

IAASB Observation Memo

New York, 18-21 March 2024

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SUMMARY OF KEY ISSUES FROM THE MEETING

- This meeting dealt with:
 - proposed changes to parts of the ED ISSA 5000 Sustainability Assurance to address comments received,
 - the overview of relevant topics based on comment letters received regarding the ED on ISA 570 Going Concern, and
 - the first information gathering and discussion on the Board's Technology Posture (position) and which public interest issues are to be solved in relation to the new integrated project re ISA 330 Risk Response, ISA 500 Audit Evidence, ISA 520 Analytical Procedures, Technology and Internal Control.
- Regarding the last project, two private Workshops for the IAASB members were held on the IAASB Technology Posture going forward and to gather information on audit quality

and public interest issues related to relevant aspects of the Integrated Project, including Technology and Internal Control related issues. The Board will discuss the first proposals resulting from the outcome of these private sessions at the June Board meeting.

- The two main issues resulting from the Going Concern consultation are:
 - the expanded timeline over which the Going Concern assessment is made due to the change in the commencement date of the 12 months period of management's assessment of going concern
 - explicit statement about going concern in the auditor report

I emphasized the importance of doing targeted outreach to the investor community which the Task Force (TF) is currently undertaking. I reminded the Board about the public interest reasons for revising the standard and that it is therefore important to ensure moving the needle to narrow the expectation gap which also relates to these two issues with most opposing views resulting from the consultation.

- The Board devoted significant time at this meeting to discuss the first part and most important responses to the ED ISSA 5000 on Sustainability Assurance. The most important topics discussed were:
 - Definitions and terminology used for sustainability information, matters etc.
 - Materiality concepts (materiality set by the entity including *double materiality*, and materiality to be set by the assurance provider). It was decided to add a conditional requirement for double materiality in the standard
 - At least as demanding ethical requirements and quality management standards were discussed along 3 options to assess the 'at least as demanding' requirement. Option 3 is for a practitioner to determine and to document him-/herself. It was decided by the Board that this could only be applied in absence of options 1 and 2
 - Updated definitions for the engagement team members and the use of another practitioner and expert in view of group and value chain related assurance work for which the guiding principle is proposed as to whether the practitioner can be sufficiently and appropriately involved in the work of others.
 - As per a vote by the Board, ISAE 3410 will be withdrawn as soon as ISSA 5000 becomes effective (ISAE 3410 requirements will be included in ISSA 5000)
 - Minimum work effort for limited assurance engagements
 - Connectedness with the financial statement audit (other information)

I emphasized the importance of further coordination with IESBA on definitions and terminology used.

I questioned whether regarding the "at least as demanding" ethical requirements and quality management requirement in ISSA 5000, option 3 (practitioner's own determination of at least as demanding) should be needed for voluntary assurance work and why in cases there is no legislation and regulation in a particular

jurisdiction, the practitioner cannot be required to use the international ISQM1 and IESBA Code. The Board decided to keep option 3 in the standard but to add that it could only be applied in absence of options 1 and 2.

I indicated that the elevated minimum work effort for limited assurance engagements is important (more aligned with ISAE 3410 compared to ISAE 3000). I encouraged the Board to look at the way limited assurance is described with the very broad spectrum from just below reasonable assurance to the low end and whether that may lead to unintended consequences in relation to the elevated level of work effort in the ISSA 5000 standard for limited assurance engagements which should be leading for practitioners for the actual level of assurance obtained and provided by the practitioner in view of the level of confidence taken from these assurance reports in the market and may not be impacted adversely by the broad spectrum of the level of assurance as defined for limited assurance engagements.

I raised the question whether there could be any unintended consequences, including less stringent requirements re independence, when a practitioner “decides not to be able” to be sufficiently and appropriately involved in the work of a group component practitioner (either from own network firms or outside the own network firm) under the new proposal, as this deviates from ISA 600 group component principles.

