

Summary of Key Take-aways

IAASB FRAUD AND GOING CONCERN ROUNDTABLES

September and October 2020

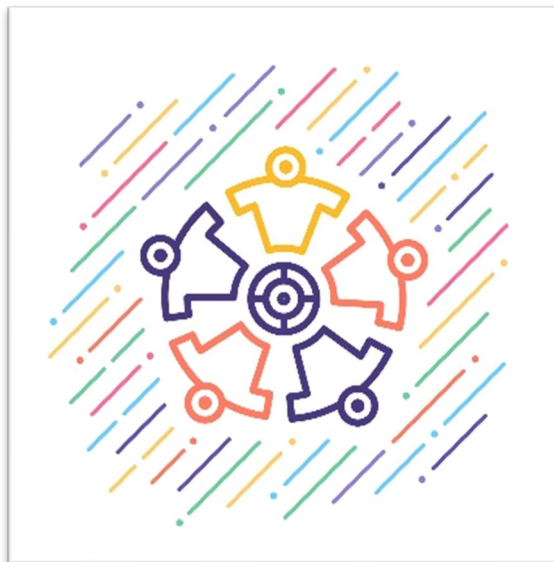


Prepared by Staff of the IAASB (November 2020)

Introduction

Serving the public interest is core to the IAASB's mission. Our new initiatives to address issues and challenges related to fraud and going concern in audits of financial statements respond to the significant questions raised regarding the role of auditors in these areas. Our work to identify the challenges, issues, and appropriate responses related to going concern and fraud will touch upon many aspects.

In September 2020, the IAASB published a [Discussion Paper](#), focused on fraud and going concern, which sets out the issues and challenges related to the expectation gap (the difference between what users of the financial statements expect and the financial statement audit) and explores some possible actions that the IAASB could undertake to help narrow the expectation gap. Comments are due from respondents on **February 1, 2021** (this has been extended from January 12, 2021).



In addition, as part of our efforts, the IAASB recently held 3 roundtables to further discuss specific aspects of the issues and challenges related to fraud and going concern. Discussions included:

Technology (held on 1 September 2020)

- How technology facilitates the perpetration of fraud;
- How technology is used in financial statement audits; and
- How technology is used in forensic audits, and whether there are any aspects of this that may be helpful for the purpose of a financial statement audit.

Participants included forensic auditors, financial statement auditors, fraud audit methodology experts, third party audit solution companies, regulators, academics, and public sector representatives – see **Appendix 1** for list of participants.

Expectation Gap (held on 28 September 2020)

- What is expected of auditors in relation to fraud and going concern in audits of financial statements;
- Perspectives on how the expectation gap may be narrowed in order to inform any future actions by the IAASB; and
- Views on possible IAASB actions to address issues and challenges with regard to fraud and going concern.

Participants included investors, analysts, corporate governance experts, audit firms, academics, regulators, public sector representatives, and select others – see **Appendix 2** for list of participants.

Focus on Fraud and Going Concern in Less Complex Entities (held on 7 October 2020)

- If, and how, the nature of fraud perpetrated in LCEs is different from more complex entities, including identifying risk factors that may be specific to LCEs in the context of an audit;
- What factors or characteristics are specific to LCEs in considering an entity's ability to continue as a going concern;
- Which requirements related to fraud and going concern are particularly challenging to apply for LCEs and why; and
- How audit procedures performed in audits of LCEs may be executed differently from audits of more complex entities.

Participants included auditors, audit methodology experts, and representatives of third-party audit solution companies and professional accountancy bodies – see **Appendix 3** for list of participants.

Would You Like to Hear the Discussions?

The full recording of the sessions and the individual breakout sessions can be found at the links below:

- [Fraud Technology Roundtable](#)
- [Expectation Gap Roundtable](#)
- [Fraud and Going Concern Procedures in Less Complex Entities Roundtable](#)

The original cover notes and agendas provided to participants, including the list of discussion questions for each roundtable, can be accessed on the [IAASB Fraud Project Page](#) and the [IAASB Going Concern Project Page](#).




What Did We Hear - Key Take-Aways

This document summarizes key themes and insights from the discussions. The views expressed herein are not views of the IAASB, but rather views that were expressed by roundtable participants. The IAASB has not reached any conclusions regarding the topics below. We will use this feedback to help inform possible future actions on the topics of fraud and going concern.

Technology

How Technology is Used to Perpetrate Fraud

Theme	Details
Fraud schemes have become more sophisticated over the last 20 years, which is partially attributable to advances in technology.	<ul style="list-style-type: none">• While the nature of many frauds committed today have not significantly changed (e.g., invoice and check tampering), as technology evolves, fraudsters are using more sophisticated means to commit those frauds.• Artificial intelligence (AI), robotic processing automation (RPA) and other forms of advanced technology can help detect fraud, but fraudsters can also use them to perpetrate fraud.

