Minutes of the 108th Meeting of the

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)

Held on September 16–20, 2019 in New York, United States of America

	Voting Members	**Technical Advisors (TA)**
Present:	Tom Seidenstein (Chair)	Helene Agélii (Mr. Hagen)
	Fiona Campbell (Deputy Chair)	Sara Ashton (Ms. French)
	Chun Wee Chiew	Viviene Bauer (Mr. Monroy)
	Julie Corden	Nicolette Bester (Mr. Vanker)
	Robert Dohrer	Wolf Böhm (Prof. Marten)
	Karin French	Melissa Bonsall (Ms. Corden)
	Marek Grabowski	Fabien Cerutti (Ms. Tracq-Sengeissen)
	Kai Morten Hagen	Antonis Diolas (Mr. Chiew)
	Len Jui	Johanna Field (Mr. Turner)
	Sachiko Kai	Hiram Hasty (Mr. Dohrer)
	Prof. Kai-Uwe Marten	Rene Herman (Mr. Simnett)
	Lyn Provost	Josephine Jackson (Mr. Grabowski)
	Fernando Ruiz Monroy	Susan Jones (Mr. Jui)
	Rich Sharko	Kohei Yoshimura (Ms. Kai)
	Roger Simnett	Jamie Shannon (Mr. Sharko)
	Isabelle Tracq-Sengeissen	Sylvia Van Dyk (Ms. Provost)
	Eric Turner	
	Imran Vanker	
Apology:	*None*	Denise Weber (Ms. Campbell)[1]

Non-Voting Observers

Present: Jim Dalkin (IAASB Consultative Advisory Group (CAG) Chair), Norihiko Yoshida (Japanese Financial Services Authority)

Apology: Juan Maria Arteagoitia (European Commission)

Public Interest Oversight Board (PIOB) Observer

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[1] It is noted that in the absence of Ms. Weber, Ms. Dora Burzenski (correspondent member of the ISA 315 Task Force) assisted Ms. Campbell as technical advisor during the September 2019 IAASB meeting

Present: Prof. Markus Grund

IAASB Technical Staff

Present: James Gunn (Managing Director, Professional Standards), Willie Botha (Technical Director), Beverley Bahlmann, Yvonne Chan, Brett James, Natalie Klonaridis, Armand Kotze, Phil Minnaar, Hanken Jane Talatala, Joy Thurgood, Jasper van den Hout

Dan Montgomery (Senior Advisor – Technical projects), Pauline Irwin (Principal on EER Assurance project) (September 17)

> IAASB agenda materials referred to in these minutes can be accessed at https://www.iaasb.org/meetings/iaasb-board-meeting-new-york-usa-0. These minutes are a summary of the decisions made at the September 2019 IAASB meeting, in light of the issues and recommendations in the agenda material put forth by the Task Forces (TF), 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 and Approval

Mr. Seidenstein welcomed all participants to the meeting held in New York, United States of America, noting that this was his first physical meeting as the IAASB Chair. He also welcomed two new technical advisors to their first IAASB meeting, Ms. Herman (TA to Mr. Simnett) and Mr. Diolas (TA to Mr. Chiew).

2.   Identifying and Assessing Risk of Material Misstatement – ISA 315 (Revised)[2]

Ms. Campbell introduced the topic, noting that proposed ISA 315 (Revised) had been updated in response to the comments made by the Board in its June 2019 meeting and August 1, 2019 teleconference.

In finalizing the proposed changes to ISA 315 (Revised), in addition to various editorial and other less significant comments, the Board agreed to make the following changes:

- Strengthening the link to ISA 330[3] in the introductory paragraphs and application material, to emphasize the importance of the understanding obtained in designing further audit procedures.

- With regard to professional skepticism:

  o   Explaining in the application material to paragraph 17 that audit evidence that may be corroborative or contradictory is considered in the context of the identification and assessment of risks.

  o   Enhanced the application material relating to documentation to provide specific areas where the documentation would help demonstrate the exercise of professional skepticism.

- Changing the notion of 'nature and size' to 'nature and complexity' throughout to better reflect the way that scalability is addressed within the standard.

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[2]   International Standards on Auditing (ISA) 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement*

[3]   ISA 330, *The Auditor's Responses to Assessed Risks*

- Further clarified how the inherent risk factors are operable in relation to the understanding required.

- Within the control activities component, clarifying the 'judgmental' category through linking back to the objectives of performing risk assessment procedures, and clarifying within the application material the intention of understanding these controls by providing examples of the types of controls that may be identified.

- Enhancing the application material in relation to explaining the iterative nature of the standard. In particular, those areas that Board members had highlighted as concerning (such as the determination of significant classes of transactions, account balances and disclosures, and significant risks and their interaction when obtaining an understanding of the entity's system of internal control).

With regard to the application material, the Board agreed to:

- Add, where appropriate, and enhance the 'why's' (i.e., why a requirement is performed) where it was still not clear from the draft presented to the Board for discussion.

- Clarify the application material related to the definition of 'assertions' to more clearly distinguish assertions of management from assertions used by the auditor.

- With regard to relevant assertions, make it clear that if an assertion does not have an identified risk of material misstatement, then it is not a relevant assertion.

- Remove examples where it was considered that they did not enhance the standard.

- Clarify that the auditor's identification of risks of material misstatement at the assertion level and assessment of inherent risk may also be influenced by audit evidence obtained by the auditor in performing other risk assessment procedures, further audit procedures or in fulfilling other requirements in the ISAs, with linkage throughout to reinforce this.

- Further clarify and distinguish indirect and direct controls in the t separate components of the entity's system of internal control.

The Board again discussed retaining the stand-back paragraph as well as paragraph 18 of ISA 330. The Board noted that these paragraphs fulfilled different purposes, and therefore agreed to retain both paragraphs. Changes were made, as necessary, to the supporting application material to further clarify the nature of the procedures in relation to these requirements.

Changes were made in the Appendices to conform to other changes that had been made in the revised standard, as well as numerous editorials.

EFFECTIVE DATE

The Board agreed that ISA 315 (Revised 2019) will be effective for audits of financial statements for periods beginning on or after December 15, 2021.

CONFORMING AND CONSEQUENTIAL AMENDMENTS

The Board agreed the threshold for identifying possible misstatements in the application material to 'risk of material misstatement' in ISA 200,[4] by explaining that the identification of risks of material misstatement is based on the auditor's preliminary consideration of misstatements that have a reasonable possibility of both

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

occurring, and being material if they were to occur. Application material has also been updated within ISA 315 to reinforce this.

