

**Approved Minutes of the Public Session of the Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)
CONSULTATIVE ADVISORY GROUP (CAG)**

Held on March 6-7, 2018

New York, USA

PRESENT

Members

Mr. Jim Dalkin	Chairman
Mr. Mauro Bini	International Valuations Standards Council (IVSC)
Ms. Vânia Borgerth	Associação Brasileira de Instituições Financeiras de Desenvolvimento
Dr. Bello Lawal Danbatta	Islamic Financial Services Board (IFSB)
Ms. Lucy Elliott	Organization for Economic Cooperation and Development (OECD)
Mr. Gaylen Hansen	National Association of State Boards of Accountancy (NASBA)
Mr. Atsushi Iinuma	International Organization of Securities Commissions (IOSCO)
Mr. Nigel James	IOSCO
Mr. Kristian Koktvedgaard (March 6 Only)	BusinessEurope
Ms. Conchita Manabat (March 6 Only)	International Association of Financial Executives Institutes
Mr. James Milholland	International Actuarial Association (IAA)
Ms. Sarah Ovuka (March 6 Only)	Financial Executives International
Ms. Gayani Perera	Sri Lanka Accounting and Auditing Standards Monitoring Board
Mr. Robert Perez (March 6 Only)	Institute of Internal Auditors (IIA) <i>in place of Mr. Paul Sobel</i>
Mr. Henry Rees	International Accounting Standards Board (IASB)
Ms. Noémi Robert	Accountancy Europe (AE)
Mr. David Rockwell	International Bar Association (IBA)
Mr. Gregg Ruthman	International Organization of Supreme Audit Institutions (INTOSAI)
Mr. Sanders Shaffer (March 6 Only)	International Association of Insurance Supervisors (IAIS)
Ms. Mohini Singh	CFA Institute (CFA)
Mr. Myles Thompson	AE
Mr. Nic van der Ende	Basel Committee on Banking Supervision (Basel Committee)
Mr. Kazuhiro Yoshii	Japan Securities Dealers Association (JSDA)

Mr. Hüseyin Yurdakul IOSCO

Observers

Ms. Dawn McGeachy International Federation of Accountant (IFAC) Small and Medium Practices (SMP) Committee

Mr. Martin Baumann** United States Public Company Accounting Oversight Board (PCAOB)

IAASB

Prof. Arnold Schilder IAASB Chairman

Ms. Megan Zietsman IAASB Deputy Chairman

Ms. Fiona Campbell IAASB Member and Task Force (TF) Chair

Mr. Robert Dohrer IAASB Member and WG Chair

Ms. Karen French (March 6 Only) IAASB Member and TF Chair

Mr. Marek Grabowski IAASB Member and TF Chair

Mr. Rich Sharko IAASB Member and TF Chair

Mr. James Gunn Managing Director, Professional Standards

Mr. Matt Waldron IAASB Technical Director

Ms. Beverley Bahlmann IAASB Deputy Director

Mr. Brett James IAASB Deputy Director

Mr. Armand Kotze IAASB Analyst

Ms. Natalie Klonaridis (March 6 Only) IAASB Principal

Ms. Schuyler Simms IAASB Manager

International Ethics Standards Board for Accountants (IESBA)

Ms. Sylvie Soluier IESBA Member

Public Interest Oversight Board (PIOB) Ms. Maria Helena Petterson

APOLOGIES

Members

Mr. Obaid Saif Hamad Al Zaabi Gulf States Regulatory Authorities

Mr. Simon Bradbury International Monetary Fund

Mr. Henri Fortin World Bank

** Views expressed by PCAOB Representative represent his views and do not necessarily reflect the view of the PCAOB Board or other Board members or staff.

Mr. John Kuyers	Information Systems Audit and Control Association
Ms. Wei Meng	World Federation of Exchanges
Ms. Anne Molyneux	International Corporate Governance Network
Mr. Paul Sobel	Institute of Internal Auditors

March 6, 2018¹

Welcome

OPENING REMARKS

Mr. Dalkin welcomed the Representatives, including new Representatives, Dr. Bello Lawal Danbatta (IFSB), Ms. Sarah Ovuka (FEI) and Mr. Henry Rees (IASB) as well as observers with speaking rights, Mr. Robert Perez (who is attending on behalf of Mr. Paul Sobel from the IIA) and Mr. Daniel Pavaz from the Public Accounting Technical Council in Colombia. Mr. Dalkin noted that various Representatives submitted their apologies and were unable to attend the meeting.

Mr. Dalkin also welcomed Ms. Maria Helena Petterson from the PIOB as well as the IAASB Chairman, Deputy Chair, the IAASB Task Forces and WG Chairs, IAASB Staff, as well as the observers.

ISA 540² – Accounting Estimates (Agenda Item B)

ISA 540 – Accounting Estimates

- To REPORT BACK on the September 2017 meeting
- To DISCUSS proposed ISA 540 (Revised) and the conforming and consequential amendments

Messrs. Sharko and Grabowski introduced the topic and explained the ISA 540 Task Force's activities since the September 2017 CAG meeting.

READABILITY & UNDERSTANDABILITY

Representatives and Observers commented as follows:

- Messrs. Dalkin, van der Ende, Baumann, Martinez, Ruthman, Milholland and Mmes. Perera, McGeachy noted that the readability and understandability of the current draft of proposed ISA 540 (Revised)³ was improved from previous drafts. Mr. N. James added that the standard, as presented, seems to be improved but that more time is needed to fully understand the changes made to the standard. Mr. Yurdakul agreed that the readability of the standard improved but noted that there are still many long sentences which will be difficult to translate.
- Mr. van der Ende noted that it is important to read proposed ISA 540 (Revised) in conjunction with other International Standards, particularly ISA 315 (Revised)⁴ and ISA 330⁵ as these standards were critical to a proper implementation of proposed ISA 540 (Revised)

SCALABILITY

Representatives and Observers commented as follows:

¹ The minutes present the discussions in the order that they were taken. This may not be the same as that indicated on the agenda.
² International Standards on Auditing (ISA) 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*
³ Proposed ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*
⁴ ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*
⁵ ISA 330, *The Auditor's Responses to Assessed Risks*