	<ul style="list-style-type: none"> • The introduction of advanced technologies, such as AI or RPA, and the subsequent impact on internal controls may make companies more vulnerable to fraud. For example, the use of AI or RPA may reduce the number of employees necessary to perform tasks, which may cause issues related to lack of segregation of duties. • Fraudsters will disregard relevant regulations when implementing technology and, as such, have greater flexibility in applying it to perpetrate fraud. • Technological tools used by fraudsters may be specifically designed to evade detection. • Cybersecurity and data security are increasingly important topics in today's environment due to the rise in cybercrime, which can exploit weaknesses in a system of internal control and cause severe reputational damage.
<p>With the COVID-19 pandemic, new opportunities to commit fraud have arisen.</p>	<ul style="list-style-type: none"> • In the COVID-19 pandemic environment, the increased level of remote-work and working in a virtual environment have raised the risk of cybercrime. • Companies have shifted to new communication and collaboration platforms and technologies (e.g., different data processing, increasing use of mobile applications, teleworking), which, given the rapid timeline of events, exposes companies to an increased risk of fraud if internal controls are not appropriately designed and operating. • In the current economic environment, remote working and increased workforce reductions have impacted the internal controls and control environment of many entities. For example, physical segregation of duties may no longer be possible, or people without adequate knowledge or experience may be stepping in to perform controls once performed by others. This may expose the company to increased risk of fraud. • Increased use of online shopping and e-commerce, along with the digitalization of businesses in the current environment enables increased opportunities to commit fraud. 

Technology Used by Financial Statement Auditors

Theme	Details
Data extraction and analytics are common types of technology used today for fraud-related procedures in financial statement audits, with other emerging technologies on the way.	<ul style="list-style-type: none"> • Today, financial statement auditors often leverage data extraction and analytic technology to assist in obtaining an understanding of many aspects of the business, for example, to test the population of journal entries in accordance with International Standard on Auditing (ISA) 240.¹ • While computer-assisted audit techniques (CAATs)² have been used on audits for years, many audit firms now have more advanced tools that allow for more sophisticated visualization of entire populations of journal entries that can be performed directly by auditors rather than by data specialists. • With these new tools, auditors are able to more effectively profile the journal entries and target populations to test based on certain risk characteristics (e.g., unusual or seldom-used accounts, entries with a debit to revenue, key word searches, duplicate entries, etc.). • AI and machine learning algorithms can provide auditors with opportunities to review an entire population for anomalies.
There are benefits for using advanced technologies financial statement audits.	<ul style="list-style-type: none"> • Auditors can obtain deeper insights through analysis of large sets of client data. • Auditors are able to target their audit procedures more effectively to test areas with characteristics of higher risk. • Once the technology is in place, auditors can perform procedures faster and more efficiently across many audits and can also run the analysis more frequently as needed or desired (e.g., quarterly instead of annually, thereby increasing effectiveness).
There are challenges associated with advanced technologies used in financial statement audits.	<ul style="list-style-type: none"> • Obtaining data from the entity, particularly from larger entities that operate in a decentralized manner (e.g., numerous components and systems), can be challenging. • In some cases, it may be difficult to reconcile information from client systems and verify completeness and accuracy of the data. • The accessibility of data and information from outside of the entity is increasing. This can create challenges for the auditor to determine the relevance and reliability of the information, and therefore it can be difficult

¹ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

² "Computer-assisted audit techniques" is a defined term in the Glossary of Terms contained in the IAASB *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*. However, in recent IAASB standard-setting projects and non-authoritative materials, the IAASB instead uses the term "Automated tools and techniques" which is viewed as broader and more encapsulating of the types of technologies being used in audits of financial statements.


Theme	Details
	<p>to determine what is confirmatory and what is contradictory audit evidence.</p> <ul style="list-style-type: none"> • Specific to technology used for journal entry testing, due to differences in IT system formats, it is sometimes difficult to isolate manual journal entries from automated journal entries. • Automated tools and techniques provide many useful insights that were not previously available to auditors, but it is difficult to use the insights obtained from data analysis if it does not meet the requirements for audit evidence as described in ISA 500. • Not all audit firms have access to the same technological resources, and some participants questioned if some of these tools would be effective in less complex audits.
While technology offers useful tools, it does not replace the human element of an audit.	<ul style="list-style-type: none"> • Technology can help identify anomalies and ‘red flags’ that require further investigation. However, technology cannot replace professional judgment and professional skepticism that is necessary for auditors to undertake their work and draw conclusions.

Technology Used in Forensic Audits

Theme	Details
Forensic audits differ from financial statement audits.	<ul style="list-style-type: none"> • In a financial statement audit, the role of the auditor is to identify risks of material misstatement arising from error or fraud. The purpose of a forensic audit is generally to investigate suspected or known fraud (i.e., a targeted examination focused on, for example, gathering evidence for legal proceedings). Accordingly, the objective, depth and breadth of the work of forensic auditors is different to that of a financial statement audit. • The mindset, questions and interview techniques of a forensic auditor are different to that of a financial statement auditor. Forensic auditors hone in on a very specific set of known or suspected circumstances.
Forensic auditors use similar types of advanced technologies as financial statement auditors and use some additional types of technologies used as well.	<ul style="list-style-type: none"> • Forensic auditors use similar tools (e.g., data analytics) to perform quantitative and qualitative analysis, but often draw upon different data sets than what may be used in financial statement audits, such as operational data or tax data. • AI and machine learning algorithms provide forensic auditors with opportunities to review an entire population for anomalies. • Predictive coding is also used by forensic auditors to automatically review large volumes of documents (for example, for purposes of E-discovery, where forensic auditors review large volumes of emails, instant messaging chats, mobile phone logs, etc.).