The Board also agreed to remove the terms 'quantitatively and qualitatively' material as they relate to paragraph 18 of ISA 330, because this is already set out in ISA 320[5] which explains that material relates to both qualitative and quantitative aspects.

The Board broadly supported the conforming and consequential amendments to ISA 200, ISA 240,[6] ISA 330, ISA 540[7] and various other ISAs in the **Supplement to Agenda Item 2-I**, with further changes made to reflect the changes made in finalizing ISA 315 (Revised 2019). No changes were made in respect of the **Supplement to Agenda Item 2-I**.

PIOB OBSERVER REMARKS

Mr. Grund noted the Board members' active participation in expressing their views in the finalization of the standard and the voting process. After querying the due process for the finalization of the standard, he noted his support for the finalization of the standard.

IAASB CAG CHAIR'S REMARKS

Mr. Dalkin noted the support of the CAG for this project and expressed appreciation for the ISA 315 Task Force's response to the CAG's comments and concerns. He highlighted that the focus on fraud in the definition of inherent risk factors, and the linkage between ISA 315 (Revised 2019) and ISA 240 throughout the standard, was well received by the CAG. However, Mr. Dalkin also noted continuing concern by a CAG Representative about the definition of significant risk. Mr. Dalkin broadly supported the finalization of this standard.

DUE PROCESS CONSIDERATIONS

Ms. Campbell confirmed that the ISA 315 Task Force had raised all significant issues with the IAASB, noting that these had been deliberated, and noted that the ISA 315 Task Force had the view that no further consultation (such as roundtables or further consultation with particular stakeholder groups) or field testing was needed. The IAASB agreed that there were no issues raised by respondents to the Exposure Draft that should have been discussed in addition to those summarized by the ISA 315 Task Force. Mr. Botha advised the IAASB that it had adhered to its stated due process in finalizing the revised standard and related conforming and consequential amendments.

APPROVAL

After agreeing all necessary changes, the IAASB approved ISA 315 (Revised 2019) with 15 affirmative votes out of the 18 Board members present. One member abstained from voting.

The Board then approved the related conforming and consequential amendments, with 16 affirmative votes out of the 18 Board members present. Two members abstained from voting.

Ms. Kai thanked the Board and the ISA 315 Task Force for their efforts to address many of her comments. However, Ms. Kai explained that she voted against the standard because she does not believe that the

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[5]   ISA 320, *Materiality in Planning and Performing an Audit*

[6]   ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

[7]   ISA 540, *Auditing Accounting Estimates and Related Disclosures*

Board and the ISA 315 Task Force has addressed the issue of complexity and understandability with the drafting approach in the final standard. Ms. Kai noted that several of the sentences in the requirements were very long, complex and not written in plain English. This drafting approach would also make it difficult to translate to other languages especially where the language structure is different from English. In addition, application materials were very long, which made it difficult for the readers to understand the whole picture of the standard. Therefore, it would likely impact the ability of users of the standard to properly implement the standard which would not be in the public interest.

Mr. Sharko thanked the Board and the ISA 315 Task Force for their efforts to address the matters raised, acknowledging that there were helpful changes made, in particular in the application material. However, he explained that he had voted against the standard because he believed the requirements, as drafted, remained insufficiently clear, in their own right, as to what is expected of the auditor. Mr. Sharko noted that the complexity of the definitions and how they interact with the risk assessment requirements, in particular paragraph 45 had remained confusing and would therefore likely result in inconsistent interpretation in practice. In addition, he explained that, although some matters raised had been addressed, others, such as the purpose of the evaluations related to the components of the system of internal control, still lacked clarity.

Mr. Vanker also thanked the Board and the ISA 315 Task Force for their efforts. He explained that he had abstained from voting because he was unable to reach a conclusion about the process to finalize the standard in light of the many changes that had been made and was therefore unable to reach a conclusion to form a position to vote. He also noted a continuing concern he had about the operability of the standard.

CONSIDERATION OF THE NEED FOR RE-EXPOSURE

Ms. Campbell presented the ISA 315 Task Force's consideration of the need for re-exposure as presented in **Agenda Paper 2-H**. One ISA 315 Task Force member who believed re-exposure was warranted, shared her views, which are also presented in **Agenda Paper 2-H**. Board members expressed various views in support of, and against, re-exposure.

Those board members in favour of re-exposure noted that some of the changes to the standard since the exposure draft were more substantive in nature, including:

- Change in the drafting style of the standard, which results in substantively different understanding and application of the standard.

- Re-wording of the definitions, which may be seen to change the meaning of the definition.

- Introduction of new definitions, such as 'risks arising from IT,' which is a new concept since the exposure draft.

Board members in favour of re-exposure also challenged the ISA 315 Task Force as to whether the revised standard addresses respondents' concerns over scalability, complexity and understandability.

Board members who were against re-exposure noted that the changes made since exposure were more about the presentation of the standard and therefore did not change the meaning of the words (for example words in tables could be read in the same way if there were no tables) or were in response to comments received on exposure. They highlighted that the public interest would not be served by re-exposure as this would delay the important improvements to a foundational standard.

With respect to re-exposure, Mr. Dalkin noted that the CAG was broadly against re-exposure, and that the CAG does not believe it is in the public interest to re-expose.

The IAASB voted against re-exposure, with 13 Board members voting against re-exposure out of the 18 Board members present.

3. International Ethics Standards Board for Accountants (IESBA) Coordination – Fees Proposals

Mr. Botha provided an overview of the proposals by the IESBA Fees Task Force to change the International Code of Ethics for Professional Accountants (Including International Independence Standards) (the IESBA Code) and explained how such changes may affect overlapping requirements within ISAs, as set out in **Agenda Items 3** and **3A.**

COMMUNICATION ABOUT FEE-RELATED INFORMATION AND NON-ASSURANCE SERVICES (NAS) WITH THOSE CHARGED WITH GOVERNANCE

In relation to the communication of fee-related information with those charged with governance, the Board broadly supported the option to align the scope of the requirements in ISA 260 (Revised),[8] i.e. 'listed entities,' with the scope of the proposed changes to the IESBA Code, i.e., 'public interest entities' (PIEs). However, the Board cautioned against following exactly the same position as proposed in the IESBA Code, highlighting that this may lead to unintended consequences, such as different thresholds across the suite of ISAs. Instead, the Board encouraged amendments that are compatible with the IESBA Code.

