Audit Evidence

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IAASB CAG Meeting, New York
Agenda Item E
September 10, 2019
Audit Evidence

Since the IAASB CAG met in March 2019:

- IAASB meeting June 2019:
  - Issues related to audit evidence and technology, including potential actions to address such issues (e.g. standard setting and guidance)
  - Although in agreement that issues are comprehensive, the Board
    - Did NOT support the development of project proposal
    - Recommended further information-gathering and research activities (IG&R)
    - Recommended establishing an ‘Audit Evidence Workstream Plan’ – i.e. for conducting IG&R, with the objective to provide informed recommendations to the Board on possible further actions
    - Encouraged clarity in differentiating between the activities of the AEWG and TWG

* An overview of the input initially considered by the AEWG was presented to the CAG in March 2019
Audit Evidence Workstream Plan

- **Objective** – to provide informed recommendations to the Board, by
  - Further understanding audit evidence issues as presented to the Board in June 2019
  - Exploring whether there are additional issues
  - Exploring stakeholder views about possible actions to address the issues

- **Information-gathering and research activities**
  - Targeted outreach activities with stakeholders, including
    - Regulators and audit oversight bodies
    - Public sector
    - National standard setters and IFAC member bodies
    - Practitioners
    - Respondents to ITC and RFI (who commented on audit evidence issues)
Audit Evidence Workstream Plan

- Information-gathering and research activities (cont.)
  - Academic research
    - Existing research that may be relevant
    - New research?
  - Other activities / sources of information, including
    - Post implementation review of relevant ISAs
    - 2016 Request for input, ‘Exploring the Growing Use of Technology in the Audit, With a Focus on Data Analytics’
    - Feedback from respondents to the 2015 ‘Invitation to Comment, Enhancing Audit Quality: A Focus on Professional Skepticism, Quality Control and Group Audits’
    - Inputs received from stakeholders in response to the IAASB’s consultation on its ‘Proposed Strategy for 2020-2023 and Work Plan for 2020-2021’
    - Responses to the AICPA’s Proposed Statement on Auditing Standards, Audit Evidence’
Audit Evidence

Audit Evidence Workstream Plan

• IG&R to pinpoint and prioritize audit evidence related issues when applying the ISAs. Main drivers:
  – Technology
  – Professional skepticism
  – Sources of information
• Develop informed recommendations to the Board for possible further actions (e.g. standard setting or guidance)

Technology Workstream Plan

• Identify matters for which there is an opportunity for a more immediate response through developing and issuing of guidance to address the effect of technology when applying certain aspects of the ISAs.
• Preliminary topics have been identified
Audit Evidence – Way Forward

IAASB Board meeting

June 2019

Establish workstream plan

August 2019

Update to CAG and IAASB

Sept 2019

Information-gathering activities

Oct – Dec 2019

Recommendations to IAASB

March – June 2020
QUESTIONS