Theme	Details
There are challenges when using advanced technologies in forensic audits.	<ul style="list-style-type: none"> Similar to financial statement audits, determination of the completeness and accuracy of the data that is used can be challenging.
While technology offers useful tools, it does not replace the human element of a forensic audit.	<ul style="list-style-type: none"> Similar to financial statement audits, technology can help identify anomalies and 'red flags' that require further investigation. However, technology cannot replace professional judgment and professional skepticism that is necessary for auditors to undertake their work and draw conclusions.

Expectation Gap

Theme	Details
The 'expectation gap' related to fraud and going concern will not be narrowed by standard-setting alone—it will require efforts from all participants in the financial reporting ecosystem.	<ul style="list-style-type: none"> Audit committees, those charged with governance, management, internal audit, regulators, governments, investors and others all have a role to play in helping to narrow the expectation gap related to fraud and going concern. The role of users (i.e., investors) should be further considered and their needs understood – i.e., what are their expectations (e.g., in some jurisdictions the use of proxy advisors has been increasing and this may impact the informational needs of users). Certain changes in the auditing standards will need to be considered in tandem with the relevant responsibilities of management (i.e., changes to the applicable accounting framework may be needed before certain changes can be made to the auditing standards). It was acknowledged that in some audit failures, the auditing standards were sufficient but auditors did not apply them properly. 
While there is some overlap, the primary underlying causes of the expectation gap related to fraud and the expectation gap related to going concern are different in nature and should be considered separately.	<ul style="list-style-type: none"> With regard to going concern, there is an inherent uncertainty in considering future events, and all stakeholders experience that uncertainty (management, those charged with governance, auditors, investors, etc.). However, with regard to fraud, the inherent uncertainty discussed in the point above does not necessarily exist for all stakeholders – those involved in perpetrating the fraud have different information and incentives than those who are not involved (e.g., management may know the “full story,” but auditors may not).

<p>The expectation gap related to fraud and going concern, respectively, can each be attributed to various elements of a knowledge gap, a performance gap, and an evolution gap. There were mixed views as to which elements more prominently drive the respective expectation gap.</p>	<ul style="list-style-type: none"> Based on views expressed in the roundtable, the expectation gap related to going concern tends to be perceived as more heavily driven by a knowledge gap, while the expectation gap related to fraud was perceived as more heavily influenced by the performance and evolution gaps. There is opportunity for auditors to do more related to fraud. High-profile fraud cases are often not identified by auditors, but by others (for example, short sellers or whistleblowers).
<p>It was highlighted that the auditor's procedures are meant to address 'error and fraud' but many of the procedures undertaken focused on finding material misstatements arising from 'errors.'</p>	<ul style="list-style-type: none"> Fraud procedures sometimes appeared to be an "add-on" and there was insufficient focus by auditors on procedures targeted at identifying fraud in some cases.
<p>Auditing standards related to fraud and going concern may not require a transformational overhaul of the standards but may instead require modernization and targeted updates within each standard.</p>	<ul style="list-style-type: none"> Views were expressed that the auditing standards related to fraud and going concern include relevant and necessary procedures, and the core principles may not need to change. However, there are incremental procedures or targeted changes that may be considered to help enhance the standards, such as: <ul style="list-style-type: none"> <i>Fraud:</i> <ul style="list-style-type: none"> More robust requirements around testing controls when performing procedures related to fraud identification and assessment. Requiring a more robust discussion about the fraud risk factors that are relevant to the nature and circumstances of the engagement. <i>Going Concern:</i> <ul style="list-style-type: none"> Consideration for targeted work in respect of management's assertions about the financial health of the company (e.g., viability statements). <i>Both Fraud and Going Concern:</i> <ul style="list-style-type: none"> Encouragement by some for a move towards a more suspicious or doubtful mindset as opposed to a neutral mindset. However, other participants cautioned the need to also consider how this may impact the auditor-client relationship. More robust requirements to encourage auditors to exercise enhanced professional skepticism when undertaking procedures on fraud and going concern.

