

Meeting: IESBA
Meeting Location: New York
Meeting Date: December 3-6, 2019

Agenda Item

5

Technology

Objectives of Agenda Item

1. To receive the final report from the Technology Working Group (TWG) based on its information gathering and analysis under Phase 1 of the IESBA's Technology Initiative.
2. To exchange views on the TWG's findings and recommendations and agree on next steps.

Working Group

3. Members:
 - Patricia Mulvaney, Chair, IESBA Member
 - Gregory Driscoll, IESBA Technical Advisor
 - Brian Friedrich, IESBA Member
 - Hironori Fukukawa, IESBA Member
 - Myriam Madden, IESBA Member

IAASB Correspondent Member

- Melissa Bonsall, IAASB Technical Advisor

Staff support:

- Geoff Kwan, IESBA Principal

Activities Since Last IESBA Meeting

4. The TWG met in person and via teleconference in Q4 to continue its analysis of information collected, focusing on the impact of technology on auditor independence, and to develop its Phase 1 Final Report.
5. The TWG Chair discussed with the Non-Assurance Services (NAS) Task Force Chair a proposed approach to addressing technology-related revisions to Section 600,¹ particularly Subsection 606,² and it was agreed this topic will be included in the NAS Task Force's update to the Board.
6. Members of the TWG and staff met with regulators, IFAC member bodies, and public sector organizations in the US and Canada including:

¹ Section 600, *Provision of Non-Assurance Services to an Audit Client*

² Subsection 606, *Information Technology Systems Services*

- American Institute of Certified Public Accountants (AICPA)
 - Rutgers Business School
 - U.S. Public Company Accounting Oversight Board (PCAOB)
 - U.S. Government Accountability Office (GAO)
 - U.S. Securities and Exchange Commission (SEC) (via teleconference)
 - Ordre des Comptables Agréés du Québec (CPA Québec)
7. See Appendix of **Agenda Item 5-A** for a list of the stakeholder outreach activities conducted under Phase 1. Further information about the TWG’s activities and history of the work stream is available on the TWG’s [project webpage](#).

Next Steps

8. Subject to the Board discussion, the TWG suggests that:
- A draft project proposal for moving forward with Phase 1 recommendations be presented to the Board for approval at its March 2020 meeting; and
 - As part of the project scope, priority be given to proposals relating to the provision of NAS and the fundamental principle of confidentiality.

Materials Presented

For Discussion

Agenda Item 5A Technology Initiative – Phase 1 Final Report

Action Requested

9. IESBA members are asked to:
- (a) Consider and provide feedback to the TWG on its findings and recommendations with respect to enhancements to the Code and development of non-authoritative guidance material as set out in Sections III and IV, respectively, of its Phase 1 report (**Agenda Item 5-A**);
 - (b) Discuss the TWG’s recommendations for Phase 2 of the Technology Initiative as set out in Section V of its report (**Agenda Item 5-A**); and
 - (c) Agree on next steps.