I encouraged the Board to find the right balance for which ISA 600 principles should be addressed in ISSA 5000 and to include the sole responsibility of the practitioner and other key group related topics *as requirements* in ISSA 5000 with supporting application material to the extent needed.

I commented regarding the connectedness discussion which was focused around material inconsistencies, whether two way communication between the financial statements auditor and the sustainability assurance practitioner would not be the preferred way forward to ensure adequate follow-up of identified issues in the financial statement audit and to ensure a level playing field in the market as the financial statement auditor could be the same person as the practitioner issuing the assurance report on the sustainability information, who would be required to perform adequate follow-up procedures. The Board decided in favor of a conditional communication requirement (and as such not the two way open communication) between the financial statement auditor and practitioner (jurisdictional laws and regulations not prohibit such communication).

- The Board discussed the feedback received on the consultation of the ED on ISA 500 Audit Evidence (Revised). I reiterated the important public interest issues and expectations for this standard as published by the PIOB which need to be addressed. This includes enhancing clarity and enforceability of relevance and reliability attributes

which also should result from finding the right balance between requirements and AM to drive improved auditor behavior (including work effort).

- The IAASB held a private workshop on Technology after they had discussed the current position of the Board towards Technology as addressed in the standards. There was broad support for a more pro-active Technology Posture that promotes the use of Technology in view of serving and enhancing audit quality in the public interest.
- Regarding the Integrated project, the Board discussed the completeness and correctness of the identified issues of misalignment or standard setting and/or performance related issues noted regarding ISA 330 Risk Response in relation to ISA 315 (Revised), ISA 500 Audit Evidence (under revision), the use of Technology (ATT) and Internal Control.

I commented that in general, the way the standard reads, testing of the operating effectiveness of internal controls (IC), including the IT general controls testing, is not conditionally required nor promoted in the standard ISA 330, whilst this is an important area in the audit. Some IC deficiencies (design/implementation/operating effectiveness) like a lack of segregation of duties can be so pervasive given the type of business and/or level of automation, that these cannot be compensated by any other procedure and therefore would lead to an inability to obtain sufficient and appropriate audit evidence. In practice, these kinds of inappropriate audit approaches do happen and I encouraged the Board to address the underlying issues in the standards to drive consistency in enhanced auditor behavior re internal controls and the use of technology/ATT with the aim to enhance audit quality by sufficiently and appropriately supported auditor reports.

- The meeting was an in-person meeting held in New York, with one member participating virtually. Five new Board members were introduced and participated in the meeting.
- There was good attention and discussion by the TFs and the Board to public interest considerations and to responding to stakeholders' input. Members actively participated in the discussions. The chairs of the TFs and the staff were well prepared and presented the issues clearly and the meeting was efficiently run.

Link to the current version of the PIOB Public Interest Issues: [PI Issues on IAASB projects](#)

Agenda Item 2. Going Concern

Objective and Status: The Going Concern (GC) project objectives are to:

- Promote consistent practice and behavior and facilitate effective responses to identified risks of material misstatement related to going concern;

- Establish a more robust evaluation of management’s assessment of going concern, including reinforcing the importance, throughout the audit, of the appropriate exercise of professional skepticism; and
- Strengthen the communication and reporting requirements with respect to the auditor’s responsibilities and work related to going concern.

The GC project proposal was approved in March 2022 and the ED ISA 570 was approved at the March 2023 meeting. During this meeting the TF will provide an overview of the feedback received on the ED ISA 570.

IAASB Key Discussion Points: This agenda item was afforded only one hour as it dealt with the presentation and high-level discussion of the Board on the feedback received on the exposure of ED ISA 570 Going Concern. On Monday, the TF Chair introduced the topic and highlighted that this was a first overview of key themes resulting from the ED feedback received on the ED Going Concern. At the June meeting, the first proposals to address the responses will be discussed. Final approval of ISA 570 Going Concern (Revised) is scheduled for Q4 2024.