	<ul style="list-style-type: none"> ▪ More use of technology was encouraged. ▪ Introduction of a stand-back requirement to emphasize that auditors must consider cumulative audit evidence obtained in formulating their conclusions. <p><i>This list of possible procedures is not exhaustive but highlights some of the ideas that were discussed.</i></p> <ul style="list-style-type: none"> • Possible future changes to the auditing standards may need to be supplemented by other actions (by the IAASB and others) to help ensure proper implementation of the standards.
It was noted that a financial statement audit should not be expanded to be forensic in nature, but there may be a role for forensic-type procedures or mindsets in various stages of the audit, such as planning or high-level analytic procedures.	<ul style="list-style-type: none"> • It may be beneficial to incorporate forensic-type procedures in various stages of the audit (e.g., forensic interview skills when performing inquiries with management). • It may be beneficial to consider requiring forensic-type procedures but only in certain circumstances or in audits of certain types of entities. • There was, however, a caution as to maintaining balance, scalability, and proportionality in the procedures required given the scope and purpose of an audit.
The importance of robust two-way communication between the auditor and those charged with governance was highlighted.	<ul style="list-style-type: none"> • More robust two-way communication between the auditor and those charged with governance on the topics of fraud and going concern was encouraged. • More effective engagement between these parties would help inform auditors and those charged with governance so that they may better challenge management.
Participants highlighted the need for more information with regard to the broader risks of the entity.	<ul style="list-style-type: none"> • More information about broader entity risks in the front end of the annual report and in the financial statements is needed (e.g., in management's discussion and analysis), with further description about how those risks have impacted the audit of the financial statements.
Participants called for more bespoke information to be disclosed by the auditor in the auditor's report with regard to the work performed and findings in respect of fraud and going concern.	<ul style="list-style-type: none"> • The need to maintain balance as to how much information is disclosed was emphasized; the information must remain meaningful. • Greater transparency in the auditor's report would likely lead to different behaviors. For example, greater transparency can lead to higher accountability pressure as managers may expect their judgments to be scrutinized more comprehensively. • Greater transparency may also help demonstrate the value of an audit.
Some participants questioned how much more could be changed in the auditing standards without changes to the applicable financial reporting framework.	<ul style="list-style-type: none"> • It was highlighted that accounting standard setters and other stakeholders should drive increased transparency in management's disclosures in respect of going concern in the first instance.

<p>It was noted that the role of the auditor may be misunderstood in some cases – the expectation of what the auditor does in relation to fraud and going concern needs to be better understood by all.</p>	<ul style="list-style-type: none"> • Users of the financial statements need to be better informed about management's and the auditor's responsibilities, respectively, with regard to both fraud and going concern. • With regard to the expectation gap related to going concern, some participants emphasized that auditors cannot be responsible for 'predicting the future.' • It was noted that the auditor's role is to test the reliability of management's assessment and the assumptions used. Investors then use that information to make a judgment as to the future prospects of the entity.
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Focus on Fraud and Going Concern in Less Complex Entities (LCEs)

Nature of Fraud Perpetrated in LCEs

Theme	Details
<p>While both types of fraud are committed in LCEs, fraud related to misappropriation of assets is more commonly seen in practice in LCEs than financial reporting fraud.</p>	<ul style="list-style-type: none"> • Generally, misappropriation of assets is more commonly seen in practice, however, those types of frauds generally have less of a financial impact than financial reporting fraud.
<p>Certain fraud risk factors may be more prevalent in LCEs because pressures, opportunities, and rationalizations are different as compared to more complex entities.</p>	<ul style="list-style-type: none"> • Fraud is not unique to LCEs, but the circumstances giving rise to fraud may be. The following points were discussed related to each component of the fraud triangle: <u>Opportunities</u> <ul style="list-style-type: none"> • LCEs often have less anti-fraud controls (e.g. whistleblower hotlines, internal audit function, etc.). They also typically have less employees and therefore less segregation of duties. As such, there may be greater opportunity to commit fraud than in more complex entities. <u>Pressures/Incentives</u> <ul style="list-style-type: none"> • Owner-managers may have different pressures than management of more complex entities. • For example, in LCEs, owner-managers may feel pressure to understate revenue in order to reduce tax liabilities (as compared to more complex entities, where earnings may be tied to performance metrics and the resulting incentive is to overstate revenue). • In other cases, there may be pressure to renew, or obtain additional, financing from stakeholders and therefore there may be pressure to overstate revenue in order to demonstrate profitability and long-term viability.

	<p><u>Rationalization</u></p> <ul style="list-style-type: none"> Owners of LCEs often take a lot of pride in their companies and in their employees as they may have started the company from the ground up. Therefore, if the company is going through a difficult time, they may rationalize the perpetration of fraud to help the company survive.
Similarly, certain fraud risk factors may be less prevalent in LCEs as compared to more complex entities.	<ul style="list-style-type: none"> For example, certain characteristics that may indicate fraudulent activities, such as journal entries posted outside normal business hours, may be normal operating practices for certain LCEs.
Frauds may be perpetrated by trusted employees.	<ul style="list-style-type: none"> Often the owner-manager of an LCE may place a lot of reliance on the bookkeeper or company accountant, with whom they may also have a close relationship. As a consequence, that individual may have significant history and multiple roles in the company, with little segregation of duties, giving them greater opportunity to commit fraud. Fraud in LCEs may therefore be concealed for many years through exploitation of trust by an employee(s).
The link between fraud and going concern in LCE's is not strong enough.	<ul style="list-style-type: none"> The link between third party fraud and going concern is also not robust enough.
There is not enough distinction between fraud within the entity and frauds perpetrated by third parties.	<ul style="list-style-type: none"> While some frauds may seem to be non-material when first identified, further investigation may reveal more complicated and material fraud schemes involving people inside the entity and/or third-parties (i.e., the non-material fraud may just be the "tip of the iceberg" in an environment that fosters fraudulent behavior).

