosure (COTABD) level, the ROMM level or the assertion level.
 - Whether there may be an unintended implication that tests of controls are being elevated over substantive procedures.
5. Addressing risks of material misstatement at the assertion level with tests of controls alone (paragraphs 7A and A4A)
- While there was broad support to future proof the standards by clarifying the circumstances when a tests of controls alone approach is appropriate, Board members expressed a range of views on the need for the requirement in paragraph 7A. Some supported the proposed requirement on the basis that it is setting a clear responsibility for the auditor, while others were of the view that it is appropriate to address this matter through application material.
 - In addition, suggestions included:
 - Considering whether the phrase “not higher on the spectrum of inherent risk” in subparagraph 7A(a) is sufficiently clear, while there was broad support that the tests of controls alone approach should not be limited to the circumstance that the inherent risk is at the lower end of the spectrum.
 - Considering whether the factors in the application material are specific enough to this circumstance as they could be equally relevant to any circumstances when the auditor chooses to perform control testing.
 - Providing further application material or examples to convey the intended safeguards and practical considerations for the controls alone approach, including addressing the scenario that the auditor may not plan a tests of controls alone approach when the entity lacks documented controls.
6. Baseline requirements for performing tests of controls (paragraphs 8 and A19AC–A24AB)
- Consider whether subparagraph 8(a) should be elevated to the lead-in of the requirement.
 - Enhance and clarify the example in the application material related to automated controls.
 - There were mixed views on whether the examples in the application material related to technologies operating in a probabilistic manner should be removed.
7. Nature and extent of tests of controls (paragraphs 10 and A25A–A32AB)
- Clarify the intended meaning of procedures performed “beyond inquiry,” including whether the reference to “in addition to inquiry” would be clearer.
 - There were mixed views on whether it is necessary to retain the previous notion related to testing indirect controls in the requirement.

Proposed ISA 500 (Revised) ([Agenda Item 1–B](#))

8. Relevance and reliability of information intended to be used as audit evidence (paragraphs 9–10C, A35, A53–A65Qb)

- Consider whether the order of subparagraphs 9(a) and 9(b) should be reversed, as the application material regarding sources of information include references to attributes of reliability.
- Consider drafting enhancements for paragraph 9A and related application material, including:
 - Whether 9A should be consolidated into paragraph 9 as subparagraph 9(c).
 - Clarifying the phrase “obtain audit evidence about the accuracy and completeness of the information” to avoid an unintended circularity when read together with the requirement in paragraph 9 on evaluating the relevance and reliability of information intended to be used as audit evidence and the definition of audit evidence.
 - Whether the meaning of the phrase “sources internal to the entity” is sufficiently clear, including whether the related application material appropriately distinguishes information from sources internal to the entity from information obtained externally and provided by the entity.
 - Whether the sentence “However, accuracy and completeness may not always be of significance to meet the intended purpose(s) of the audit procedures when performing risk assessment procedures” could be reinstated in paragraph A56C.
- Regarding paragraphs 10B–10C:
 - Enhance the linkage between 10B and paragraphs 8 and 9.
 - Consider whether the auditor should be required to perform one or more approaches in all circumstances, including a situation where there are no attributes of reliability that are of significance in the circumstances.
 - While there was support for the removal of paragraph 10C, consider whether the requirement in subparagraph 10B(a) should explicitly refer to evaluating the design and whether the control has been implemented s in addition to testing operating effectiveness of the control.
- Enhance the application material in paragraphs A53–A65Qb, including;
 - Reconsidering the overall ordering of application material for greater clarity.
 - Reconsidering the placement of the sentence “The source of the information intended to be used as audit evidence affects the auditor’s consideration of the significance of the attributes of accuracy and completeness to meet the intended purpose(s) of the audit procedures” in paragraph A56D.
 - Enhancing the clarity and appropriateness of the examples in the application material.

Other Substantial Matters

PIOB Observer Remarks

9. Mr. Sullivan acknowledged the strong progress made on the project and commended the robustness of the Board’s discussion.

Next Steps

10. At the June 2026 meeting, the IAASB will be presented with exposure drafts for Proposed ISA 330 (Revised), Proposed ISA 500 (Revised) and Proposed ISA 520 (Revised)³ for approval. The AE&RR project team will continue to engage in coordination activities with other IAASB projects, Consultation Groups and the International Ethics Standards Board of Accountants (IESBA), as appropriate, seek advice from IAASB members and continue to engage with stakeholders as part of project-specific outreach and the IAASB's general outreach program.

³ Proposed ISA 520 (Revised), *Analytical Procedures*