The Board discussed the overview of feedback outcomes. The TF Chair noted that there was broad support from the respondents to the ED for the direction and relevance of the project in the public interest with the aim to narrow the expectation gap. It was noted that there were not many responses received from investors/users (institutional lenders) and that this is a great concern. The question was raised how to get investors more engaged. It was suggested to work together with the IASB to obtain investor input. The TF will do targeted outreach the coming period to particularly obtain more investor views.

Two main topics were identified where there were opposing views:

1. Regarding the timeline over which the Going Concern assessment is made due to the change in the commencement date of the 12 months period of management’s assessment of going concern (from the date of the financial statements to the date of the approval of the financial statements). It was noted that the Monitoring Group (MG) members and other regulatory stakeholders are in favor of going beyond the current 12 months period. There were other respondents that were opposing this because of the resulting misalignment with the financial reporting framework. The TF will specifically obtain input from investors on this topic through its targeted outreach.
2. An explicit statement about going concern in the auditor report which obtained strong support from the MG and other regulatory stakeholders, whilst others referred to risks of boiler plate statements and widening the expectation gap.

PIOB Observer’s Comments: I emphasized the importance of doing targeted outreach to investor and other user groups and commended the TF that they are already doing so. I reminded the Board about the importance of this project and the reasons for revising the standard and that it is therefore important to ensure moving the needle to narrow the

expectation gap. I also referred to the Public Interest issues as published on the PIOB's website for further reference which public interest issues need to be addressed in this project.

Agenda Item 3. Sustainability assurance

Objective and Status: The objective of the IAASB discussion in March 2024 was to provide an overview of respondents' comments on 15 out of 27 questions from the ED-5000 that generated the most significant comments and represented the main themes that emerged from the feedback and obtain the Board's input on the Sustainability Assurance Task Force's (SATF) views and recommendations for the approach to addressing the key themes identified from the responses. The feedback on the remaining 12 questions will be discussed at the Board meeting in June 2024.

IAASB Key Discussion Points: The SATF discussed with the Board proposed changes resulting from the feedback received on the most important topics as per the feedback received. These topics are:

- clarity of scope and definitions
- at least as demanding ethical and quality management requirement as the IESBA Code of Ethics and ISQM1, respectively
- materiality concepts (as set by the entity including the concept of double materiality and as to be determined by the practitioner who provides the assurance on sustainability information)
- aggregated group and value chain entity sustainability assurance requirements
- limited and reasonable assurance (minimum required work efforts)
- connectivity with financial statements audit (other information)

Remaining amongst others are the topics Greenwashing and Reporting and Communication, and forward-looking information which will be dealt with during the June 2024 meeting.

Presentation by Chair of SATF on the overall outcomes of consultations and roundtables strong support for ISSA 5000.

The most important issues debated with potential public interest implications were:

- The need to further clarify the definitions sustainability matters, information and disclosures in coordination with IESBA with the aim to drive consistency in definitions and terminology used re sustainability assurance.
- Regarding the relevant ethical requirements and quality management being at least as demanding as the IESBA Code of Ethics and ISQM, respectively, there was strong support for both by respondents, but some respondents were missing a clear requirement to comply with the Code or ISQM1 or at least as demanding ethical and quality management standards. A new documentation requirement is proposed to

support the evaluation of the practitioner's determination of at least as demanding. The proposed approach by the SATF (par 29) is that a practitioner is a member of a firm that applies:

1. ISQM1 directly
2. Professional requirements, or requirements in law or regulation, that an appropriate authority has determined to be at least as demanding (with a key role of Regulators and Jurisdictional National Standard Setters) or,
3. Professional requirements, or requirements in law or regulation that are otherwise determined to be at least as demanding (eg. the practitioner should be required to document the basis for this determination).

This would apply equally for the IESBA Code.