- Ms. Borgerth was of the view that proposed ISA 540 (Revised) is sufficiently scalable. Mr. Thompson noted that the notion of the spectrum of risk should be included in the requirements, including the response to the assessed risk of material misstatement, as it should be clear for auditors what is required for accounting estimates that are on the lower end of the spectrum of inherent risk. He added that it would be challenging for auditors to document where an accounting estimate sits on the spectrum of inherent risk.
- Mr. Thompson noted that the work effort requirements in paragraphs 15–18C may be difficult to apply for simple accounting estimates.
- M. McGeachy and Mr. Thompson supported having examples illustrating scalability. Ms. McGeachy noted that the examples could be better placed outside the standard, while Mr. Thompson noted that an example of how the standard can be applied for a simple accounting estimate could be included in the application material of paragraph 17. Mr. van der Ende and Ms. Elliott did not support the development of examples that illustrate scalability. Ms. Elliott was of the view that they were not necessary and Mr. van der Ende noted that the ISA 540 Task Force has limited time available and should focus on the ISA itself. Ms. Ovuka noted that it will be hard to write some of the examples and that the ISA 540 Task Force will need to get the right expertise.

WORK EFFORT

Representatives and Observers commented as follows:

- Messrs. van der Ende and Baumann noted that some stakeholders are of the view that proposed ISA 540 (Revised) should have an explicit requirement that goes beyond the current requirements in ISA 330 about testing the design, implementation, and operating effectiveness of controls. Mr. Thompson questioned whether some paragraphs of ISA 330 could be included in proposed ISA 540 (Revised).
- Messrs. Iinuma, van der Ende and Rees supported the development of a flow chart that shows the structure of proposed ISA 540 (Revised). Mr. van der Ende added that the flow chart should show the linkages between proposed ISA 540 (Revised) and other standards such as ISA 315 (Revised) and ISA 330.
- With respect to the risk assessment in paragraph 10, Messrs. Dalkin and Kockvedgaard noted that the ISA 540 Task Force should clarify whether the requirement is in addition to the requirements in ISA 315 (Revised), or is intended to replace the requirements of ISA 315 (Revised). Mr. Kockvedgaard also questioned if the risk assessment procedures that are in proposed ISA 540 (Revised) could be included in ISA 315 (Revised). Messrs. Sharko and Grabowski responded by noting that paragraph 10 explains how to apply ISA 315 (Revised) to accounting estimates and is, therefore, additional to ISA 315 (Revised).
- Mr. Baumann noted that many accounting estimates are made by management's experts. As paragraph 18D links with paragraph 8 of ISA 500,⁶ he questioned whether proposed ISA 540 (Revised) would apply to such circumstances. Mr. Grabowski noted that the application material highlighted that if management uses an assumption made by a management's expert, it becomes management's assumption and is therefore within the scope of proposed ISA 540 (Revised).

⁶ ISA 500, *Audit Evidence*

- Mr. Iinuma supported the inclusion of Appendix 1, which explains the range of different types of measurement bases that may be relevant in making an accounting estimate and how the measurement basis is applied in making an accounting estimate and related disclosures.

PROFESSIONAL SKEPTICISM

Representatives and Observers commented as follows:

- Mr. van der Ende supported the ISA 540 Task Force's proposals. Ms. McGeachy supported the use of "challenge" when appropriate in the circumstances, but that it should be used judiciously. Mr. Grabowski agreed, noting that there is a spectrum of professional skepticism with tough questioning at the highest end.
- Mr. Baumann noted that paragraph 15 could be read as requiring the auditor to seek contradictory evidence. He noted that this did not seem to be the ISA 540 Task Force's intention, but the wording needed to be clearer. Mr. Dalkin suggested that "consider" may better reflect the ISA 540 Task Force's intention rather than "seek." Mr. Rockwell suggested that the term "relevant" should be used in relation to the audit evidence as well as the sources of audit evidence as this would assist in clarifying the ISA 540 Task Force's intent. Mmes. Elliot and Singh agreed with Mr. Rockwell. Mr. Grabowski noted that the ISA 540 Task Force is not intending that the auditor be required to seek contradictory evidence as it is possible that none may exist. He added that the purpose of the requirement is for the auditor to not disregard contradictory evidence that is obtained. Mr. Grabowski explained that paragraph 15 is concerned with obtaining audit evidence and that the standard needed a trigger for the auditor to exercise greater professional skepticism.

OTHER COMMENTS ON PROPOSED ISA 540 (REVISED)

Representatives and Observers commented as follows:

- Messrs. Bini and Yoshii supported the terminology used in the requirements as it was the same as that used by valuation experts, and that the alignment of terminology would aid co-operation between auditors and valuation experts. Mr. Yoshii noted the importance of the requirements on disclosures. Prof. Schilder noted that collaboration with other international organizations is important and highlighted that he had spoken with Mr. Milholland about working closer together with the actuarial profession.
- Mr. van der Ende noted that documentation was a key issue for proposed ISA 540 (Revised) as some professional skepticism matters are supported by documentation requirements. He noted that he intended to speak to International Forum of Independent Audit Regulators (IFIAR) to better understand their perspectives in this regard.
- Mr. van der Ende questioned whether the material in paragraph A10 about the spectrum of inherent risk was understandable. He highlighted that the position of a point estimate within a range of possible values and how to measure a misstatement were both critical issues for the Basel Committee. He added that, while some further improvements could be made, the Basel Committee is satisfied with the standard as presented and believes it is important to approve the ISA in June 2018 as planned. He also explained that the Basel Committee is meeting with the Global Public Policy Committee (GPPC)⁷ in April 2018. Mr. Grabowski noted that Appendix 1 of proposed ISA 540 (Revised) gave

⁷ The GPPC consist of the following accounting networks: BDO, Deloitte, EY Grant Thornton, KPMG and PWC.

background on where a point estimate may be in the range of possible values as it was primarily an accounting matter. Mr. Rees noted that he was surprised that there was so much accounting guidance in Appendix 1 and asked if many comments were received on it. He added that a lengthy appendix on accounting matters may be difficult to keep up to date as accounting requirements change. Mr. Grabowski highlighted that there was a relatively small number of comments on Appendix 1 and some supported it. He noted that the ISA 540 Task Force had been careful to articulate the relevant principles, but that the principles needed some explanation.