As an alternative to full alignment and to alleviate the concerns raised, the Board recommended mandating the proposed communication of fee-related information (through ISA 260 (Revised)) for all entities. In its deliberations, the Board further acknowledged that the question of aligning the PIE and listed thresholds represents a pre-existing difference in scope between the IESBA Code and the ISAs. The Board therefore concluded that although alignment is preferred, the option of doing nothing may not necessarily be regarded as negative as practice has evolved to deal with these differences already (i.e., observing the status quo in the context of the pre-existing difference in scope – although different, the IESBA Code and ISAs would still be aligned, and these requirements have been applied together in practice for some time already).

PUBLIC DISCLOSURE OF CERTAIN FEE-RELATED INFORMATION

The Board broadly supported the principle of transparency and how the proposals in relation to the disclosure of certain fee-related information are in the public interest. Furthermore, the Board supported the proposed approach to have flexibility in achieving such transparency, which includes having the auditor's report only as an option for a suitable location for these disclosures. In those instances when the firm considers the auditor's report as the suitable location, the relevant fee-related information should be included in the "Other Reporting Responsibilities" section of the auditor's report in accordance with ISA 700 (Revised).[9]

However, the Board requested the IESBA Fees Task Force to further consider:

- The nature and extent of disclosures relating to non-audit services, noting that the disclosure of one all-inclusive balance may be misleading. From a transparency perspective it was noted that it may be appropriate to encourage the disclosure of the nature of individual services, in particular in circumstances where the performance of such services by another auditor may be impractical.

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[8]   ISA 260 (Revised), *Communication with Those Charged with Governance*

[9]   ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements,* paragraphs 43–45

- Potential differences in the amount of fees disclosed in the financial statements (required by the financial reporting framework or by law or regulation) compared to the amount of the fees as required by the IESBA Code. This may lead to confusion and have unintended consequences.

- Circumstances where the disclosure of fees may contravene confidentiality requirements.

- The group auditor's ability to obtain the relevant fee information from the component auditor(s), in particular where the component auditor may not be in the same network as the group auditor. One Board member also questioned the rationale of including the component auditor's fee in such circumstances, as the component auditor's fee may represent a substantial portion of the total audit fee that does not form part of the group auditor's fee.

PIOB OBSERVER REMARKS

Mr. Grund noted that, from a public interest perspective, the IAASB and the IESBA is seen to be one organization. Mr. Grund therefore encouraged alignment of the '*PIE*' (the IESBA Code) and '*listed*' (ISA) thresholds in relation to the communication of fees to those charged with governance.

4.   Quality Management at the Firm Level – Proposed ISQM 1[10]

Ms. French provided a summary of respondents' feedback on the questions in the ED of ISQM 1 (ED-ISQM 1) that related to the quality management approach, benefits to quality, scalability, the structure of ED-ISQM 1 and the firm's risk assessment process. Ms. French explained the ISQM 1 Task Force's proposals to address respondents' views on these matters and provided feedback on the September 2019 IAASB CAG discussion.

The IAASB highlighted the need for the ISQM 1 Task Force to focus on the following four key areas of concern highlighted by respondents to ED-ISQM 1:

- Scalability;

- Prescriptiveness;

- The diversity of views regarding how to address firms who do not perform audit or assurance engagements and firms with very few partners; and

- Implementation challenges.

The IAASB further noted:

- The commonality of the issues arising on ED-ISQM 1 with other IAASB projects. The IAASB observed the need to address common issues through a collective approach across all projects and acknowledged that the audits of less complex entities (LCE) project is exploring how best to address concerns regarding scalability. Although the direction taken on the LCE project will be relevant to ISQM 1, the IAASB emphasized the need for the ISQM 1 project to continue to progress.

- The need to address respondents' concerns in a manner that continues to achieve the objective of the project, i.e., encouraging proactive management of engagement quality so that firms' systems of quality management are appropriate in their circumstances.

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[10]   Proposed International Standard on Quality Management (ISQM) 1 (Previously International Standard on Quality Control (ISQC) 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

The IAASB encouraged the ISQM 1 Task Force to explore other ways of addressing the four key areas of concern highlighted above, in addition to the proposals outlined in **Agenda Item 4**, for example:

- Adjusting the drafting style of Proposed ISQM 1 in a similar manner as ISA 315 (Revised).

- Critically analyzing Proposed ISQM 1 to identify material that is only relevant on first time implementation and placing such material in a separate implementation guide.

THE COMPONENTS AND STRUCTURE OF PROPOSED ISQM 1

The IAASB supported:

- The concept that the firm's risk assessment process and monitoring and remediation processes are "processes" in nature. The IAASB further agreed that information and communication should be retained as a separate component.

- The proposals to reorder and restructure the standard to reduce complexity and to assist in clarifying the nature of the components and how they interrelate. The Board also suggested that in order to clarify how the components interrelate, the standard could explain how the components differ.

- Clarifying the nature of the components, including introducing new overarching requirements for the firm to establish a risk assessment process and monitoring and remediation process.

However, the IAASB:

- Expressed mixed views about the interrelationship between the firm's risk assessment process and monitoring and remediation process, and whether the firm's risk assessment process is applied to the monitoring and remediation component.

- Noted that within the components there are aspects that address "what needs to be managed" and "how it needs to be managed," and therefore encouraged the ISQM 1 Task Force to be cautious when addressing the different nature of components.

The IAASB also encouraged the ISQM 1 Task Force to clarify that quality management should be integrated into the strategy and operations of the firm and therefore the business processes.

HOW QUALITY OBJECTIVES, QUALITY RISKS AND RESPONSES ARE DEALT WITH IN PROPOSED ISQM 1

The IAASB supported the ISQM 1 Task Force's proposed approach for addressing quality objectives, quality risks and responses, i.e., adjusting the quality objectives to be more high-level, introducing quality risk considerations, and refining the required responses. The IAASB:

- Emphasized the need to retain appropriate robustness in Proposed ISQM 1, particularly in relation to requirements that exist in extant ISQC 1.[11]

- Suggested there is a need to retain the specificity of some quality objectives and therefore not all quality objectives need to be raised to a higher level.