It was debated that in case a firm would be a sole practitioner, whether option 3 would go too far. It was explained that option 3 is needed for the performance of voluntary sustainability assurance work. After the Board's discussions it was decided that option 3 can only be applied in absence of options 1 and 2. There was broad support for this approach, including that there should be transparency about who determined it and which ethical and quality management standards were applied in the assurance report. During the discussion I raised the question whether practitioner's own determination even with the additionally proposed changes by the Board would ensure a level playing field. Transparency about who made the determination in the auditor report could help, but what kind of insights about applied ethical requirements and quality management does that provide to the users? Transparency cannot protect the user when such determination was made inappropriately.

- On the topic of whether the standard should address double materiality, there was strong support to include a conditional requirement with further application material explaining that there may be multiple materiality's (both qualitative and quantitative) for the practitioner to take into account.
- The proposed definitions related to assurance team, experts and other practitioners ('another practitioner') were debated in view of group and value chain sustainability assurance work. An important principle proposed by the SATF is whether the practitioner can be sufficiently and appropriately involved in the work of others (component practitioner, expert or a value chain entity practitioner). When the practitioner is unable to be sufficiently and appropriately involved, firms and the individuals from those firms who perform assurance work are not members of the engagement team and are referred to as "another practitioner". When the practitioner is able to be sufficiently involved in work performed by a firm other than the practitioner's firm at an entity either within or outside of the organizational boundary, the individuals performing that work are members of the engagement team and considered a "component practitioner." Ordinarily, the practitioner would

- expect to be able to be sufficiently and appropriately involved in such work when the entity is within the organizational boundary of the reporting entity, but that was proposed not to be necessarily the case. Particularly the latter (within the organizational boundaries) raised discussions. Also, how this proposed approach aligns with the approach in the ISAs and what it would mean when the practitioner decides not to be able to be sufficiently and appropriately involved in the work of a group component practitioner (either from own network firms or outside the own network firm). I raised the question whether there could be any unintended consequences when a practitioner determines/ decides (which could also be inappropriately) not to be able to be sufficiently involved in a group component and as such will not do direction, supervision or review. Additionally, less stringent requirements may apply for such other practitioner when no longer part of the engagement team (eg objective instead of independent). It was decided by the Board that further coordination with IESBA is needed on the definitions. Further input and discussion were on how to gain (timely) access to assurance reports re value chain entities, and whether these would evolve into sort of service organization reports that would be issued. Additionally, it was discussed that the evaluation of evidence from value chain entities should be addressed, and whether experts should be more aligned to ISA 620 opposed to ISAE 3000. Furthermore, topics like setting component materiality, and finding the right balance for including other group assurance related topics in the standard were discussed and for the SATF to further work on.
- Given the call for clarity on the minimum requirements for limited assurance engagements, I raised the question what the underlying drivers to determine the minimum level of work effort for an assurance engagement based on limited assurance were for the SATF. Does the limited assurance work effort align with other limited assurance work in other standards, like the one on review of financial statements and what is the remaining assurance risk that is acceptable for a limited assurance engagement compared to the less than 5% for a reasonable assurance engagement? I also asked whether the audit risk model would apply in terms of determining the internal control versus substantive testing work effort. The SATF responded that the level of assurance varies and is a broad spectrum from just below reasonable assurance to a low level of assurance that is above clearly insignificant. They explained that in ISSA 5000 the work effort for limited assurance it is not like a review with mainly interviews and analytical procedures. There is no percentage set for the acceptable remaining assurance risk which could be used by practitioners to assess whether they have obtained sufficient appropriate audit evidence. (For audits such percentage is neither set but reasonable assurance is defined as a high level of assurance and in practice the remaining audit risk is assumed to be less than 5%). The SATF confirmed that the audit risk model also applies. So also, for sustainability engagements firms could choose to

do more substantive than control reliant approaches. The SATF aligned the work effort on limited assurance with ISAE 3410. ISAE 3000 has less work effort for limited assurance as it does not require risk assessment. Regarding limited versus reasonable assurance, risk assessment was discussed as there needs to be more supporting guidance on how to identify and assess the risk of material misstatement for disclosures. By a vote it was decided to include ISAE 3410 (re GHG statements) requirements into ISSA 5000 and that ISAE 3410 will be withdrawn when ISSA 5000 will become effective. It was agreed that for clarity reasons there should be timely transparency about the withdrawal of the standard.