COMMENTS ON THE IAASB'S CONSIDERATION OF RE-EXPOSURE OF ISA 540

Representatives and Observers commented as follows:

- Mr. van der Ende noted the importance of finalizing the ISA in June 2018 and explained that he did not believe that the ISA required re-exposure based on the current changes, but that any further changes would need to be carefully examined in light of the potential risk of re-exposure. Mr. Yoshii also highlighted that re-exposure would be difficult given the importance of having ISA 540 (Revised) available for application to IFRS 9.⁸
- Mr. Dalkin and Mr. van der Ende noted that **Agenda Item B.3** showed that most of the requirements had not changed significantly compared to the version of ISA 540 that was exposed (ED-540), but that they had been extensively restructured to improve the readability and clarity of the ISA. Mr. Kuktvedgaard noted that the key question for the IAASB should be whether the final ISA 540 (Revised) contains matters that could not be anticipated from the exposure draft (ED). He noted that a way of finalizing the standard would be to carefully consider whether the benefits from changes proposed are so important that it would be worth the delay caused by re-exposing ISA 540 (Revised). Mr. Baumann noted that the key question should be whether there are changes that have not been subject to auditor or regulator comment. Prof. Schilder noted that the IAASB must first approve the final text of the ISA, then decide on re-exposure. Mr. B. James noted that the IAASB issues several education documents with a final ISA, including a Basis for Conclusions and an “At a Glance” document, and those documents help auditors, regulators, and others understand both the ISA and the IAASB’s rationale for changes made since ED-540.
- Mr. N. James asked how the board objectively evaluates whether the changes amount to more than a reorganization of material from ED-540. He noted that there was considerable pressure on the IAASB to not re-expose and that this may affect the IAASB’s deliberations. Mr. Sharko and Prof. Schilder noted that the IAASB would have an open discussion on the issue and would likely bring a broad spectrum of views to the discussion. Mr. Grabowski added that the IAASB’s decision to delay ISA 540 (Revised) by a quarter showed that the ISA 540 Task Force would not submit the ISA for approval until the ISA 540 Task Force believed that the ISA was ready to be approved. Mr. Waldron noted that he would consider the implications of other recent IAASB deliberations on re-exposure, and take an independent approach to considering his guidance to the IAASB on whether or not it should be re-exposed. Mr. Dalkin noted that he would evaluate the significance of any changes made in the coming months and would ask the IAASB CAG to meet with the ISA 540 Task Force by teleconference if there were substantial changes.
- Ms. Elliott noted that the IAASB may need to consider re-exposing to support the public’s perception of a high-quality process and end-product. Ms. Singh agreed, noting that, while the CFA Institute

⁸ International Financial Reporting Standard (IFRS) 9, *Financial Instruments*

supports the current draft of ISA 540 (Revised), the IAASB may need to re-expose the ISA to maintain the public's confidence. Mr. Dalkin and Prof. Schilder noted that certain regulators had encouraged the IAASB to improve the speed of standard-setting. Prof. Schilder added that it was important for the IAASB to carefully weigh the public interest and to explain the rationale for its decision on re-exposure.

- Mr. Ruthman asked about the co-ordination of the projects on ISA 315 (Revised) and ISA 540 (Revised) given the time that will pass before ISA 315 (Revised) is released. Mr. Sharko noted that ISA 540 (Revised) must be operable with both the extant and revised ISA 315 (Revised), and that the ED for ISA 315 (Revised) will propose conforming amendments to ISA 540.
- Mr. van der Ende noted that the IAASB needs to support the implementation of the ISA.

PIOB REMARKS

Ms. Pettersson supported having examples illustrating scalability and noted that the PIOB communicated the key public interest issues related to this project to the ISA 540 Task Force. She also noted that the PIOB will look at the IAASB's evidence on its re-exposure decision. She also noted that the communication between the auditors of prudentially regulated institutions and the regulators was a matter of public interest and that she encouraged regular communication in this regard.

Quality Control (Firm Level) (Item D)

To *UPDATE* Representatives and Observers on the progress of the Quality Control (Firm Level) project since the September 2017 IAASB CAG meeting and to *OBTAIN* Representatives' and Observers' views about key issues arising from the Quality Control Task Force's (QCTF) deliberations in relation to the proposed exposure draft of ISQC 1 (Revised),⁹ set out in **Agenda Item D.2**.

Ms. French provided an overview of the activities of the QCTF since the IAASB CAG's September 2017 meeting, including the various outreach activities undertaken in this period. She further explained the planned timing of the project for the remainder of 2018. Ms. French noted the QCTF's plans to address the guidance and application material, including how this would be done in a manner to support SMPs. She also provided an overview of the revised structure of proposed ISQC 1 (Revised), including the new components that have been introduced since the CAG's last discussion

In relation to the scalability of the standard, the Representatives and Observers commented as follows:

- Mr. Milholland noted that the scalability of the standard should not depend on whether the firm is large or small, but should instead take into consideration the complexity of the firm's business model, for example, the variety of services that the firm provides. He added that firms may intentionally organize themselves in a manner such that they are not subject to ISQC 1. Ms. French explained that proposed ISQC 1 (Revised) applies to firms in the same way that extant ISQC 1 applies to firms, however she noted the importance of considering whether the provisions are suitable for firms that do not perform audits of financial statements and encouraged the CAG to provide input on whether more conditional requirements are needed.
- Mr. Dalkin noted the extent of material in proposed ISQC 1 (Revised) and cautioned the QCTF

⁹ International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and Related Services Engagements*

against developing a standard that is too prescriptive. He encouraged the development of guidance for varying sizes and complexities of firms, including those in the public sector. Mr. Pavas also indicated that smaller firms may struggle to apply the standard in practice and supported developing guidance for smaller firms. Mr. Danbatta encouraged the QCTF to further consider the scalability of the standard, so that smaller firms do not feel that the standard is overregulating them, and emphasized the cost implication that may arise. Ms. French explained that the QCTF had received conflicting feedback regarding finding an appropriate balance between retaining the robustness of the standard (i.e., retaining prescriptive requirements) and enhancing the flexibility of proposed ISQC 1 (Revised). Prof. Schilder further clarified the intention to develop guidance outside of the standard that would illustrate how proposed ISQC 1 (Revised) applies to a sole practitioner.

- Mr. Ruthman indicated that the requirements in proposed ISQC 1 (Revised) appear to be proportionate for varying sizes and complexity of firms, with the exception of the requirements addressing root cause analysis. Mr. Ruthman added that smaller firms may be able to identify the root cause of a deficiency without having to follow a complex process.