Procedures Related to Fraud in Audits of LCEs

Theme	Details
Participants questioned whether the minimum requirements in ISA 240 are appropriate in all circumstances for LCEs.	<ul style="list-style-type: none"> While it was acknowledged that certain procedures should be required to ensure an appropriate focus on fraud, the procedures currently required in the standard may not be as effective in all circumstances for LCEs. For example, in certain audits of LCEs, there are so few journal entries throughout the year that all journal entries may have already been captured in other audit procedures. In those circumstances, performing additional journal entry testing to fulfill the requirements of ISA 240 may not be the most effective way to respond to the risk of management override of controls. 

Theme	Details
It was noted that it may be effective to require that auditors of LCEs apply more forensic type interview skills when performing inquiries of management.	<ul style="list-style-type: none"> • It may be beneficial to incorporate forensic-type procedures in various stages of the audit (e.g., forensic interview skills when performing inquiries of management). • There is a need to maintain balance, scalability and proportionality in the procedures required for the purpose of an audit.
The responsibilities of the auditor with regard to fraud may need to be more clearly emphasized.	<ul style="list-style-type: none"> • An auditor conducting an audit in accordance with ISAs is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, in practice, auditors spend most of their time on procedures to identify material misstatements due to error. • The responsibilities of the auditor with regard to fraud and the procedures the auditor is required to perform in relation to fraud for the purpose of an audit may need to be clarified to stakeholders.
The requirement to incorporate unpredictability in the selection of the nature, timing and extent of audit procedures can be difficult to apply in audits of LCEs.	<ul style="list-style-type: none"> • The notion of unpredictability is important in audits of all entities but can be difficult in audits of smaller entities where procedures are already performed in most or all areas of the financial statements. • Additional guidance focused on less complex circumstances in this area may be useful.

Going Concern Considerations

Theme	Details
Often, managers of LCEs do not prepare any formal forecast or going concern assessment.	<ul style="list-style-type: none"> • Even if management prepares formal forecasts, there is often a lack of comparable information to assess reasonableness of assumptions used in going concern assessments. Participants acknowledged this is not necessarily specific to LCEs. • These circumstances make it difficult to assess reasonableness and feasibility of management's plans.
Often, LCEs operate with less formality and regularity than more complex entities.	<ul style="list-style-type: none"> • For example, entities may extract money from the business on an as-needed basis, and therefore it may be difficult to predict purpose, timing and amounts from a cash flow perspective for purposes of assessing going concern.
There are often key person dependencies where the business depends heavily on the skills of certain individuals.	<ul style="list-style-type: none"> • Key person dependencies often exist in LCEs which results in increased pressure on one or a few people to maintain the company's survival. For example, a long-term or sudden health issue of key management could bankrupt a company if there are no feasible successors or succession plans.

Procedures Related to Going Concern in Audits of LCEs

Theme	Details
The absence of formal forecasts or assessments related to going concern makes it difficult for the auditor to perform the procedures required by ISA 570 (Revised).	<ul style="list-style-type: none"> Auditors often place reliance on the knowledge of the owner-manager and on management representations. Informality of an LCE's environment often makes it challenging to apply certain required procedures.
Where the survival of the company depends on the owner-manager or a related party, it can be difficult to verify that they have the capacity and willingness to continue to fund the company in difficult times.	<ul style="list-style-type: none"> Since auditors typically do not perform audits of the individuals who provide funding (for example, an owner-manager's entire personal financial circumstances are not within audit scope), the ability of the auditor to obtain evidence on the ongoing or future financial support can be challenging to determine. One participant suggested there be a requirement to assess the party's performance relative to past commitments.
Participants suggested it may be useful to consider if there is a "middle ground" that can be disclosed in the auditor's report to explain particular circumstances without raising serious concerns as to the entity's ability to continue as a going concern.	<ul style="list-style-type: none"> There is a lack of understanding of what a 'material uncertainty' is, and differences in the level of detail provided in the applicable accounting framework and the auditing standards may cause management and auditors to disagree on when a material uncertainty exists. Stakeholders often perceive transparent disclosures about going concern circumstances as 'red flags,' which puts pressure on management. For example, if a not-for-profit entity is completely dependent on charitable contributions from a particular third-party and those contributions have always been made in past years, there may not be a going concern issue, but the long term viability of the entity is completely dependent on a third party. The auditor may disclose this as a going concern issue in accordance with the ISAs, and stakeholders may view this in a highly negative light (as opposed to being constructive from a transparency perspective). There is no way of describing those instances when an owner-manager has a 'choice' about keeping the entity continuing as a going concern (i.e., when the owner-manager 'steps away,' the business also ceases).



Theme	Details
Auditors are required to assess management's going concern assessment which should cover at least twelve months from the date of the financial statements. However, auditor's reports of LCEs may not be signed until much later, sometimes 9-10 months past the date of the financial statements (or even longer).	<ul style="list-style-type: none"> Additional emphasis may be needed in ISA 570 (Revised) to require that auditors consider an extended period in situations where the auditor's report is issued much later than the date of the financial statements.