- In view of the connectivity between sustainability information and audited financial statements including communication between practitioner and auditor two options were debated: 1) conditional requirement to communicate a material inconsistency and option 2) open communication (two way). It was discussed and agreed that the first step when a material inconsistency is identified should always be communicated with management, which step is missing in the proposal. It was also discussed that identifying material inconsistencies will be a challenge for those practitioners who are non-professional accountants to identify material inconsistencies with the financial statements, and communication at the end of the process is rather late, meaning that a broader requirement would be better, unless prohibited in the jurisdiction given confidentiality requirements. There were opposing views expressed regarding both options. It was concluded by the Board that there was majority support for a conditional requirement. Conditional is related to the laws and regulations not prohibiting communication amongst the practitioner and financial statement auditor. During the discussion I raised a question about when the practitioner is also the financial statement auditor and comes across information (material inconsistency or indications of greenwashing etc.) from sustainability assurance work and should act on that in view of the financial audit. Regardless of who is doing the assurance / audit work, would it not be expected that important information would be shared so it could be followed-up which would mean that option 2 would be preferable to option 1? The view of the Board was that this should be dealt with in the IESBA Code. Furthermore, it was suggested to put more connectedness examples for instance regarding assumptions used in the financial statements in the application material.

[PIOB Observer's Comments:](#) I noted that there was good discussion on the various topics with good input that needs to be addressed further by the SATF.

- Further coordination with IESBA is required particularly regarding clarity and consistency in terminology and definitions used both in the standard as in the IESBA Code.

- I encouraged the Board to find the right balance for which ISA 600 principles should go into ISSA 5000. In that respect I encouraged the Board to include the sole responsibility of the practitioner and other key group related topics as requirements in the standard with supporting application material to the extent needed. The sole responsibility of the practitioner for the assurance conclusion expressed, and that responsibility is not reduced by the practitioner's use of the work of a practitioner's external expert is in the draft ISSA 5000 only referenced in the application material.
- Furthermore, I encouraged the TF to continue working on the sufficient appropriate minimum level of requirements for limited assurance based on the input received. To further limit the inherent risk of overreliance on limited assurance reports in the market, I recommended the Board to explore whether the very broad range for the level of assurance that could be provided with limited assurance engagements as defined, could be made less broad for clarity purposes for both practitioners and users of assurance reports in the market by bringing it more in line with the minimum work effort required by ISSA 5000 and possibly with user expectations. This is particularly important as the number of limited assurance engagements will increase considerably given the sustainability assurance and to ensure that the limited assurance sustainability engagements will add sufficient value to the market compared to the additional costs involved which is a public interest issue.

Agenda Item 4. Technology

Objective and Status: Strategic session for the Board how to address the impact of Technology in the IAASB standards. Introduction to the private workshop was given. A representative of IESBA was present in view of the ongoing coordination between both Boards.

Themes that were discussed were whether Technology should address entity's or auditor's technology used or both, whether a piecemeal approach in individual standards that are up for revision or an omnibus project would be best to address Technology in the IAASB standards. A conceptual framework with three components was introduced. The Board is aiming for approving the Board's Technology Posture in September 2024, unless it will already be ready in June 2024.

The Board's current Technology posture was explained by *not to require* but rather to acknowledge and support the use of technology in audits through guidance integrated in application material in the ISAs. During the discussion comments were raised whether the current Technology Posture reflects the current position appropriately. There was broad support for a more pro-active Technology Posture that promotes the use of Technology in view of serving and enhancing audit quality in the public interest. Focus will first be put on addressing Technology in the audit standards and later in the assurance standards.