- Highlighted that quality risk considerations are considerations (i.e., not required quality risks), and represent the conditions and events that are relevant to the firm's engagements that could cause

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[11]   ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

quality not to be maintained. The IAASB also indicated the need to be clear that quality risk considerations are based on the nature and circumstances of the firm.

- Noted that as the requirements are developed, there is a need to ensure that they are appropriately enforceable and that documentation expectations are clear.

The IAASB suggested that the quality risk considerations could be used to address scalability concerns by dealing with quality risks associated with different types of engagements.

THE FIRM'S RISK ASSESSMENT PROCESS

The IAASB in general supported:

- The proposal to adjust the requirement in paragraph 26 of ED-ISQM 1, which addresses the establishment of additional quality objectives, to a "consideration" so that it is clearer that additional quality objectives are not required in all circumstances. The IAASB also suggested that if the quality objectives are comprehensive, an alternative approach could be to address how firms may describe the objectives in different ways.

- The ISQM 1 Task Force's proposals to condense the risk identification and assessment process from a two-step process into a single step.

- Addressing the threshold for the identification of quality risks through the definition of "quality risks" and application material.

- Continuing to use the term "reasonable possibility" as a means to describe the threshold for identifying quality risks and removing the reference to "more than remote." The IAASB also:

  o Encouraged the ISQM 1 Task Force to use thresholds and explain them in a manner that is consistent with ISA 315 (Revised).

  o Suggested explaining how reasonable possibility is related to the concept of "acceptably low level," consistent with ISA 315 (Revised).

However, the IAASB emphasized the need to consider the effect of the above changes on the inspectability of the firm's system of quality management and expectations about what firms are required to document.

THE SCOPE OF FIRMS AND SERVICES COVERED BY PROPOSED ISQM 1

The IAASB did not support the proposal for developing separate requirements for firm-level quality management over related service engagements. In particular, the IAASB noted that:

- Proposed ISQM 1 needs to adopt a scalable, principles-based approach, such that it can be applied by firms of varying size and complexity, including those who perform only certain types of engagements. The IAASB suggested that implementation support material could be a mechanism that is used to address firms that only perform related services engagements.

- There is a need to understand the concerns about applying proposed ISQM 1 to related services engagements, and rather address the concerns directly in proposed ISQM 1.

- The LCE project needs to progress further before decisions are made about separate requirements for firm-level quality management over related service engagements.

The IAASB also did not support issuing a survey to obtain stakeholder input on the proposed way forward.

OTHER MATTERS

The IAASB emphasized the need for ongoing outreach with firms and regulators, given that firms have already commenced their implementation activities and regulators are questioning firms' readiness.

IAASB CAG CHAIR'S REMARKS

Mr. Dalkin highlighted the CAG's general concern about the length, complexity and prescriptiveness of proposed ISQM 1, and its application by small and medium practitioners (SMPs). He emphasized the CAG's support for a building block approach and including quality risk considerations.

PIOB OBSERVER REMARKS

Mr. Grund indicated that the objective of proposed ISQM 1 is compliance focused and needs to reflect the achievement of audit quality. Mr. Grund also noted the PIOB's key public interest issues related to this project, i.e., networks, requiring firms to prepare transparency reports and appropriate coordination with IESBA.

WAY FORWARD

The ISQM 1 Task Force will consider the matters raised by the IAASB and will present further proposals on the key issues highlighted by the IAASB and other key aspects of proposed ISQM 1 to the IAASB in December 2019.

5. Quality Management Standards – Effective Date

The Board received an update on the comment letters addressing the proposed effective date of the quality management standards. The Board agreed that they will discuss the proposed effective date again when the standards are finalized.

6. Extended External Reporting (EER) Assurance

Mr. Grabowski provided an overview of the responses to the Consultation Paper *Extended External Reporting (EER) Assurance* (the "CP"). In response to the comments received from respondents, and the EER Task Force's initial proposals to address those comments, the Board highlighted the following for further consideration.

FORM AND STRUCTURE OF THE EER NON-AUTHORITATIVE GUIDANCE

It was noted that it had originally been suggested that the guidance would be issued as an International Auditing Engagement Practice Note (IAEPN). However, recognizing the unique nature of the guidance, it was decided, when the CP was published, to defer the determination of whether an IAEPN or another form of document for the non-authoritative guidance would be the most appropriate form for publication of the guidance. It was noted that there is flexibility and opportunity for innovation in how it might be packaged and presented, including as 'bite size' documents that are electronically available for ease of access. This might assist in addressing respondent concerns about the potential length of the complete guidance.

A suggestion was made that a question could be asked in relation to the exposed document about the appropriate format for the guidance.

FINANCIAL INFORMATION INCLUDED IN EER REPORTS

Two Board Members expressed the need for further guidance on financial information included in EER reports, including on when the engagement should be carried out under ISAE 3000 (Revised)[12] and when it would be more appropriate to perform the engagement under ISAs. Further, it was suggested there could be more focus in the guidance on narrative information relating to any financial information included or referred to in the EER report, such as management commentary.

OTHER ASPECTS OF THE DRAFT PHASE 1 GUIDANCE

Although broadly supportive of the EER Task Force's proposals to address respondents' comments on the draft phase 1 guidance, the Board raised the following matters for further consideration by the EER Task Force in finalizing the combined phase 1 and phase 2 draft guidance for exposure:

- One Board member expressed the view that, notwithstanding respondent feedback, the wording and concepts in the draft phase 1 and phase 2 guidance should not go beyond ISAE 3000 (Revised) and that the guidance needs to provide alternative approaches to avoid giving the impresssion that following the guidance is the only appropriate way to address an identified challenge. While the guidance is needed, it should not imply requirements that are not in ISAE 3000 (Revised).

- One Board member raised a question regarding the reference in respondent comments in the issues paper to the need for 'strong' criteria for narrative information, and whether this implied a step up from the need for suitable criteria as established in ISAE 3000 (Revised).

- It was noted that further guidance is needed on making entity-developed criteria available to intended users to clarify that criteria should ideally be made available to intended users within the EER report and that such criteria should also be identified in the assurance report

- It was noted that certain concepts are being explored in this guidance because they are not, or not fully, addressed in the International Framework for Assurance Engagements or in ISAE 3000 (Revised) This raises a quesiton as to whether the Framework or Standard should be reconsidered. In addition, if there is good feedback on those aspects of the guidance addressing such concepts, then it may not be appropriate to limit the scope of the guidance to EER engagements.