Other Matters Raised

- Standards must only be updated as needed if evidence and research indicate that updates are needed to address the root cause of recent issues.
- Since ISA 240 was last updated, there may be other areas that auditors need to focus on. For example, a participant mentioned that consideration may be given towards whether auditors should do more to confirm an entity's business relationships.
- It was noted that it would be helpful if the profession would look at 'the whole picture' in terms of corporate failures, analyze past frauds and determine whether technology could have helped identify those issues.
- One idea for improvement as a profession is development of a public database of fraud cases where characteristics could be studied and used (through machine learning, for example) to strengthen audit technologies, making them more predictive and forward-looking.
- Regardless of the technology employed by audit firms or entities, it is essential that entities appropriately design a control environment that mitigates the risk of material misstatement of fraud.

Way Forward

The insights from the IAASB's 3 roundtables will be considered together with input from the IAASB's Discussion Paper, [Fraud and Going Concern in an Audit of Financial Statements: Exploring the Differences Between the Public Perceptions About the Role of the Auditor and the Auditor's Responsibilities in a Financial Statement Audit](#) and other outreach and information gathering activities to determine possible further actions to address the challenges and issues that have been identified. It is expected that the IAASB will determine these actions in 2021, with projects to undertake those actions thereafter.

For further information on the IAASB's other information-gathering efforts related to fraud and going concern in an audit of financial statements, refer to the [IAASB Fraud Project Page](#) and the [IAASB Going Concern Project Page](#).

APPENDIX 1:

PARTICIPANTS – FRAUD TECHNOLOGY ROUNDTABLE

Moderator: Fiona Campbell, IAASB Deputy Chair

#	Participant Name	Country	Details
1	Professor Ann Vanstraelen	The Netherlands	Professor of Accounting and Assurance Services at Maastricht University
2	Professor Miklos A. Vasarhelyi	United States	KPMG Distinguished Professor of Accounting Information Systems at Rutgers University
3	Kelly Devine	United States	Managing Director, Global Emerging Technology Standards at EY
4	Sandy Herrygers	United States	Risk and Financial Advisory Partner, Global Assurance Leader, Deloitte
5	Naoto Ichihara	Japan	Partner, AI Lab Leader, Assurance Innovation, Ernst & Young ShinNihon LLC
6	Matt Campbell	United Kingdom	Head of Audit Technology, KPMG in the UK
7	Steph Ronander	South Africa	Chair of IRBA Fraud Task Group – South African Staff Audit Practice Alert on Fraud Considerations
8	Wayne Basford	Australia	Audit & Assurance Partner, BDO in Perth, Australia
9	Alexander Geschonneck	Germany	Partner in Forensic practice at KPMG in Germany
10	Lynn Correia	Canada	Partner, Forensic, Financial Crime at Deloitte Canada
11	Fran Marwood	United Kingdom	Forensics Partner, PwC United Kingdom
12	Paul Pu	China	Head of Forensic, KPMG in China
13	Roger Darvall-Stevens	Australia	National Head of Fraud & Forensic Services, RSM Australia
14	Gregg Ruthman	Canada	Principal for Auditor General of Canada
15	Laura Hough	United Kingdom	Senior Manager - Forensics at BDO and Former CIPFA Head of Counter Fraud Policy and Strategy
16	Lucy Wang	United States	Center for Audit Quality Senior Manager, Anti-Fraud Initiatives
17	Julia Walsh	United Kingdom	Senior IT Audit Inspector, FRC Supervision Division
18	Brian Fox	United States	Vice President of Strategic Partnerships at Thomson Reuters, President & Founder of Confirmation
19	Eli Fathi	Canada	CEO, Mindbridge Ai
20	Mark Edmondson	United Kingdom	President & CEO, Inflo
21	Kae Kunishima	Japan	Deputy Director, Corporate Accounting and Disclosure Division, Policy and Markets Bureau, Japan FSA
22	Sarah Coulson	Canada	Industry Strategist at Caseware International Inc.
23	Martijn Duffels	Netherlands	Chair - Standards Coordination Working Group, IFIAR
24	David Lyford-Smith	United States	Technical Manager, ICAEW

Summary of Key Take-aways
IAASB Fraud and Going Concern Roundtables (September / October 2020)

#	Official Observer Name	Country	Details
1	James Barbour	United Kingdom	IESBA Technical Advisor
2	Ken Siong	Global	IESBA Senior Technical Director
3	Kam Leung	Global	IESBA Principal
4	Claudia Deodati	Global	Director of Oversight, Public Interest Oversight Board
5	Markus Grund	Global	Member, Public Interest Oversight Board
6	Nerea Lastras	Global	Oversight Advisor, Public Interest Oversight Board
7	Barbara Vanich	United States	Deputy Chief Auditor, PCAOB
8	Donny Shimamoto	United States	IFAC Technology Advisory Group
9	Aileen Pierce	Ireland	Member, Public Interest Oversight Board
10	Robert Buchanan	New Zealand	Member, Public Interest Oversight Board
11	Jane Diplock	Singapore	Singapore Exchange Limited, IIRC, PIOB
12	Yuri Zwick	United States	Center for Audit Quality (CAQ) Professional Practice Fellow
#	IAASB Members and Staff Observers	Country	Details
1	Tom Seidenstein	Global	IAASB Chair
2	Fiona Campbell	United States	IAASB Deputy Chair
3	Bob Dohrer	United States	IAASB Member
4	Len Jui	China	IAASB Member
5	Imran Vanker	South Africa	IAASB Member
6	Josephine Jackson	United Kingdom	IAASB Member
7	Sachiko Kai	Japan	IAASB Member
8	Fabien Cerutti	France	IAASB Technical Advisor
9	Willie Botha	Global	IAASB Technical Director
10	Beverley Bahlmann	Global	IAASB Deputy Director
11	Brett James	Global	IAASB Deputy Director
12	Natalie Klonaridis	Global	IAASB Principal
13	Yvonne Chan	Global	IAASB Manager
14	Hanken Talatala	Global	IAASB Manager
15	Angela Donnelly	Global	IAASB Staff Fellow
16	James Gunn	Global	Managing Director, Professional Standards, IAASB IESBA IAESB IPSASB