In relation to the overall structure of the standard, the Representatives and Observers commented as follows:

- Mr. Ruthman highlighted that the presentation of proposed ISQC 1 (Revised) is too complex and suggested simpler language and a clearer indication of the minimum, or baseline, requirements that would apply to all firms. He added that small or medium sized firms would be unlikely to understand the standard, and this could inadvertently create a threat to quality. Ms. Manabat agreed with the suggestion that more explicit baseline requirements are necessary, with additional requirements for larger or more complex firms, and that a more simple presentation of the standard is needed. Ms. French noted that more explicit “minimum” requirements had been proposed to the IAASB in previous drafts, but was rejected by the IAASB because there was concern that firms may only implement the minimum requirements and may fail to consider whether more needs to be done to achieve the quality objectives or address quality risks. Ms. French further explained that the standard includes required responses, which all firms are required to implement, however under the quality management approach, the firm needs to consider the risks and responses relevant to their circumstances.
- Mr. Baumann indicated that the concepts of the standard are good, including the use of quality management approach, however it is difficult to understand because it appears overly complicated and may result in varying interpretations of the standard. Mr. Baumann noted that there is a need to establish explicit requirements that result in the achievement of the quality objectives, since the manner in which the requirements have been established are indirect. Mr. Koktvedgaard agreed that the standard is long and supported the suggestion that the requirements should be more direct. Mr. Baumann and Mr. Rockwell suggested alternative structures for proposed ISQC 1 (Revised). Ms. French explained that in the Invitation to Comment (ITC), [*Enhancing Audit Quality: A Focus on Professional Skepticism, Quality Control and Group Audits*](#), the IAASB had proposed a quality management approach that was in general supported by respondents, with some respondents seeking further clarity about a quality management approach. She explained that the manner in which proposed ISQC 1 (Revised) had been drafted was to reflect this new approach. Ms. French indicated that the QCTF would further consider the CAG’s suggestions and that over the next quarter, the QCTF would be focusing on streamlining the standard, in particular the application material, in an effort to make the standard more user friendly.
- Mr. Koktvedgaard suggested that some of the requirements in the quality objectives could instead be

placed in application material and proposed introducing more conditional requirements. He observed that there are many subheadings in the proposed standard which add to its complexity.

In relation to the proposed components of the system of quality management, Representatives and Observers commented as follows:

- Mr. Iinuma suggested relocating the quality risk assessment process component before the governance and leadership component. Ms. French noted that the component was previously located after governance and leadership, however the IAASB had suggested placing governance and leadership first. Ms. French added that all of the components operate in an integrated manner, and therefore if the standard is clear about this integration, the location of the requirements will be a less of an issue.
- Mr. Rockwell and Mr. Dalkin supported improving the alignment of the components with the COSO Internal Control – Integrated Framework,¹⁰ and Mr. Rockwell indicated that Appendix 1 of **Agenda Item D.1** was helpful in understanding the framework and alignment.
- Mr. Dalkin and Mr. Kockvedgaard suggested further alignment of the terminology with the COSO Integrated Framework, including the quality risk assessment process. Ms. French noted that the components are consistent with the COSO Integrated Framework, and that the terminology is different in certain places because the focus is on “quality management” rather than “quality control” in the context of proposed ISQC 1 (Revised).

OBJECTIVE OF THE STANDARD

Ms. French highlighted the objective of proposed ISQC 1 (Revised) and further explained the proposals in relation to the stand back evaluation of the system of quality management. Representatives and Observers commented as follows:

- Mr. Rockwell and Mr. Ruthman sought clarity on the proposals in relation to the stand back evaluation. Mr. Ruthman added that the system is designed to remediate a deficiency and therefore the stand back evaluation should, in effect, not detect any deficiencies. Ms. French explained that proposed ISQC 1 (Revised) promotes the continual improvement of the system of quality management through evaluating whether the quality objectives, quality risks and responses remain appropriate, in response to information such as the results of monitoring and remediation and through the monitoring and remediation. Ms. French clarified that the stand back evaluation serves a different purpose from the requirements that address continual improvement as it is a point in time assessment about whether the system has achieved the objective of the standard. Ms. French noted that the stand back evaluation may need to take place more frequently than on an annual basis, for example, when the firm is aware of information that indicates that the system may not be effective.
- Mr. Gunn suggested that the requirement for the stand back evaluation should be located earlier in the standard, so that its correlation with the objective of the standard is clearer. Ms. French indicated that the QCTF would take these suggestions into consideration.
- Mr. Kockvedgaard suggested that networks should be addressed in the objective of proposed ISQC 1 (Revised).
- Mr. Dalkin sought clarity regarding the difference between the stand back assessment and the

¹⁰ Committee of Sponsoring Organizations of the Treadway Commission (COSO), *Internal Control – Integrated Framework*

monitoring and remediation process. Mr. Dalkin further added that the COSO Integrated Framework addresses ongoing monitoring activities and discrete monitoring activities and sought clarity regarding whether the stand back evaluation would fall into the discrete monitoring activities. Ms. French indicated that all of the information from the monitoring activities, both ongoing and discrete, would be considered by the firm in undertaking the stand back evaluation.

NETWORKS

In relation to how networks have been addressed in proposed ISQC 1 (Revised), representatives and Observers commented as follows:

- Mr. Koktvedgaard and Mr. Rockwell indicated that the requirements in proposed ISQC 1 (Revised) addressing networks are inadequate and should address networks directly. In support of this view:
 - They both explained that in practice the network has ultimate control over the firm's system of quality management.
 - Mr. Koktvedgaard stated that if the network is important to the firm's system of quality management, then requirements are needed in relation to the network.
 - Mr. Koktvedgaard noted that there may be circumstances when the firm is unable to obtain the required understanding of the network service, and may need to accept the network services as is (e.g., in relation to a technology tool). He added that the requirements may create an inappropriate expectation on the firm that they are able to obtain the required understanding.
 - Mr. Rockwell added that the manner in which proposed ISQC 1 (Revised) has been drafted appears as if the firm may choose what services it uses from the network, when in practice the firm is required to use the network services according to their network agreement.

