

**Minutes of the 90th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
Held on January 30, 2018 by teleconference**

Voting Members

Present: Prof. Arnold Schilder (Chairman)
Megan Zietsman (Deputy Chair)
Fiona Campbell
Chun Wee Chiew
Robert Dohrer
Karin French
Marek Grabowski
Charles Landes
Kai-Uwe Marten
Lyn Provost
Fernando Ruiz
Ron Salole
Rich Sharko
Isabelle Tracq-Segeissen
Imran Vanker
Ge Zhang

Technical Advisors

Sara Ashton (Ms. French)
Vivienne Bauer (Mr. Ruiz)
Nicolette Bester (Mr. Vanker)
Wolfgang Böhm (Mr. Marten)
Dora Burzenski (Ms. Zietsman)
Shu Duan (Mr. Zhang)
Sylvia Van Dyk (Ms. Provost)
Andrew Gambier (Mr. Chiew)
Ahava Goldman (Mr. Dohrer)
Hiram Hasty (Mr. Landes)
Josephine Jackson (Mr. Grabowski)
Susan Jones (Mr. Jui)
Sachiko Kai (Ms. Tracq-Segeissen)
Jamie Shannon (Mr. Sharko)
Eric Turner (Mr. Salole)
Sanjay Vasudeva (Mr. Bandyopadhyay)
Denise Weber (Ms. Campbell)

Apologies: Abhijit Bandyopadhyay
Len Jui

Non-Voting Observers

Present: Jim Dalkin (IAASB Consultative Advisory Group (CAG) Chair), Yosh'inao Matsumoto (Japanese Financial Services Authority)

Apology: Juan Maria Arteagoitia (European Commission)

Public Interest Oversight Board (PIOB) Observers

Present: Karen Stothers

IAASB Technical Staff

Present: James Gunn (Managing Director, Professional Standards), Matt Waldron (Technical Director), Beverley Bahlmann, Brett James, Natalie Klonaridis, Phil Minnaar, Csilla Molnar, Schuyler Simms, Jasper van den Hout

Apology:

International Auditing and Assurance Standards Board (IAASB) agenda materials referred to in these minutes can be accessed at www.iaasb.org/meetings/iaasb-conference-call-january-30-2018. These minutes are a summary of the decisions made at the January 2018 IAASB meeting, in light of the issues and recommendations in the agenda material put forth by the Task Forces, Working Groups, Drafting Teams and Staff supporting the individual projects. These recommendations are made taking into account feedback from respondents to the IAASB's public consultations, in particular Exposure Drafts (EDs) of the IAASB's proposals, consideration of previous discussions of the Board and its CAG, and feedback from stakeholders through outreach activities.

1. Welcome

Prof. Schilder welcomed Ms. Tracq-Segeissen and Messrs. Chiew, Marten, and Ruiz to the IAASB. He also provided an update on recent outreach activities.

2. ISA 540¹

Messrs. Sharko and Grabowski introduced the topic, noting that the focus of this teleconference is on the draft conforming amendments to ISA 200,² ISA 230,³ ISA 260 (Revised),⁴ ISA 500,⁵ ISA 580,⁶ and ISA 700 (Revised).⁷

In addition to minor or editorial comments on application material, the Board asked the Task Force to:

- With respect to ISA 200, reconsider whether the proposed amendment to paragraph A42 is needed given the removal of the threshold of low/not low inherent risk in proposed ISA 540 (Revised). The Task Force was also asked about the use of the word “ordinarily,” as it could be seen as reinforcing a combined assessment of inherent and control risk, which is contrary to the direction of both ISA 315 (Revised) and ISA 540.
- With respect to ISA 230, clarify whether the use of the singular (“an accounting estimate”) was intended in A10 as this [is-may be seen as](#) inconsistent with paragraph 23 of ISA 540.

¹ ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

² ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

³ ISA 230, *Audit Documentation*

⁴ ISA 260 (Revised), *Communication with Those Charged with Governance*

⁵ ISA 500, *Audit Evidence*

⁶ ISA 580, *Written Representations*

⁷ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

- With respect to ISA 260 (Revised), consider redrafting the proposed amendment to paragraph A20 and better aligning paragraph A20 with paragraph 16(a) as some members did not believe that the proposed drafting avoided putting the auditor in the position of needing to specify the “most appropriate” significant accounting practice. The Task Force was also asked to consider clarifying that the matters for communication with respect to accounting estimates in Appendix 2 should only cover items for which accounting estimates are significant as per extant ISA 260 (Revised), and not all accounting estimates.
- With respect to ISA 500:
 - The Board agreed with the Task Force’s proposal to move paragraphs A33Fa, A33G, A33C, and A33D to draft ISA 540 (Revised).
 - Emphasized the importance of dealing with the implications of the use of the term “consider” in paragraph 7 in light of the comments made that the application material supporting that paragraph could be interpreted as going beyond a “consider” requirement.
 - Revise the structure of the definition of an external information source as it is difficult to read and translate.
 - Align the use of terms and phrases throughout.
 - Consider whether the guidance about performing procedures at the external information source is practical in light of possible limitations on accessing the external information source.
 - Consider whether further guidance is needed on the use of external information sources by management’s experts or service organizations.

IAASB CAG CHAIR’S REMARKS

Mr. Dalkin noted that discussing the draft conforming amendments had highlighted some of the changes in draft ISA 540, and that the IAASB should ensure that the conforming amendments are consistent with ISA 540 (Revised).

PIOB OBSERVER’S REMARKS

Ms. Stothers thanked the board member for bringing their views forward clearly. She also noted that the direction being taken may be seen by regulators as not dealing sufficiently with complex accounting estimates, and that she looked forward to seeing revised agenda material for the March 2018 IAASB meeting.

WAY FORWARD

The IAASB will next discuss draft ISA 540 (Revised) at its March 2018 meeting.

3. Closing

Prof. Schilder thanked the IAASB members, technical advisors, observers, and Staff. He then closed the meeting.

4. Next Meeting

The next IAASB physical meeting will be held March 12–16, 2018 in Amsterdam, the Netherlands.