OTHER MATTERS

A Board Member queried whether there had been any comments regarding the need for a pilot test or longer exposure period to allow practitioners to apply the guidance in practice. The involvement of the Project Advisory Panel throughout was noted, including in terms of reviewing the draft guidance.

TIMING AND FURTHER CONSULTATION

A concern was raised by one Board member as to whether the Board would have sufficient time to consider the guidance, given the intent to seek approval of an ED at the December 2019 IAASB meeting. A request was made for early distribution of the papers to allow the Board sufficient time to provide feedback. One Board Member expressed the view that the combined phase 1 and 2 guidance needed to be consulted on, irrespective of the timetable.

IAASB CHAIR REMARKS

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[12] International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

Mr. Seidenstein confirmed that it is proposed that there is to be such a consultation and that the next step is to finalize a consultation paper.

PHASE 2 DRAFT GUIDANCE

Mr. Grabowski presented and asked Board members for their views on the first draft of the phase 2 guidance developed by the EER Task Force.

The IAASB noted the progress made by the EER Task Force, and, in addition to some detailed comments provided to the EER Task Force, highlighted the following matters in relation to the draft guidance for further EER Task Force consideration:

DETERMINING THE SCOPE OF THE ENGAGEMENT

Board members variously noted:

- The guidance on readiness assessments is a good candidate for liaison with IESBA, encouraging that input on the ethical considerations referred to should be obtained.

- It was suggested that the guidance on a rolling program of assurance may benefit from some further consideration to clarify how this would be applied in practice.

- Determining the scope of the engagement is an important topic and the draft guidance received support. It was suggested that further examples on practical application may be helpful and that the guidance could be extended to draw attention to the linkage between the scope determined, acceptance and continuance and relevant considerations in communicating in the assurance report.

- Attention was drawn to a number of aspects of the guidance where there was a need for better alignment with ISAE 3000 (Revised). It was also noted that some of the draft guidance, such as that relating to the exercise of professional skepticism and professional judgment, is more general in nature, rather than specific to EER, and whether it was necessary to retain it.

- It was noted that EER is a very important topic. Developing guidance is making a significant investment for the future, which will become even more important as corporate reporting further evolves.

APPLYING APPROPRIATE SKILLS AND EXERCISING PROFESSIONAL JUDGMENT AND PROFESSIONAL SKEPTICISM

- A question was raised regarding the degree to which the guidance on professional skepticism and professional judgment is already in authoritative documents of the Board. It was also noted that there was a need for practical guidance on applying professional judgment and professional skepticism and the limited guidance on these matters establishes a basis for the examples of the exercise of professional judgment and professional skepticism included throughout the guidance.

OBTAINING EVIDENCE IN RELATION TO NARRATIVE AND FUTURE-ORIENTED INFORMATION

- A question was raised about the suggestion in the guidance that, if a preparer was unwilling to change narrative information that does not result from applying suitable criteria, the information may be considered by the practitioner to be 'other information'. It was also noted that it was not clear on what basis the practitioner could do that. Furthermore, the concept of 'supplementary information,' which is addressed in ISA 700 and ISA 720, is not addressed in ISAE 3000 (Revised). It was suggested that the draft guidance needs to be clarified on both these points and also recommended caution in

introducing ISA concepts into the draft guidance, as some practitioners will not be familiar with the ISAs.

- One Board member expressed a concern regarding the extent to which future-oriented information and, to some extent also narrative information, can be assured even where the preparer has implemented adequate systems to prepare such information. The Board member also noted that where the subject matter information is not all located in one document but rather in a number of documents, which may be accessible in different locations, there may be challenges for a practitioner in clearly identifying the EER report in the assurance report, or for the user in understanding the overall presentation of the EER report or the relationships between its different elements.

WAY FORWARD

Mr. Grabowski expressed the EER Task Force's thanks for the feedback received and indicated that the EER Task Force would consider the matters raised by Board members during the meeting and the detailed additional written comments provided to the EER Task Force. The next step for the EER Task Force would be to prepare a revised draft of the combined Phase 1 and Phase 2 guidance for consideration by the Board, with a view to approval of an exposure draft at the December 2019 IAASB meeting.

7.   Engagement Quality Reviews – Proposed ISQM 2[13]

Mr. Vanker presented an overview of the respondents' feedback on the ED of the proposed ISQM 2 (ED-ISQM 2) and discussed the ISQM 2 Task Force's indicative drafting to address the key issues presented on the scope of engagements subject to an engagement quality (EQ) review, and on matters relating to objectivity and cooling-off period.

SCOPE OF ENGAGEMENTS SUBJECT TO AN EQ REVIEW

The Board generally supported the ISQM 2 Task Force's proposal on the scope of engagements subject to an EQ review but had the following suggestions and observations:

- Noted the importance of retaining a reference to 'public interest' and coordinating with IESBA on how this relates to the definition of PIE in the IESBA Code.

- Requested the ISQM 2 Task Force to clarify the distinction between entities being subject to an EQ review in response to a quality risk versus due to the nature of entity, with a suggestion to converge the relevant requirements with respect to these two categories.

- Suggested further refinements about the recommendation for an EQ review based on the 'nature of the entity.'

OBJECTIVITY AND COOLING-OFF PERIOD

The Board generally supported the ISQM 2 Task Force's proposal to address objectivity and include a cooling-off period in ISQM 2 for individuals moving into the role of EQ reviewer after serving as the engagement partner. However, some Board members did not support a mandatory cooling-off period in ISQM 2 or supported flexibility for firms to develop policies and procedures to determine an appropriate cooling-off period.

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[13]   Proposed ISQM 2, *Engagement Quality Reviews*

While indicating a preference for objectivity and cooling-off period to be addressed in the IESBA Code and applauding the IESBA's willingness to address these matters, Board members:

- Expressed views about whether IESBA's due process would result in changes to the IESBA Code by the expected finalization of the IAASB's quality management standards in June 2020.

- Supported the IAASB moving forward based on the ISQM 2 Task Force's initial recommendations, with a clear understanding of the need for close coordination and cooperation with IESBA on this issue (i.e., to be complementary and not inconsistent).

- Had various suggestions for the proposed wording of the cooling-off requirement in ISQM 2, including extending the cooling-off requirement to all engagements for which an EQ review is required (i.e., not just for listed entities or those required by law and regulation), and to consider whether a cooling-off period should also extend to other individuals in the engagement (e.g., key audit partners).