Ms. Zietsman clarified that it is a perception that the network has ultimate control over how the firms operate and engagements are performed, however this is not the case. Ms. Zietsman further noted that under ISAs, the engagement partner has responsibility for the engagement, although the engagement partner may use the expertise of others within the network. Ms. French explained that although the network may mandate certain policies or procedures, it does not relieve the responsibility of the firm for the system of quality management. Ms. French clarified that the firm would need to determine whether the network services may be used by the firm or whether they need to be supplemented.

- Mr. van der Ende recommended that the requirements for networks should be developed such that they are appropriately robust, yet scalable for the variety of network structures that exist.
- Mr. Koktvedgaard suggested that networks provide transparency reports in order to reduce the expectation gap between what the network does and the firm.
- Ms. Soulier noted that the definition of networks is the same as in the IESBA Code¹¹ and expressed confusion regarding the application material in paragraph A6 of proposed ISQC 1 (Revised) that appears to contradict this.

¹¹ International Code of Ethics for Professional Accountants (including International Independence Standards) (*The Code*)

QUALITY RISK ASSESSMENT PROCESS

Ms. French explained the proposals in relation to the quality risk assessment process. Representatives and Observers commented as follows:

- Ms. Lucy encouraged the QCTF to explore articulating the link between the quality risk assessment process and the various components in a more eloquent manner.

GOVERNANCE AND LEADERSHIP

Ms. French provided an overview of the proposals in relation to governance and leadership. Representatives and Observers commented as follows:

- Ms. Elliott questioned whether aspects of the ethical requirements could be placed in governance and leadership, given that ethics is an aspect of governance.
- Mr. Ruthman indicated that the quality objective in governance and leadership addressing the firm's resource allocation to support strategic decisions inappropriately extends the remit of ISQC 1. Ms. French agreed that the quality objective needs further refinement so that it does not inappropriately extend the remit of ISQC 1 regarding the firm's strategic decisions.

INFORMATION AND COMMUNICATION

Ms. French provided an explanation of the basis for the QCTF's proposals in relation to communication with external parties, in particular the decision to not only address transparency reporting and instead to more broadly address all communication with external parties in relation to the firm's system of quality management. Representatives and Observers commented as follows:

- Ms. Borgerth expressed the view that SMPs may perceive that due to their size they do not need to be transparent about their system of quality management, yet such firms may perform engagements for entities that are large. Accordingly, she supported a principles-based and sensible approach to addressing communication with external parties.
- Ms. Robert suggested that references to transparency reports, such as in the application material, should be discrete from references to other marketing materials, because of the need for transparency reports to be balanced, i.e., it should not be implied that these are publications that contain similar information with similar purposes. Mr. Thompson noted that transparency reports in general appear to be more balanced in circumstances when they are required to be prepared.
- Mr. James emphasized the value of transparency reports as a tool for demonstrating quality, although noted many perceive such publications as marketing tools. Mr. James indicated that the requirements addressing transparency reporting should be robust, because sufficient time has already passed to allow innovation in this area. He suggested that requirements should not establish a baseline of what is communicated, but rather set aspirational goals that encourage transparency about quality. Mr. Hansen agreed. Ms. French noted that the intent of the QCTF was to strengthen the requirements addressing communication with external parties, by not only focusing on transparency reporting but broadening it to all types of communication with external parties about the system of quality management.
- Mr. Yoshii supported the proposals addressing communication with external parties and suggested that it be clarified that external stakeholders also include future shareholders. He further encouraged the QCTF to continue to explore transparency reporting and communication of audit quality

indicators.

- Mr. Hansen stressed the importance of internal communication on a regular basis and recommended that the requirements discuss communication on a regular basis rather than a timely basis. Ms. French highlighted that the firm is required to communicate internally so that firm personnel are able to understand and carry out their responsibilities.

OTHER COMMENTS

Representatives and Observers commented variously as follows:

- Ms. Robert encouraged the QCTF to further coordinate with the International Ethics Standards Board for Accountants in relation to their project addressing fees. Ms. French highlighted the requirements in proposed ISQC 1 (Revised) addressing financial and operating priorities and explained that the QCTF held a meeting recently with members of the IESBA to discuss how proposed ISQC 1 (Revised) addresses ethical considerations.
- Ms. Manabat indicated that the terminology used in proposed ISQC 1 (Revised) may not be familiar to firms, for example, the term “practice management” appears to be absent.

PIOB OBSERVER’S REMARKS

Ms. Petterson commented as follows:

- She emphasized the importance of scalability. She encouraged the QCTF to consider what requirements are necessary, and then to evaluate whether they are scalable. She also encouraged further consideration of how the requirements are presented.
- In relation to networks, Ms. Petterson highlighted that it is an issue for both large and small firms, since small firms want to be part of a network for branding purposes. Ms. Petterson indicated that it would be in the public interest to introduce requirements that address what is expected of a global network.

WAY FORWARD

Ms. French thanked the Representatives and Observers for their feedback.

ISA 220 (included in Agenda Item D)

- To *RECEIVE* an update on the ISA 220 project.

Ms. Zietsman provided Representatives with a presentation to introduce the topic and to update Representatives on the activities of the ISA 220¹² Task Force since the previous CAG discussion in September 2017. Ms. Zietsman explained that the proposed changes to ISA 220 and ISQC 1 will be issued as separate exposure drafts but that the comment periods for both exposure drafts will overlap. Ms. Zietsman also noted that the ISA 220 Task Force is working closely with the Task Forces responsible for revisions to ISQC 1 and ISQC 2 as it relates to the firm’s system of quality management and the engagement quality control review, respectively.

¹² ISA 220, *Quality Control for an Audit of Financial Statements*

WAY FORWARD

Ms. Zietsman noted that the ISA 220 Task Force will present a full draft of the proposed changes to ISA 220 at the September 2018 CAG meeting.

Emerging Forms of External Reporting (EER) (Agenda Item F)

To RECEIVE a presentation on the project approved by the IAASB to develop non-authoritative guidance on EER.

Mr. Grabowski provided Representatives with a [presentation](#) summarizing the work of the newly established EER Task Force since approval of the [project proposal](#) by the IAASB in October 2017. The EER Task Force plans to address approximately half of the issues relating to the ten key challenges identified in the 2016 [discussion paper](#), during the first phase of the project. The planned output of the project is EER framework neutral non-authoritative guidance to support assurance practitioners in applying ISAE 3000 (Revised)¹³ to EER reports. An exposure draft of the first part of the guidance is expected to be presented to the IAASB for approval in December 2018.

