

Meeting: IAASB Consultative Advisory Group (CAG)

Meeting Location: Virtual

Meeting Date: September 8, 2021

Agenda Item

I

Fraud Cover

Objective of Agenda Item

1. The objective of this Agenda Item is to provide Representatives with an update on the status of the IAASB's work related to fraud and the Board discussions held to date.
2. **Appendix A** to this paper provides a history of previous discussions with the IAASB CAG and IAASB on this topic, including links to the relevant IAASB CAG documentation.

Update on Activities for Fraud

3. Below is a summary of the activities that have occurred since the last update provided to the CAG at the March 2021 meeting:
 - (a) The Fraud Working Group met on multiple occasions to discuss feedback received from respondents to the Discussion Paper (DP), [*Fraud and Going Concern in an Audit of Financial Statements: Exploring the Differences Between Public Perceptions About the Role of the Auditor and the Auditor's Responsibilities in a Financial Statement Audit*](#) which were due on February 1, 2020, combined with input obtained through other information-gathering activities performed (discussed during the March 2021 CAG meeting).
 - (b) In April 2021, the Board was provided an overview of the feedback received related to fraud in an audit of financial statements from the DP and the Board members provided views on the proposed possible way forward for the matters related to fraud that were identified. For meeting materials, refer to [Agenda Item 3](#) of the April 2021 IAASB meeting, and the related [minutes](#).
 - (c) In June 2021, the Board was provided with the results of further analysis and Fraud Working Group deliberation for six specific matters where mixed views or further analysis was considered appropriate based on Board discussion at the April 2021 meeting. The Board provided their views on the proposed possible way forward presented for these matters. For meeting materials, refer to [Agenda Item 3](#) of the June 2021 IAASB meeting. As of the date of this Agenda Item, the IAASB meeting minutes for June 2021 have not yet been approved.
 - (d) In July 2021, the Board was provided with the results of further analysis and Fraud Working Group deliberation for four specific matters where mixed views or further analysis was considered appropriate based on Board discussion at the April 2021 meeting. The Board provided their views on the proposed possible way forward presented for these matters. Also, the Board was presented with and provided views on certain draft sections of the project proposal, including the key public interest issues, project objectives, and project scope. For

meeting materials, refer to [Agenda Item 2](#) of the July 2021 IAASB meeting. As of the date of this Agenda Item, the IAASB meeting minutes for July 2021 have not yet been approved.

4. The Fraud Working Group will develop a project proposal for a project on fraud for discussion and approval by the IAASB in December 2021. A separate call with Representatives will be arranged for December 2021 to discuss the project proposal.

Material Presented¹

Agenda Item I.1	Fraud —Presentation
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¹ Recent IAASB Issues Papers related to fraud have been posted to the IAASB CAG Meeting page for reference purposes, see Agenda Item I – [IAASB CAG Meeting - New York, NY | IFAC](#)

Appendix A

Project Details and History

Project: Fraud

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

Working Group Members

- Lyn Provost, IAASB Member and Working Group Chair
- Julie Corden, IAASB Member
- Len Jui, IAASB Deputy Chair
- Diane Larsen, IAASB Member
- Fabien Cerutti, IAASB Technical Advisor

Summary

	IAASB CAG Meeting	IAASB Meeting
Update on information-gathering activities and discussion on proposed DP, <i>Fraud and Going Concern in an Audit of Financial Statements: Exploring the Differences Between Public Perceptions About the Role of the Auditor and the Auditor's Actual Obligations</i>	September 2020	August 2020
Update on information-gathering activities for fraud and discussion about preliminary Working Group views on issues and challenges identified to date with regard to specific requirements in ISA 240	N/A	December 2020
Update on the responses received to the DP and activities to date with regard to fraud. <i>IAASB Meeting only:</i> Obtained Board views on the proposed possible way forward for matters identified in the DP.	March 2021	April 2021
Provided deeper analysis on six specific matters where mixed views or further analysis was considered appropriate based on Board discussion at the April 2021 meeting. Obtained Board views on the proposed possible way forward.	N/A	June 2021
Provided deeper analysis on remaining four specific matters where mixed views or further analysis was considered appropriate based on	N/A	July 2021

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Board discussion at the April 2021 meeting. Obtained Board views on the proposed possible way forward. Also obtained Board views on specific elements of the draft project proposal, including the key public interest issues, project objectives, and project scope.		
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IAASB CAG Discussions: Detailed References

Information gathering	<u>September 2020</u> See IAASB CAG meeting material (Agenda Item F).
Information gathering	<u>March 2021</u> See IAASB CAG meeting material (Agenda Item C).