APPENDIX 2:

PARTICIPANTS – EXPECTATION GAP ROUNDTABLE

Moderator: Fiona Campbell, IAASB Deputy Chair

#	Participant Name	Country	Details
1	Suresh Kana	South Africa	Chairman of the King Committee on Corporate Governance and Deputy Chairman of the Integrated Reporting Committee of South Africa
2	Sven Hayn	Germany	EY Germany, Managing Partner Assurance Strategy, Center for Board Matters
3	Pamela Taylor	United Kingdom	KPMG Director, Department of Professional Practice, Accounting & Reporting
4	Maggie McGhee	Global	Executive Director, Governance at Association of Chartered Certified Accountants (ACCA)
5	Anne Molyneux	Australia	Director of CS International and Vice-Chair of the International Corporate Governance Network (ICGN)
6	Datuk Zaiton Mohd Hassan	Malaysia	CEO of Malaysia Professional Accountancy Centre, Chairman of the Board of Governance and Audit Committee of Lembaga Tabung Haji and Sime Darby Plantation Berhad
7	Merran Kelsall	Australia	Non-Executive Director and Deputy President at CPA Australia with extensive Board and Governance experience
8	Robyn Erskine	Australia	Partner in Brooke Bird, a specialist restructuring insolvency and turnaround firm, and Director at CPA Australia
9	Paul Chan	Malaysia	President and Founding Board Member of the Malaysian Alliance of Corporate Directors (MACD) and Executive Committee Member of Global Network of Director Institutes (GNDI)
10	Mario Abela	United Kingdom	Director, Redefining Value at the World Business Council for Sustainable Development
11	Doug Prawitt	US	Accounting Professor at Brigham Young University
12	Professor Annette Köhler	Germany	Full Professor for Accounting and Auditing at the University of Duisburg (Germany) with extensive audit committee experience
13	Professor Mak Yuen Teen	Singapore	Associate professor of accounting and former Vice Dean of the NUS Business School, National University of Singapore
14	Yuri Zwick	US	Center for Audit Quality (CAQ) Professional Practice Fellow
15	Peter Funck	Global	Chief Audit Executive at Trafikverket in Sweden

Summary of Key Take-aways
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16	Michael Porth	Global	Chair of the Auditing Subcommittee of IOSCO's Committee 1 on Issuer Accounting, Auditing and Disclosures
17	Robert J. De Tullio	Global: Basel Committee on Banking Supervision	Basel Committee on Banking Supervision, Senior Policy Accountant
18	Mary Katherine Kearney	Global: Basel Committee on Banking Supervision	Basel Committee on Banking Supervision, Professional Practice Fellow
19	Takaaki Nimura	Japan	Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., LTD.
20	Kenta Fukami	Japan	Senior Policy Analyst with the OECD's Division of Corporate Finance and Corporate Governance
21	Keiko Mizuguchi	Japan	Japan Credit Rating Agency
22	Charles Henderson	United Kingdom	Director, UK Shareholder' Association
23	Martijn Bos	Netherlands	Corporate Reporting and Engagement Specialist, Eumedion
24	Ralph Weinberger	United States	PwC Global Assurance Methodology Leader
25	Jim Sylph	Canada	Quality Control Consultant at Russell Bedford International
26	Valdir Coscodai	Brazil	Technical director and Vice President of the Brazilian Institute of Auditors in Brazil (IBRACON) and Partner, PwC Brazil
27	Jorge Manoel	Brazil	Corporate Governance Expert, IBGC Finance and Accounting Committee, Former PwC Brazil Partner
#	Official Observer Name	Country	Details
1	Ken Siong	Global	Senior Technical Director, IESBA
2	James Barbour	Global	IESBA Technical Advisor
3	Megan Zietsman	United States	Chief Auditor, PCAOB
4	Rob Choromanski	United States	Professional Accounting Fellow, Office of the Chief Accountant at U.S. Securities and Exchange Commission
5	Henry Rees	Global	IASB Technical Staff
6	J. Robert Brown, Jr.	Global	Chair - Chair of IFIAR's Investor and Other Stakeholder Working Group
7	Stacy Hammett	Global	Member of IFIAR's Standards Coordination Working Group
8	Angelo Giardina	Canada	Director, Thought Leadership, Canadian Public Accountability Board

Summary of Key Take-aways
IAASB Fraud and Going Concern Roundtables (September / October 2020)