Work to date has explored the conceptual and contextual basis of a number of internationally recognized EER frameworks. This includes consideration of the ‘qualitative characteristics’ of information included in EER reports, or equivalent concepts, as well as exploring how the concept of the reporting boundary is applied in EER reports. Mr. Grabowski also summarized the preliminary discussions of the EER Task Force on materiality, highlighting what appeared to be different for EER compared to financial reporting. The EER Task Force aims to develop a framework to help assurance practitioners assess materiality decisions, in terms of both the items to be included in an EER report and the information to be reported about those items.

Outreach and collaboration with other organizations is an important part of this project. To date, representatives from the World Business Council for Sustainable Development and from the Corporate Reporting Dialogue have been invited as observers to EER Task Force meetings, and a Project Advisory Panel has been established to provide input from a broader group of stakeholders.

The Representatives and Observers commented as follows:

- Mr. Milholland supported the work of the EER Task Force and commended their approach to look at the frameworks conceptually. He asked what was driving the demand for assurance in this area and whether there were examples of assurance being provided currently. Mr. Grabowski commented that there has been a consistent message from practitioners for some time that guidance is needed on how to apply ISAE 3000 (Revised) to EER, reflecting a demand for assurance from investors and in some cases governments and regulators.
- Mr. Milholland suggested that the EER Task Force could look at the experience of other forms of reporting that previously emerged, for example Embedded Value reporting by Insurance companies. He also noted that the relationship between materiality and reliability of information could be explored.
- Mr. Dalkin recommended that the EER Task Force should consider the different EER reporting

¹³ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

requirements and circumstances for the government sector.

- Ms. Singh noted that the CFA Institute had published an Environmental, Social and Governance survey of their members which included questions regarding the demand for assurance.
- Referencing slide 9 of the presentation, Ms. Borgerth noted that the Integrated Reporting framework was not an exact equivalent of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board's (SASB) standards and suggested that the EER Task Force might look further at the differences. Mr. Grabowski acknowledged the differences and noted that the EER Task Force would consider both the conceptual similarities and differences. Ms. Borgerth noted the use of the Integrated Reporting framework in Brazil, and encouraged the EER Task Force to work further with the International Integrated Reporting Council (IIRC) in this area.
- In response to a query from a Representative as to what the PIOB's view was on demand for assurance over EER, Ms. Pettersson noted that the PIOB considered this to be an important but complex subject. She noted that investors did not get the information they need from the financial statements and hence EER reporting is increasing in importance.
- Mr. Dalkin concluded the discussion thanking Mr. Grabowski for his presentation.

ISA 315 (Revised) (Agenda Item G)

To *OBTAIN* Representatives views on the second draft of the proposed revisions to ISA 315 (Revised) (**Agenda Items G.2 and G.3**).

Ms. Campbell introduced the topic and updated the Representatives on the changes made since they had last seen a draft of ISA 315 (Revised). Ms. Campbell highlighted that in addition to progressing changes to the requirements and application material, the draft now included enhancements for information technology as well as application material acknowledging the use of automated tools in carrying out risk assessment procedures.

Representatives broadly supported the direction of the changes, however Mr. Yurdakul noted that the standard had been made more complex, adding that some of the language would also be difficult to translate. Mr. Yurdakul also highlighted the complexity of the revised paragraphs relating to understanding the entity's system of internal control, encouraging the ISA 315 Task Force to further consider enhancement of the application material to assist with implementation. Mr. Rockwell encouraged the ISA 315 Task Force to further consider developing a flowchart (or graphic) to assist with understanding the flow of the revised requirements and therefore assist with effective implementation of the standard. Representatives also emphasized the importance of the risk assessment process, and highlighted the importance of professional judgment and professional skepticism in this process, although Mr. Yurdakul noted that more is needed in ISA 315 (Revised) related to professional skepticism.

Mr. Hansen acknowledged the enhancements made in relation to data analytics, but noted that no requirement had been added for the establishment of the auditor's expectations when performing analytical procedures as risk assessment procedures. He noted that this may cause confusion as some had the view that expectations were required, the same as analytical procedures performed when gathering audit evidence (i.e., to comply with ISA 520).¹⁴ He encouraged the ISA 315 Task Force to further consider whether

¹⁴ ISA 520, *Analytical Procedures*

expectations should be required. Ms. Campbell explained that analytical procedures performed as part of the risk assessment process was information gathering and therefore different to the gathering of audit evidence from analytical procedures. She added that expectations could be used in the risk assessment stage but that this was not a requirement, and noted that this was further explained in the application material (in paragraph A16a) to clarify this point. Mr. Thompson also acknowledged the enhancements relating to data analytics, but encouraged further consideration about what needed to be done in respect of the underlying data used when automated tools are used in risk assessment. Ms. Campbell explained that matters relating to the data used in automated tools would further be considered by the Data Analytics Working Group (DAWG) (possibly as part of the Audit Evidence project) as this was broader than risk assessment procedures.

In relation to the new introductory paragraphs introduced to help make the link to other ISAs of some key concepts used in ISA 315 (Revised), Mr. van der Ende noted that the description of the 'spectrum of risk' was confusing as it may suggest that risk is a 'point estimate.'

DEFINITIONS

Representatives noted support for the new and revised definition, but noted the following in relation to specific definitions:

- Mr. van der Ende cautioned about using the term 'highest' risk in the definition of significant risk as that may suggest that it is only the highest risk that is a significant risk (i.e., this may be interpreted to mean that only one significant risk is identified). Ms. Campbell acknowledged that this may be an unintended consequence of the wording used and agreed that the ISA 315 Task force would further consider how this is articulated.
- Mr. Iinuma expressed concern about how some of the new definitions added to the complexity of the risk assessment process. He added that it was difficult to understand the flow of how an auditor would perform the risk assessment process, in particular that paragraphs 25 and 26 are not clear, highlighting that the interaction of the definitions may also add to the difficulty in practically implementing the revised requirements. Ms. Campbell noted that the development of a flowchart may assist in illustrating the flow and interaction of the definitions.
- With regard to the new definition of 'relevant assertions:'
 - Mr. Rockwell queried whether the introduction of the term "reasonably possible" was intended to mean something different from 'remote possibility,' and if so, what the difference may be. Ms. Campbell explained that it was intended to mean the same thing and noted that the definition had been revised to make that clear, but added that the ISA 315 Task Force would reconsider so that this was clear.
 - Mr. Thompson queried whether there would be more relevant assertions than what would result from applying the extant requirements, and if this was expected, suggested that this should be communicated. Mr. Rockwell added that further consideration should be given to the consequences of the changes being made as the project progressed, in particular whether there may be other unintended consequences. Ms. Campbell agreed that the ISA 315 Task Force would further consider this.
- Mr. Ruthman cautioned against the use of certain terms such as 'significant' and 'material' as a descriptor as these may be used interchangeably by some in the same circumstances. Ms. Campbell

noted that it was likely that this would only be an issue in paragraph 18 of ISA 330 where the term 'material' is used, and that it was specifically used in that paragraph as it was material balances that were being targeted.