IAASB CAG CHAIR'S REMARKS

Mr. Dalkin noted that CAG Representatives were supportive of the ISQM 2 Task Force's proposals on the scope of the engagements subject to an EQ review. However, the Representatives had mixed views on objectivity and cooling-off period, including the coverage of its application (i.e., listed entities only or more broadly), but noted support for a cooling-off period requirement in ISQM 2 if not addressed in the IESBA Code.

PIOB OBSERVER REMARKS

Mr. Grund encouraged the IAASB to:

- Resolve concerns over the relationship of the concepts of 'significant public interest' and 'public interest entity' with respect to the scope of engagements subject to an EQ review but was not keen to introduce a new definition with respect to these terms.

- Develop proposals to address objectivity and cooling-off period that are consistent with the IESBA Code.

WAY FORWARD

The ISQM 2 Task Force will consider the comments and plans to present a complete post-ED ISQM 2 at the December 2019 IAASB meeting. The ISQM 2 Task Force will also continue coordinating with IESBA and other IAASB Task Forces as needed.

8. Quality Control at the Engagement Level – Proposed ISA 220 (Revised)[14]

Mrs. Provost provided a high-level overview of the ISA 220 Task Force's initial analysis of the comment letters in response to the ED of proposed ISA 220 (Revised) (ED–220). She also highlighted the interrelated key issues the ISA 220 Task Force identified.

ENGAGEMENT PARTNER'S RESPONSIBILITY FOR AUDIT QUALITY

The Board supported the principle that the engagement partner has overall responsibility for managing and achieving quality on, and for being sufficiently involved in, the engagement. Members generally supported

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[14]   Proposed ISA 220 (Revised), *Quality Control for an Audit of Financial Statements*

the proposed wording changes to clarify paragraph 13 and related application material. In addition to minor comments, members asked the ISA 220 Task Force to consider aligning the wording referring to procedures, tasks or actions the engagement partner must fulfill with the definition of "the auditor" in paragraph 13(d) of ISA 200;

Members cautioned that allowing the assignment of certain procedures, tasks or actions to other engagement team members may be perceived as weakening the general principle of the engagement partner's overall responsibility for quality. Accordingly, the ISA 220 Task Force was asked to reconsider whether the suggested treatment of such requirements in Appendix 6 of **Agenda Item 8** was appropriate in all cases.

Mrs. Provost noted that the ISA 220 Task Force would consider how to address concerns that it was not practical for one person to personally perform all procedures, tasks or actions on audits of entities whose nature and circumstances are more complex. She noted that, even in cases where the engagement partner must fulfil a requirement personally, information from others may be sought in doing so.

ENGAGEMENT TEAM DEFINITION

Mrs. Provost highlighted respondents' comments on the engagement team definition and noted the Monitoring Group members' comments supporting the revised definition in ED-220. She also highlighted that the definition is critical to not only this standard, but also to the ISA 600[15] project and the work of the IESBA.

The Board supported the proposal to retain the current definition in ED-220, including component auditors because the practical challenges respondents identified exist today and are dealt with in practice. Members noted the importance of clarifying, in the definition, that the engagement team includes component auditors.

The Board also highlighted the importance of coordination with the IESBA given that the definition is used by both Boards and would affect how IESBA's independence requirements apply to component auditors, particularly those who are not from the auditor's own network. It was also noted that Implementation Guidance would be needed to explain how the revised standard would work with extant ISA 600.

SCALABILITY

Members were generally supportive of the Task Force's proposals to address scalability for audits of LCEs. It was also suggested that the ISA 220 Task Force consider how each requirement is "upwardly scalable" for audits of larger, more complex entities, and providing examples for audits of both LCEs and larger, more complex entities. The ISA 220 Task Force was also asked to consider how the engagement partner could be informed by other members of the engagement team to make the judgments required by the standard.

OTHER MATTERS

Members asked the ISA 220 Task Force to consider the following matters:

- Whether paragraph 11 of ISA 300[16] is necessary as requiring planning of the nature, timing and extent of the direction, supervision and review of the engagement may become a checklist rather than drive improved behavior. Members suggested a consequential amendment to paragraph 12 of ISA 300 to require documentation of that planning.

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[15]   ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

[16]   ISA 300, *Planning an Audit of Financial Statements*

- The need to clarify what the engagement partner needs to do to depend on the firm's system of quality management.

- Support for clarifying that areas of the audit requiring increased professional judgment also require greater involvement by the engagement partner in directing, supervising and reviewing the work of engagement team members.

- The need to clarify whether the engagement partner in a group audit is responsible for reviewing communications at the statutory audit level as part of fulfilling the requirement in paragraph 20 of ED-220.

- Whether the direction, supervision and review requirements can be better tailored for large audits where the engagement may be supervised via a partner taking responsibility for an area.

IAASB CAG CHAIR'S REMARKS

Mr. Dalkin highlighted the importance of clarifying that the engagement partner is ultimately responsible for quality on the engagement and noted that, realistically, an engagement partner needs to be able to delegate certain work but must take responsibility for the work assigned. He also noted the CAG's support for the engagement team definition including component auditors and that the CAG supported the Task Force thinking strategically about the issue. Mr. Dalkin also noted that the ISA 220 Task Force should continue to focus on keeping the standard principles-based to ensure that the standard does not become too long or complex.

WAY FORWARD

The ISA 220 Task Force will continue to analyze the comment letters and will present its proposals to respond to the comments received to the December 2019 IAASB meeting.

9.   Group Audits – ISA 600

Mr. Jui updated the Board on the work performed by the ISA 600 Task Force since the June 2019 meeting, as presented in **Agenda Items 9**, **9-A**, **9-B** and **9-C**. In addition, he updated the Board on the outreach performed and the feedback received from the CAG. The following sets out the more substantive comments from the Board.

PUBLIC INTEREST ISSUES

The Board supported the key public interest issues as set out by the ISA 600 Task Force in section I of **Agenda Item 9** but asked the ISA 600 Task Force to further consider clarifying that for managing and achieving quality in a group audit, the deployment of sufficient and appropriate resources to perform the engagement is important.

SCOPE AND STRUCTURE OF THE STANDARD

The Board generally supported the ISA 600 Task Force's proposals on the scope and structure of proposed ISA 600 (Revised) as set out in section II of **Agenda Item 9**. With respect to this, the Board asked the ISA 600 Task Force to consider:

- Clarifying the scope of the standard, for example, whether a single-entity that uses a shared service center is in the scope of the standard. There was support for providing examples of whether the

standard would apply in different scenarios in implementation guidance outside of the standard, such as a 'Frequently Asked Questions' (FAQ) document or other Staff publication.

