

Meeting: IAASB Consultative Advisory Group (CAG)
Meeting Location: New York, United States of America
Meeting Dates: March 10–11, 2020

Agenda Item H.1

Technology – Report Back

Objective of Agenda Item

1. The objective of this agenda item is to report back on the CAG representatives' comments on Technology made at the September 2019 meeting.

Feedback - What Did We Hear Last Time We Met?

2. Extracts from the draft September 2019 IAASB CAG meeting minutes, as well as an indication of how the IAASB has responded to the Representatives' comments, are included in the table below.

| Representatives' Comments | IAASB/Working Group Response |
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| DEVELOPMENT OF TECHNOLOGY WORKSTREAM PLAN | |
| Mr. Dalkin asked whether new technologies such as blockchain and bitcoin raised issues within the remit of the TWG. | Mr. Dohrer responded by noting that the fundamental principles of the ISAs remain applicable to new technologies, although guidance may be helpful on specifics. |
| Mr. Bradbury asked whether the IAASB has considered the impact of technology on audit fees. | Mr. Dohrer responded by noting that audit fees is not something the IAASB focusses on and that other organizations, such as the International Federation of Accountants, may have a view. |
| Ms. Singh asked about the format of the guidance material and asked whether such material would be released in stages, noting that it would be helpful if the IAASB CAG could provide input prior to publication. | The IAASB will consider such action on a case-by-case basis. |
| Ms. Singh noted she believes the IAASB should undertake a project about assurance on eXtensible Business Reporting Language (XBRL) filings. Mr. Thompson agreed, noting that there are discussions currently taking place in the European Union on which assurance may be expressed over such filings. | Mr. Dohrer noted that there are several challenges from an assurance perspective in this area, but that in some jurisdictions, such as the US, the regulator has stated that they do not expect external auditor involvement with XBRL filings. |

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| | Mr. Dohrer and Mr. Botha noted that the IAASB will consider the needs of its global stakeholders through outreach and the framework of activities as outlined in its strategy and workplan. |
| Ms. Zietsman noted some of the Public Company Accounting Oversight Board's (PCAOB) technology-related initiatives, which include an analysis of extant standards to determine whether there are any barriers in the standards to using technology. Ms. Zietsman indicated that the general view of the PCAOB staff is consistent with the feedback from the IAASB DAWG's 2016 Request for Input that the PCAOB standards do not prohibit the use of technology, however they also do not necessarily encourage the use of technology. Ms. Zietsman also noted the PCAOB's website contains information about its technology-related initiatives, and that preliminary coordination discussions have been held between the PCAOB and the IAASB. | Noted. |
| PIOB REMARKS | |
| Ms. Pettersson supported the initiatives of the TWG, including the focus to develop specific technology related guidance material. Ms. Pettersson commented on current business trends when, for example, client management places extensive reliance on predictive analytical tools to manage their businesses. Ms. Pettersson expressed concern about whether the auditing profession is keeping pace with the technological advancements and asked whether the IAASB is considering all its opportunities to add value and enhance quality from a technology perspective. | Mr. Dohrer acknowledged the concerns and noted that where there is significant demand for guidance on such technologies, there may be a demand for standard setting in due course. The Audit Evidence Working Group (AEWG) will present the overall results of the information-gathering and research activities at the June 2020 IAASB meeting. |

Appendix A

Project Details and History

Working Group: Technology

Link to IAASB Project Page: [Project Page](#)

Working Group Members

The Technology Working Group comprises:

- Bob Dohrer, IAASB Member and Working Group Chair
- Sue Almond, IAASB Member
- Melissa Bonsall, IAASB Technical Advisor
- Fernando Ruiz Monroy, IAASB Member
- Peter Eimers

Summary of discussions¹

| | IAASB CAG Meeting | IAASB Meeting |
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| Preliminary discussions, information gathering and the development of Technology Workstream Plan | March 2018 March 2019 September 2019 | June 2019 (part of Audit Evidence) September 2019 |

IAASB CAG Discussions: Detailed References

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| Preliminary discussions, information gathering and the development of Technology Workstream Plan | <u>March 2018</u> See IAASB CAG meeting material (Agenda Item J2): https://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny <u>March 2019</u> See IAASB CAG meeting material (Agenda Item D): https://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny-1 <u>September 2019</u> See IAASB CAG meeting material (Agenda Item D): https://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny-2 |
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¹ This summary includes IAASB and IAASB CAG discussions from March 2018 when the Technology Working Group replaced the Data Analytics Working Group