- Mr. Rothwell noted that fraud was now incorporated in the inherent risk factor relating to the susceptibility to management bias, highlighting that fraud didn't always arise from management. He suggested that further consideration should be given to how fraud is addressed in ISA 315 (Revised), in particular as the susceptibility to fraud had been eliminated as a separate inherent risk factor. Mr. Baumann noted that the PCAOB had embedded considerations around fraud throughout its risk assessment standard, so that the auditor's considerations about fraud are not undertaken in isolation. Ms. Campbell acknowledged that in relation to the inherent risk factors, an explicit reference to fraud had been removed, but emphasized that there was still an ISA, ISA 240,¹⁵ which focused auditors on considerations about fraud. However, she added that the ISA 315 Task Force would further consider how the link back to ISA 240 could be enhanced in ISA 315 (Revised), and would further look at how the PCAOB had embedded fraud throughout the risk assessment process.
- Representatives also queried whether there was a need for new definitions:
 - Mr. Ruthman queried whether there is a need for a definition of 'controls relevant to the audit.' Ms. Campbell explained that the ISA 315 Task Force had considered a definition, but had agreed that it would be difficult to define because of the complexity in identifying controls that are relevant to the audit, and therefore had the view that it was more appropriate to explain what was meant by controls relevant to the audit through the requirements and application material. Mr. Ruthman responded that the material in paragraph 20 (relating to the list of controls relevant to the audit) may be helpful earlier in the standard.
 - Mr. Bini queried whether a definition was needed for 'business model.' Ms. Campbell explained that it would be difficult to define the concept, but added that the ISA 315 Task Force had added application material to explain what was involved in obtaining an understanding of the entity's business model, particularly in light of the importance of the entity's business model in identifying and assessing risks of material misstatement. Ms. Campbell highlighted the importance of understanding the entity's use of IT on its business model, as that would impact many aspects of the auditor's required understanding. She also added that the ISA 315 Task Force would revisit the application material to further consider whether anything more is needed.

SCALABILITY

Ms. Campbell noted that the ISA 315 Task Force had provided a list of the paragraphs where the ISA 315 Task Force had made changes to embed scalability to help understand the areas where the ISA 315 Task Force had the view the scalability had been embedded. Ms. Robert encouraged the ISA 315 Task Force to further consider how the standard could better reflect how the requirements could be applied to non-complex entities, and scaled up as the entity becomes more complex. Ms. Campbell highlighted that scalability was an area that the ISA 315 Task Force would continue to focus on as the exposure draft was finalized.

¹⁵ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

PIOB REMARKS

Ms. Petterson encouraged the ISA 315 Task Force to further consider reinstating the susceptibility to fraud as an inherent risk factor, to continue to encourage the auditor to consider fraud throughout the risk assessment process and not as an isolated work effort. Ms. Campbell reminded Representatives that this had been removed as an inherent risk factor because fraud impacts both inherent and control risk. She further explained that the inherent risk factors related to inherent risk, and therefore the ISA 315 Task Force had considered the appropriateness of the susceptibility of fraud as an inherent risk factor and eliminated it as a separate inherent risk factor. However, she added that further consideration would be given to how fraud could be further emphasized throughout the risk assessment process so as not to lose the focus on fraud in ISA 315 (Revised), but being mindful of not repeating matters set out in ISA 240. She also added that consideration would be given to how a flowchart could also better make the link to the other standards (such as ISA 240). Ms. Petterson also acknowledged the ISA 315 Task Force's efforts regarding technology in the revisions, but encouraged that further consideration be given to updating concepts related to more contemporary terminology (for example continuous control monitoring).

Strategy and Work Plan (Agenda Item H)

To *PROVIDE* Representatives with an overview about how the IAASB is considering approaching its consultation on its Strategy for 2020–2023 and *OBTAIN* Representatives' views about matters relating to the IAASB's future Strategy (**Agenda Item H.1**).

Mr. Waldron introduced the topic, explaining that the IAASB had a very open approach to obtaining input for the development of its strategy for 2020–2023 (the 'strategy'). In particular, he noted that further consideration would be given about how to obtain input from stakeholders, such as investors, who did not traditionally respond to surveys or the formal consultation statement. Ms. Bahlmann explained the due process steps required for developing the strategy, including the upcoming stakeholder survey and development of a formal consultation paper, and briefly explained that capacity at the start of the new strategy would be limited as the significant projects currently underway are completed. Prof. Schilder added that the IAASB were considering other ways for obtaining input, as it had recognized the need to be responsive to stakeholder's needs. Related to the forward agenda, Representatives emphasized the need to commence the project on Evidence.

Representatives were generally supportive of the approach of the IAASB to developing the strategy. However, acknowledging that activities would need to be undertaken regarding the development of the future strategy Mr. James questioned whether the development of the future strategy had been discussed with the Monitoring Group and the PIOB in light of the review of the standard-setting boards currently underway. Prof. Schilder highlighted the need to commence activities for developing the future strategy at this time in order to meet the due process steps, noting that the Monitoring Group review still had a way to go before changes are agreed on and implemented. However, he did note that further consideration is being given to piloting some of the recommendations where possible (and as explained in Agenda Item H.1).

Further input from the Representatives included the following:

- Mr. van der Ende encouraged that further consideration be given to what the future may look like, for example would audits still be undertaken in their current form, and for the same types of entities that are requiring audits today.