- Clarifying the importance of the group engagement team understanding the special considerations in a group audit related to using the work of a component auditors. In this regard, it was noted that the use of component auditors makes it harder to manage detection risk and therefore the nature and extent of direction, supervision and review is different.

- Clarifying the description of consolidation process. With that regard it was suggested looking at accounting guidance.

- Liaising with the ISA 220 Task Force about the matters to be addressed in ISA 220 (Revised) and special considerations that will be addressed in ISA 600 (Revised).

- Including, in the proposed structure of ISA 600, a section on reporting and that links to the auditor reporting standards.

ACCESS ISSUES

The Board generally supported the ISA 600 Task Force's proposals on access to people and information at the component level as set out in section II of **Agenda Item 9**. With respect to this, the Board asked the ISA 600 Task Force to consider:

- Adding further guidance on how the group engagement team may be able to overcome various access issues. It was also suggested moving this application material to the requirement in paragraph 11b(a) about whether sufficient appropriate audit evidence can reasonably be expected to be obtained.

- Adding further guidance on the implications of access issues on the auditor's report.

- Clarifying the difference between access issues to people and information resulting from restrictions (e.g. by management, component auditors or laws and regulations) versus difficulties (e.g., because of war).

GROUP-WIDE CONTROLS

The Board supported the ISA 600 Task Force's proposal to delete the definition of group-wide controls as described in section III of **Agenda Item 9**. With respect to this, the Board asked the ISA 600 Task Force to consider:

- Clarifying that group engagement teams should look to the enhanced requirements and guidance in ISA 315 (Revised) and also clarifying what the entity's system of internal control would be in the context of a group audit.

- Including guidance that explains the group engagement team's responsibilities regarding controls over group financial reporting, including consolidation, and on controls that are the same across the group or a part of the group.

GROUP ENGAGEMENT PARTNER REVIEW OF OVERALL GROUP AUDIT STRATEGY AND PLAN

The Board supported, as set out by the ISA 600 Task Force in section III of **Agenda Item 9**, amending ISA 300, extending to all audits of financial statements the requirement for engagement partner review of the overall audit strategy and plan.

DRAFTING

With respect to the drafting as presented in **Agenda Item 9-B**, the Board asked the ISA 600 Task Force to further consider:

- In the definition of component auditor, clarifying whether it is possible to request a component auditor to perform review procedures.

- Clarifying that the consolidation process is part of the group's information system as described in ISA 315 (Revised).

- Deleting the reference to 'consolidation process' in paragraph 11B(a) and adding, in paragraph 11B(b), that the engagement partner should adequately understand the special considerations in the context of the group audit engagement.

- Related to paragraph A47C, including guidance about which of the three approaches is appropriate in certain circumstances. It was also suggested to delete this paragraph as it is not aligned with the risk-based approach.

- Clarifying the concept of a 'financially significant' component.

- Changing the header 'Using the Work of Component Auditors' to emphasize direction, supervision and review of component auditors

MATERIALITY

The Board generally supported the ISA 600 Task Force's proposals on materiality considerations in a group audit as set out in section IV of **Agenda Item 9**. With respect to this, the Board asked the ISA 600 Task Force to consider:

- Further explaining the concept of aggregation risk , including the difference between aggregation risk in a single entity audit and a group audit.

- Focusing on aggregation risk instead of component materiality and component performance materiality as the standard no longer requires the identification of significant components.

- The expectations of regulators with respect to the requirements for setting materiality in a group audit

- Academic research that has been performed in this area.

STAND-BACK

The Board generally supported the ISA 600 Task Force's proposals on possible 'stand back' requirements as set out in section IV of **Agenda Item 9**. With respect to this, the Board asked the ISA 600 Task Force to consider:

- Including the proposed application material on whether sufficient work has been done on components that are individually financially significant earlier in the standard as it may be too late to consider this as part of the 'stand-back' requirement.

- Including an additional stand back requirement on whether the group engagement partner has been sufficiently and appropriately involved throughout the engagement.

IAASB CAG Chair's Remarks

Mr. Dalkin agreed with the summary of the CAG discussion.

PIOB Observer Remarks

Mr. Grund agreed with the public interest issues identified.

Way Forward

The ISA 600 Task Force will consider the comments and plans to present a complete draft of proposed ISA 600 (Revised) at the December 2019 meeting. The ISA 600 Task Force will also continue its outreach to key stakeholders and coordinate with IESBA and other IAASB Task Forces as needed.

10.   Strategy and Work Plan

Messrs. Seidenstein and Botha, and Ms. Bahlmann, presented a summary of the respondents' comments on the Consultation Paper,[17] and the subsequent changes that were made to the proposed Strategy for 2020–2023 (the Strategy) and the proposed Work Plan for 2020–2021 (the Work Plan), as included in **Agenda Items 10-A** and **10-B**. They also updated the Board on the feedback received from the IAASB's CAG, who encouraged the Board to further consider how to address drafting in a more standardized way, that will result in standards that are understandable and less prescriptive.

The following sets out the more substantive comments from the Board on the proposed revisions to address the respondent's comments.

Strategy for 2020–2023

The Board acknowledged that he changes that had been proposed were responsive to the respondent's comments to the Strategy and Work Plan consultation. Although the Board generally supported the Steering Committee's proposals for changes to the Strategy, including the strategic objectives, the related strategic actions and the development of the Framework of Activities as set out in **Agenda Item 10-A**, the Board asked the Steering Committee to further consider:

- Clarifying in the Strategy how the strategic objectives are interrelated. It was highlighted that the second and third strategic action support the first strategic action, which was not clear in the document.

- Clarifying how the strategic drivers impact the IAASB's future planned work.

- Elaborating on the Board's actions to address complexity and length within the standards.

- Furthering considering how the Board's activities in relation to technology have been presented.

- With respect to the conflicting views on the project on less complex entities, clarifying that this project may also help to address the complexity in the ISAs though informing the future work of the Board more broadly.

- Including some kind of 'measures of success' so that the Board and its stakeholders can assess how the IAASB has performed against these measures, or how it will be accountable against its planned work, at the end of the strategy period.