The Board further discussed the approach to Technology in a private workshop. The outcome of the workshop will be discussed at the June Board meeting.

Agenda Item 5. Audit Evidence

Objective and Status: The objective of the project is to clarify auditor's responsibility regarding information used as audit evidence (AE). The project aims to adapt and modernize ISA 500 (as a consequence of changes to information used by auditors), clarifying its relationship with other standards, as well as the concept of sufficient appropriate audit evidence and fostering professional skepticism. The IAASB approved the project proposal in December 2020 and the ED of ISA 500 (Revised) in September 2022. The comment period was open until April 2023. In the September 2023 meeting it was decided to take an integrated approach to the use of Technology in relation to ISA 500 in view of the new projects on ISA 330 and ISA 520 as these are interconnected. At this meeting, the TF presented the last proposed revisions to ISA 500 resulting from the responses received on the exposure of the ED ISA 500 (Revised). After the March 2024 meeting, the revision of proposed ISA 500 (Revised) will pause temporarily, while work is undertaken to identify, understand and scope the risk response elements of the new project: *"Integrated Approach to Audit Evidence and Risk Response, Including Focus on Technology and Internal Control"*

IAASB Key Discussion Points: The TF Chair explained the proposed changes. The main discussion with potential public interest impact was about the par 9 and 10 as proposed by the TF about the relevance and reliability of information intended to be used as audit evidence and particularly the significance of the attributes of relevance and reliability in relation to accuracy and completeness of information coming from internal information sources, which is an important point for the MG and other regulatory stakeholders. The comment was raised whether the requirement is clear. It was decided that clarifying and strengthening the auditors' role regarding relevance and reliability of information, and regarding attributes of accuracy and completeness are ordinarily significant attributes. Addressing technology will be addressed in the integrated project. The TF indicated that further targeted outreach to regulators will be done to find the right balance in the wording of the requirements.

PIOB Observer's Comments: I commented that it was a good discussion and that it is not the easiest standard to read and understand what you read. The body of the standard with the requirements should be readable on a standalone basis without having to go back and forth to the application material. I indicated the importance of doing follow-up outreach to the regulators as being a good approach to address the issues discussed, and to also check for the right balance between requirements and application material.

Agenda item 6 Risk Response (integrated project)

Objective and Status: In December 2023, the IAASB approved the Strategy and Work Plan for 2024–2027, in which the Board agreed to pursue an integrated approach to audit evidence and risk response based on feedback, particularly from regulatory authorities, that there is a need to concurrently address revisions to ISA 500, ISA 330, and other targeted standards in the ISA 500-series. This Integrated Project on audit evidence and risk response is aimed at also including a focus on technology and internal control. Information gathering results will be shared at the September 2024 meeting.

This integrated project is the first staff led project.

The purpose of this agenda item was to check whether the Board agreed with the issues as presented to the Board in the linkage between ISA 315, ISA 330 and ISA 520, technology related issues and internal control related issues. Furthermore, additional issues could be raised.

IAASB Key Discussion Points: The main issues raised were:

- Implementation challenges with ISA 315 should also be considered in light of this project
- Clarity around categorization of audit procedures (test of detail or analytical procedures for risk assessment etc.) is key for the use and promotion of Technology
- Distinguishing whether internal control related issues are performance issues in practice or are related to standard setting. It was debated and concluded that when there are many performance issues in practice, it may be assumed that this also relates to a lack of clarity of the standards
- Assessing relevance and reliability is not sufficiently addressed in ISA 330 (using controls to assess reliability) and it connects with the design and implementation of controls
- Understanding what a robust expectation requires as per ISA 520 in practice, which drives the effectiveness of the analytical procedures and what to do with outliers was indicated as an important issue. The standard is not widely used due to this.
- Sampling in relation to technology should be looked at in relation to ISA 520
- Suggestions were made to look at PCAOB's commentary on Technology related consultations and to the Institute of Internal auditors which are also looking into how to address Technology into their standards

The Board further discussed additional issues in a private workshop. The outcome of the workshop will be discussed at the June Board meeting.