- Mr. van der Ende suggested that further consideration be given to obtaining CAG feedback on matters relating to strategy and work plans on a more timely basis, not only at the time of consultations on future strategies and work plans. Mr. Dalkin agreed, highlighting the broad views and range of experience of Representatives, and suggested having a standing agenda item to obtain input on a more frequent basis, and feeding this back to the Board. Prof. Schilder agreed with obtaining more frequent input from Representatives, and noted that further consideration would be given as to how this could be done.
- Related to the change of period to align with the strategy period of the IESBA, Mr. van der Ende supported this change.
- Mr. Yoshii emphasized the need to obtain views from users of financial statements, as well as investors. Mr. Waldron noted that Agenda Item H.1 highlighted other ways that the IAASB would be reaching out to stakeholders such as investors and others who did not traditionally respond to IAASB consultations, such as focus groups with a small number of targeted stakeholders.

WAY FORWARD

Prof. Schilder thanked the Representatives for their input and noted that the IAASB would continue to undertake broad activities in order to obtain appropriate input for the development of the strategy.

Update on Coordination with IESBA (Item I)

To *UPDATE* Representatives and Observers on the coordination activities between the IAASB and the IESBA.

Mr. Waldron provided an overview of the key coordination activities with the IESBA that have occurred since the CAG's September 2017 meeting. These included the development of the coordination framework and operating principles, the appointment of liaison members for each of the three Boards, the development of the inventory of topics, and other interactions at the various Task Forces and Staff levels in relation to multiple projects. Mr. Waldron also indicated that the IAASB had recently held a webcast whereby the IESBA Liaison member had provided an overview of the restructured IESBA Code and that plans were being put in place for a webcast in May 2018 for the IAASB to update the IESBA on some of their key projects.

Mr. Gunn noted the joint IAASB-IESBA Board meeting held in September 2017 and the plan to hold another joint meeting in September 2018. He highlighted the importance of a joint approach at a strategic level, noting the plans for 2018 in relation to aligning the feedback arising from the Boards' strategy and work plans. Mr. Gunn explained the focus on technology in 2018, given its importance to the overall strategy, and clarified that 2018 will be a period of creating awareness of the impact of technology among the Boards and the CAGs. He further explained how the approach to coordination is being initiated as the projects commence and progress, rather than after the fact.

Ms. Zietsman noted her evolving role as the IAASB Liaison Member, and that going forward she would attend the IESBA CAG meeting in order to stay apprised of the IESBA developments. She further noted the plans to update the IAASB's Standards to align with the IESBA Restructured Code, but explained that some aspects were complex in nature and needed further analysis.

The Representatives and Observers commented as follows:

- Mr. van der Ende noted the importance of having a mechanism for resolving differences of opinion.

Prof. Schilder indicated that at one point there was a proposal to establish a system to elevate differences of opinion, however on further reflection it was agreed that the Boards are committed to engage and effectively resolve the matters. Ms. Soulier noted her view that previous issues arose largely due to a lack of communication rather than differences of views. She clarified that through more proactive coordination and mutual respect, she has observed that the matters are resolved in an effective and non-confrontational manner.

- Mr. Thompson highlighted the CAG views in relation to professional skepticism and not to confuse the notion through extending the concept of professional skepticism to professional accountants that do not perform assurance engagements. Prof. Schilder noted that the IESBA needs to address professional skepticism for other professional accountants, however suggested that it would be best achieved through the use of other terminology to address concerns regarding the confusion it may create.

Data Analytics (Item K)

Mr. Waldron introduced the topic of data analytics to the Representatives. The topic was introduced with a [video recording](#), recorded by IAASB member Robert Dohrer, that provides an update in regards to the feedback received from stakeholders on the Request for Input (RFI), [Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics](#) to the CAG Representatives.

Following the video recording, Mr. Dohrer provided the CAG representatives with an update on the activities of the DAWG since the recording of the video. He explained that the DAWG had been coordinating with regard to changes in ISA 315 (Revised) relating to the use of automated tools and techniques, and noted there were also plans for similar engagement with the ISA 220 and ISQC 1 task forces. He further noted that the DAWG would be considering what other activities should be undertaken, including the development of possible non-authoritative guidance.

Representatives commented as follows:

- Ms. Singh questioned Mr. Baumann with regard to the PCAOB's work relating to data analytics, noting that in a PCAOB Standing Advisory Group (SAG) meeting it was suggested that the PCAOB also produce some form of non-authoritative guidance for the use of data and technology in the audit of financial statements. She further suggested coordination between the PCAOB and IAASB in this area. Mr. Baumann responded that the PCAOB announced the forming of an advisory group and that Mr. Dohrer would be an observer to this group. He further noted that the PCAOB, like the IAASB, do not want to rush this specific topic as there are many issues to consider. He added, however, that they would give consideration to developing staff guidance on this topic.
- Mr. Hansen queried how the DAWG obtains its information, noting that there were several US organizations that could provide useful information, even for an international setting. Mr. Dohrer explained the purpose of the Data Analytics Project Advisory Panel, as well as the meetings held with the national standard setters from various regions. He further noted that the AICPA has commenced a project on Audit Evidence, which is expected to include aspects of the issues relating to the use of data analytics. Mr. Dohrer emphasized that various IAASB members, technical advisors and DAWG members were involved in the project, and that efforts would not be duplicated once the IAASB commences work in this area.

Closing Remarks and Approval of Minutes of Previous Meetings (Item A)

MINUTES OF THE PREVIOUS MEETING

Mr. Dalkin presented the minutes of the previous meeting to the CAG. No comments were noted and the minutes were approved.

IAASB CAG CHAIRMAN REMARKS

Mr. Dalkin thanked the CAG Representatives for their preparation and participation during the meeting. In his view, the contributions were significant and provided good feedback and direction for the IAASB going forward.

IAASB CHAIRMAN REMARKS

Prof. Schilder thanked the Representatives for their exchanges and challenges as these are helpful and necessary for the work done by the IAASB in the public interest. He further noted that the projects undertaken by the IAASB has been challenging and complex and appreciated the Representatives support for and input provided for these projects.

PIOB OBSERVER'S CLOSING REMARKS

Ms. Petterson noted that she was pleased with the level of discussion and participation by the Representatives as well as the sharing of ideas and thoughts. Ms. Petterson further noted that she is pleased to see how the IAASB – IESBA Coordination is moving and evolving in the right direction from the previous time it was discussed.