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[17]   https://www.ifac.org/publications-resources/proposed-strategy-2020-2023-and-work-plan-2020-2021

- With respect to Appendix 1, including an explanation about how the IAASB will maintain and deepen its connection with the public sector. It was also suggested including collaboration with academics, the International Federations of Accountants' (IFAC) member bodies and liaison activities with the International Valuation Standards Council.

- Providing more detail about the scope of the IAASB's planned implementation activities. In that respect, it was noted that other stakeholders, such as national standard setters and firms, also play an important role in the implementation of standards and it was noted that this should be recognized. With regard to the appropriate period for implementation activities, it was suggested focusing the IAASB's planned implementation activities from 6 to 9 months after approval date of a new or revised standard.

- Clarifying what the basis is for the diagrams in the section on 'Managing Delivery of the Strategy and Work Plan.'

WORK PLAN FOR 2020–2021

The Board generally supported the Steering Committee's proposals on the Work Plan, including the section on the allocation of resources, as set out in **Agenda Item 10-B**. Strong support was also expressed for enhancing the Board's implementation activities, although it was noted that further consideration was needed as to how this was presented to distinguish it from guidance more broadly. However, Board members cautioned that a balance in the planned activities should be maintained, noting that there still had to be an appropriate focus on standard-setting activities. With respect to the Work Plan, the Board asked the Steering Committee to consider:

- Clarifying that the list of possible projects in Appendix 2 are projects that could be considered by the IAASB as a project in the future as it was misleading as presented because it may suggest that all the projects listed may be coming onto the IAASB's agenda. On the list of possible projects in Appendix 2, it was also suggested that only projects that the IAASB will realistically consider should be included, and suggestions were made of other standards that had not been recently updated to be included with higher priority (e.g., ISAE 3400[18] and ISRE 2410[19]).

- On the detailed work plan table clarifying that the 'new project placeholder' could represent more than one project.

With regard to the description of the Framework for Activities, the Steering Committee was further encouraged to broaden the information gathering and research component to include more activities for 'scanning the horizon' for possible new topics. The Board also supported actively pursuing some of the other activities noted (such as limited scope amendments), although with appropriate consideration for due process.

IAASB CAG CHAIR'S REMARKS

Mr. Dalkin agreed with the summary of the CAG discussion, adding that the CAG had also highlighted the importance of acknowledging the Monitoring Group review somewhere in the final documents.

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[18] ISAE 3400, *The Examination of Prospective Financial Information*

[19] International Standards on Review Engagements (ISRE), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

WAY FORWARD

The Steering Committee will consider the comments and will present the final version of the Strategy and Work Plan for approval at the December 2019 meeting.

11. Technology

Mr. Dohrer introduced the session by providing an overview of the '*Technology Workstream Plan*' (TWP) explaining how this plan is distinguished from the '*Audit Evidence Workstream Plan*' (AEWP). Mr. Dohrer also noted the draft non-authoritative '*Frequently Asked Questions Regarding the Use of Automated Tools and Techniques when Identifying and Assessing Risks of Material Misstatement in Accordance with ISA 315 (Revised)*' publication, as included in the **Agenda Item 11–A (for reference)**, and encouraged the Board to provide offline comments, as appropriate.

One Board member asked whether the Technology Working Group (TWG) will address issues associated with the reliability of information in circumstances where the auditor intends to place reliance on an automated tool that was acquired from an external provider. Mr. Dohrer noted that this issue is relevant to all sources of information, whether manual or electronic, and that extant ISA 500[20] only addresses information produced by the entity. Accordingly, this matter is included and addressed in the AEWP as the question around the reliability of information, in these circumstances, is broader than a technology-only question.

Another Board member expressed support for the TWP and asked how the Board may gain access thereto in the interest of transparency. Mr. Dohrer noted that the TWP will be posted to the '*Technology Project Page*' on the IAASB website.

PIOB OBSERVER REMARKS

Mr. Grund expressed support for the development of the TWP in addressing the effect of technology when applying certain aspects of the ISAs.

WAY FORWARD

The TWG will continue to focus on the development of non-authoritative guidance as set out in the TWP and report back to the Board on a regular basis.

12. Audit Evidence

Mr. Dohrer introduced the session by providing an overview of the AEWP and specifically noted the overarching objective to develop informed recommendations to the Board on possible further actions to address audit-evidence-related issues when applying the ISAs.

One Board member noted the IFAC survey that is being conducted to explore challenges in applying the ISAs in audits of less complex entities, further noting that more than one thousand responses were received

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[20]   ISA 500, *Audit Evidence*

to date. Given the high response rate, the Board member encouraged the Audit Evidence Working Group to consider similar survey techniques in soliciting input from stakeholders.

Another Board member noted the Public Company Accounting Oversight Board's (PCAOB) Audit Evidence standard[21] and emphasized the need for harmonious standards across various standard setters. The Board member therefore encouraged coordination efforts with the PCAOB in relation to the Audit Evidence Working Group's audit evidence information gathering and outreach activities.

PIOB OBSERVER REMARKS

Mr. Grund encouraged the IAASB to address technology as one of the key factors that drive audit evidence issues.

WAY FORWARD

The Audit Evidence Working Group will commence its information gathering and outreach activities in the fourth quarter of 2019 and intends to provide feedback to the IAASB at its meeting in June 2020.

13. IAASB CAG Chair's Closing Remarks

Mr. Dalkin thanked the various Task Forces and Task Force Chairs for their work and acknowledged the presentation of the views of the CAG representatives from the previous week's CAG meeting. Mr. Dalkin noted his appreciation the recognition of the CAG Representative's views, highlighting that this would assist in setting standards that are in the public interest.

14. PIOB Observer Closing Remarks

Mr. Grund acknowledged the leadership of Mr. Seidenstein at his first meeting, highlighting the intensity of the debate, in particular in finalizing ISA 315 (Revised). He further acknowledged the contributions from all Board members during the week.

15. Closing

The minutes of the June 2019 IAASB meeting and the teleconference held on August 1, and August 27, 2019 were approved as presented.

Mr. Seidenstein thanked the IAASB members, technical advisors and IAASB Staff and closed the public session of the meeting.

16. Next Meeting

The planned Board teleconference on November 7, 2019 is confirmed, with the topic being EER Assurance. The next physical IAASB meeting will be held in New York, United States of America, from December 9–13, 2019.

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[21]   Auditing Standard No. 15 of the PCAOB, *Audit Evidence*