Meeting: IAASB Consultative Advisory Group
Meeting Location: New York, USA
Meeting Date: September 11–12, 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.
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Diane Jules  
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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  
Institute of Internal Auditors

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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.