



International Auditing
and Assurance
Standards Board®

529 Fifth Avenue, 6th Floor, New York, NY 10017
T + 1 (212) 286-9344 F +1 (212) 286-9570
www.iaasb.org



International
Ethics Standards
Board for Accountants®

Agenda Item

A2

Meeting: IESBA Consultative Advisory Group
Meeting Location: New York, USA
Meeting Date: September 10, 2018

**Draft Minutes of the Joint Public Session of the Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
CONSULTATIVE ADVISORY GROUP (IAASB CAG) and INTERNATIONAL ETHICS
STANDARDS BOARD FOR ACCOUNTANTS CONSULTATIVE ADVISORY GROUP
(IESBA CAG)**

Held on March 6, 2018

New York, USA

PRESENT

Members

Mr. Jim Dalkin	IAASB CAG Chair
Mr. Kristian Koktvedgaard	IESBA CAG Chair/ BusinessEurope
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
Ms. Conchita Manabat	International Association of Financial Executives Institutes
Mr. James Milholland	International Actuarial Association (IAA)
Ms. Sarah Ovuka	Financial Executives International
Ms. Gayani Perera	Sri Lanka Accounting and Auditing Standards Monitoring Board
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	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)
Daniel Sarmiento Pavas	Independent, representing Latin America

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	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	IAASB Principal
Ms. Schuyler Simms	IAASB Manager

** 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.

IESBA

Stavros Thomadakis	IESBA Chairman
Richard Fleck	IESBA Deputy Chair
Ms. Sylvie Soulier	IESBA Member
Ken Siong	IESBA Senior Technical Director
Diane Jules	IESBA Deputy Director
Geoffrey Kwan	Manager, Standards Development and Technical Projects
John Morrow	Manager, Standards Development and Technical Projects
Szilvia Sramko	Manager, Standards Development and Technical Projects

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
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 ¹	Institute of Internal Auditors

¹ For purposes of the March 2018 meeting, Mr. Robert Perez attended as an alternate to Mr. Sobel of IIA.

Welcome and Approval of the Previous Meeting (Agenda Item J1)

OPENING REMARKS

Messrs. Dalkin and Koktvedgaard welcomed the Representatives and Observers to the meeting and in particular also welcomed Mmes. Rebekah Brown and Jackie Brown from the Business Learning Institute with the Maryland Association of CPAs, who will be presenting to the joint IAASB – IESBA CAG on the changing environment due to technological advancements.

MINUTES OF THE PREVIOUS MEETINGS

The minutes of the September 2017 joint IAASB and IESBA CAG public meeting were approved as presented.

Technology and Innovation (Agenda Item J2)

To RECEIVE a presentation on the impact of new technologies on the accounting profession from an external presenter.

The joint IAASB – IESBA CAG received a presentation on technology and innovation by Ms. Brown. In particular, the presentation to the representatives focused on the technological transformations and disruptions that are impacting the accounting profession and how these technological developments are changing what accounting and finance professionals do. Specific technological developments referred to include the use of Artificial Intelligence, Blockchain and Auditchain.

The presentation further noted that it is no longer appropriate for auditors to simply focus on providing a historical view on compliance with accounting standards. To meet audit demands of the future, audit firms and individual auditors must:

- Stay ahead of the curve on evolving technology and the changing regulatory environment;
- Sharpen technology, critical thinking and communication skills;
- Thoroughly understand a client's industry and what makes the client unique in that industry;
- Develop long-term relationships with clients and other stakeholders based on integrity, candor, professionalism, objectivity and their ability to share valued insights based on these capabilities; and
- Look ahead and provide insights on future challenges and opportunities.

Ms. Brown further addressed the skills that accounting and finance professionals will have to master in order to remain relevant and stressed the fact that auditors will have to be 'future ready'. To achieve this, auditors will have to be **aware** of changes, be able to **predict** the impact on the auditor's environment and ultimately **adapt** to these changing environments.

Ms. Brown further facilitated a discussion with the joint IAASB – IESBA CAG in relation to trends that are currently affecting the global accounting profession and their potential impacts. This included small group discussions in respect of:

- What needs to change in how standards are created in a time of exponential change and transformation; and
- Future skills and tools needed for standard setters.

Closing Remarks

Messrs. Dalkin and Koktvedgaard thanked Ms. Brown for her insightful presentation, and also thanked the Representatives for their high level of participation and contributions to the discussions. They then closed the meeting.