#	IAASB Members and Staff Observers	Country	Details
1	Tom Seidenstein	Global	IAASB Chair
2	Fiona Campbell	Australia	IAASB Deputy Chair
3	Josephine Jackson	United Kingdom	IAASB Member
4	Julie Corden	Canada	IAASB Member
5	Roger Simnett	Australia	IAASB Member
6	Isabelle Tracq-sengeissen	France	IAASB Member
7	Len Jui	China	IAASB Member
8	Bob Dohrer	United States	IAASB Member
9	Eric Turner	Canada	IAASB Member
10	Sue Almond	United Kingdom	IAASB Member
11	Dan Montgomery	United States	IAASB Senior Advisor - Technical Projects
12	Sara Ashton	United States	IAASB Technical Advisor
13	Susan Jones	United States	IAASB Technical Advisor
14	Antonis Diolas	United Kingdom	IAASB Technical Advisor
15	Denise Weber	United States	IAASB Technical Advisor
16	Willie Botha	Global	IAASB Technical Director
17	Beverley Bahlmann	Global	IAASB Deputy Director
18	Brett James	Global	IAASB Deputy Director
19	Kalina Shukarova Savovska	Global	IAASB Principal
20	Natalie Klonaridis	Global	IAASB Principal
21	Jasper van den Hout	Global	IAASB Principal
22	Angela Donnelly	Global	IAASB Staff Fellow
23	James Gunn	Global	Managing Director, Professional Standards, IAASB IESBA IAESB IPSASB

APPENDIX 3:

PARTICIPANTS – LESS COMPLEX ENTITIES ROUNDTABLE

Moderator: Kai Morten Hagen, *IAASB Member and LCE Working Group Chair*

#	Participant Name	Country	Details
1	Andrew Brathwraite	Barbados	AFP Consulting Inc.
2	Atul Gupta	India	President, Institute of Chartered Accountants of India (ICAI)
3	Brendan Murtagh	Ireland	Partner, Nexia Smith & Williamson, and former IAASB member
4	Ee Wen Kuah	Singapore	Senior Manager, Ernst & Young Singapore
5	Gill Spaul	United Kingdom	European Technical Director, Moore Global Network Limited
6	Gordon Cummings	Canada	Principal, D+H Group LLP and former member of the Canadian Auditing Standards Board
7	Guy Cox	Belgium	Partner, HLB Belgium
8	Hilde Blomme	Belgium	Deputy Chief Executive, Accountancy Europe
9	Jenny Reed	United Kingdom	Global Audit Methodology Manager at Baker Tilly International
10	Mike Santay	United States	Audit Partner, Grant Thornton and Former Chair of AICPA Auditing Standards Board
11	Monica Foerster	Brazil	Chair of IFAC SMP Advisory Group, and Partner, Confidor
12	Nilesh Vikamsey	India	Partner, Khimji Kunverji & Co LLP and former President of ICAI
13	Noémi Robert	Belgium	Director, Accountancy Europe
14	Twaha Kaawaase	Uganda	Partner, Sejjaaka, Kaawaase & Co. Certified Public Accountants
15	Sarah Coulson	Canada	Industry Strategist at Caseware International Inc.
16	Juane Schreuder	South Africa	Quality Control Manager, Moore Cape Town
17	Jeanne Viljoen	South Africa	SAICA Project Director, Practices and Ethics
18	Mark Edmonson	United Kingdom	President & CEO, Inflo
#	Official Observer Name	Country	Details
1	Claudio Deodati	Global	PIOB Observer
2	Nerea Lastras	Global	PIOB Observer
3	Ken Siong	Global	Senior Technical Director, IESBA
4	James Barbour	Global	IESBA Technical Advisor

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5	Aileen Pierce	Global	PIOB Observer
6	Svetlana Berger	Canada	Principal, Auditing and Assurance Standards Board
#	IAASB Members and Staff; IAASB Observers	Country	Details
1	Tom Seidenstein	United States	IAASB Chair
2	Kai Morten Hagen	Norway	IAASB Member and Roundtable Moderator
3	Fiona Campbell	Australia	IAASB Deputy Chair
4	Josephine Jackson	United Kingdom	IAASB Member
5	Eric Turner	Canada	IAASB Member
6	Isabelle Tracq-sengeissen	France	IAASB Member
7	Roger Simnett	Australia	IAASB Member
8	Robert Dohrer	United States	IAASB Member
9	Sue Almond	United Kingdom	IAASB Member
10	Sara Ashton	United States	IAASB Technical Advisor
11	Antonis Diolas	United Kingdom	IAASB Technical Advisor
12	Susan Jones	United States	IAASB Technical Advisor
13	Willie Botha	Global	IAASB Technical Director
14	Beverley Bahlmann	Global	IAASB Deputy Director
15	Kalina Shukarova Savovska	Global	IAASB Principal
16	Angela Donnelly	Global	IAASB Staff Fellow
17	Denise Weber	United States	IAASB Technical Advisor
18	James Gunn	Global	Managing Director, Professional Standards, IAASB IESBA IAESB IPSASB
19	Julie Corden	Canada	IAASB Member
20	Johanna Field	Canada	IAASB Technical Advisor

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