PIOB Observer's Comments: I noted that the paper is very good and detailed in describing areas where the standards are not aligned. I indicated an additional concern and that is from

the behavioral practical application of the standards perspective that impacts audit quality. It relates to audit approaches chosen and the unintended consequences thereof. I indicated that ISA 330 par 8 implies could be understood that you only test IC for effectiveness if substantive testing alone cannot provide audit evidence at the assertion level. Unclear is how this relates to IT General Controls testing, which is key in an audit, also to assess whether data are complete and can be used for ATT like data analytics. Par 8 reads as if internal control testing is the exception. In general, the way the standard reads, testing of the operating effectiveness of internal controls is not promoted in the standard. This is an example of a performance related issue that is also a standard related issue.

I further indicated that if the internal controls (IC's) are not tested for their effectiveness, this would theoretically (Audit Risk model) lead to more substantive testing to address the detection risk. However, when there are deficiencies noted in the design and implementation of the ICs including in the IT General controls (segregation of duties, superusers who can switch off logging etc.) these deficiencies cannot always be overcome by more substantive testing (including by using data analytics) of internal information only. Additionally, some IC deficiencies like a lack of segregation of duties are so pervasive given the type of business and/or level of automation, that these cannot be compensated by any other procedure and therefore would lead to an inability to obtain sufficient and appropriate audit evidence. In practice, these kind of inappropriate audit approaches do happen, and I encouraged the Board to address the underlying issues in this integrated project to drive consistency in enhanced auditor behavior re internal controls and the use of technology/ATT with the aim to enhance audit quality by sufficiently and appropriately supported auditor reports.

PIOB Observer's Closing Comments

I commended the Board on the good meeting, well prepared also by the TF and well led.

I noted in this respect that there was very good progress made on the sustainability project which sets the Board in a good position to meet their timelines for the project. I reiterated the importance of further coordination with IESBA on definitions and terminology used, and I encouraged the Board to look at the way limited assurance is described with the very broad spectrum from just below reasonable assurance to the low end and whether that may lead to unintended consequences in relation to the elevated level of work effort in the standard for limited assurance which should be leading for practitioners for the level of confidence on these assurance reports in the market.

The first overview of feedback received on the Going Concern (GC) project showed a few areas with opposing views. I took the opportunity to remind the Board of the importance of this project in view of narrowing the expectation gap and that it should move the needle given the great support from respondents and to actually enhance auditor behaviour. Coordination with

the IASB is key, but it is also a story about the chicken or egg, not who was first but who moves first. It is important that the auditor obtains sufficient appropriate evidence on managements GC assessment for the expanded 12-month period when needed and that the outcome of work done is transparent to protect investors and serve the public interest.

The integrated project on ISA 330 and ISA 520, which now also includes technology and internal control and finalizing the audit evidence standard is a key project to impact enhanced auditor behaviours and audit quality. Particularly a proactive posture to drive the right use of Technology, address how it contributes to audit quality and implementing safeguards for risks. It is important that this project also clarifies the minimum level of work effort on internal controls testing including on ITGCs that is required and that it clarifies the interactions between internal control work, and substantive testing including when substantive testing cannot compensate identified deficiencies in internal controls including the ITGCs and the consequences thereof for the ability to obtain sufficient appropriate audit evidence and the ability to use the data for ATT like data analytical tools. Strengthening and clarifying the role of internal controls in auditing may also enhance auditors' detection of fraud risk and indicators of fraud, including management override of internal controls. Both workshops, the one on Technology and on Risk response gave a good start for this important project.

Last but not least, I pointed to the PIOB's Public Interest issues as published on its website for the various issues that are key to be addressed in the current projects. I informed the Board that it was my last scheduled IAASB observation as I will move to the IESBA observation team. I indicated that I would continue to follow the current projects as PIOB member with great interest and wished the Board success and all the best going forward.