New Zealand Auditing and Assurance Standards Board

MEETING PACK

for

NZAuASB Board Meeting - SUPPLEMENTARY

Wednesday, 1 April 2026

9:45 am (NZDT)

Held at:

Online

Online

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Agenda

Attached Documents:

AGENDA
NZAUASB BOARD MEETING - SUPPLEMENTARY

Name:	New Zealand Auditing and Assurance Standards Board
Date:	Wednesday, 1 April 2026
Time:	9:45 am to 4:50 pm (NZDT)
Location:	Online, Online
Committee Members:	Graeme Pinfold (Committee Chair), Darby Healey, Doug Niven, Michael Bradbury, Rebecca Palmer, Richard Kirkland, Todd Beardsworth, Vasana Vanpraseuth
Attendees:	Dr Amelia Sharman, Anna Herlender, Bruce Mcniven, Catherine Thompson, Karen Tipper, Lisa Thomas, Misha Pieters, Sharon Walker, Thinus Peyper, Wendy Venter

1. Opening Meeting (PRIVATE)

2. Standing items (PRIVATE)

3. Board Management (PRIVATE)

4. Board Management (PUBLIC)

4.1   Action list   9:45 am (2 min)

For Decision

4.2   Chair report   9:47 am (3 min)

Graeme Pinfold

For Noting
Verbal

4.3   AUASB Update   9:50 am (2 min)

Doug Niven

For Noting
Verbal

4.4   IAASB report   9:52 am (2 min)

For Noting
Late

4.5   PIOB IAASB Public interest issues report   9:54 am (2 min)

For Noting

SUPPLEMENTARY

Supporting Documents:

| 4.5.a | 4.5 IAASB_PII_January_2026.pdf | 8 |

4.6   IESBA highlights   9:56 am (2 min)

For Noting

Late

4.7   PIOB IESBA Public interest issues report   9:58 am (2 min)

For Noting

SUPPLEMENTARY

Supporting Documents:

| 4.7.a | 4.7 IESBA_PII_January_2026.pdf | 23 |

4.8   Update on narrow scope amendments to climate reporting standards   10:00 am (15 min)

Dr Amelia Sharman

Verbal

5.   NZAuASB work plan (PUBLIC)

5.1   Summary paper   10:15 am (5 min)

Misha Pieters

For Noting

5.2   Work plan 2026/27   10:20 am (5 min)

Misha Pieters

For Decision

5.3   Update 2025/26 work plan   10:25 am (5 min)

Misha Pieters

For Noting

5.4   Forward agenda plan   10:30 am (10 min)

Misha Pieters

For Noting

5.5   Consultation plan   10:40 am (5 min)

Misha Pieters

For Noting

5.6   Morning Tea   10:45 am (15 min)

6.   IAASB /IESBA strategy survey (PUBLIC)

6.1   Summary paper   11:00 am (30 min)

Karen Tipper

For Noting

6.2   Survey response   11:30 am (30 min)

Karen Tipper

For Decision

7.   EG Au8 / GS 007 - Update (PUBLIC)

7.1   Summary paper   12:00 pm (30 min)

Thinus Peyper

For Noting

Verbal

7.2   Approved project plan EG Au8_GS 007

For Noting

SUPPLEMENTARY

Supporting Documents:

7.2.a	7.2 Approved Joint Project Plan EG Au 8_GS 007.docx	38

7.3   LUNCH   12:30 pm (45 min)

8.   Post implementation review ISA (NZ) 540 (PUBLIC)

8.1   Summary paper   1:15 pm (30 min)

Lisa Thomas

For Noting

8.2   PIR ISA 540 survey questions slides   1:45 pm (15 min)

Lisa Thomas

For Discussion

8.3   IAASB JSS request for information

For Noting

SUPPLEMENTARY

Supporting Documents:

8.3.a	8.3 IAASB JSS - Request for Information - PIR on ISA 540 (Revised) Board paper.docx	44

9.   PIR Restructured Code and Non-compliance with laws and

regulations (PUBLIC)

9.1   Summary paper   2:00 pm (30 min)

Lisa Thomas

For Noting

**9.2   Restructured Code and NOCLAR survey questions
            slides**   2:30 pm (30 min)

Lisa Thomas

For Discussion

10.   Jurisdictional Standard Setters Meeting (PUBLIC)

10.1   Summary paper   3:00 pm (30 min)

Misha Pieters

For Discussion

10.2   XRB response to Part 4B request for information

For Noting
SUPPLEMENTARY

Supporting Documents:

10.2.a   10.2 XRB response to Part 4B request for information.docx   51

10.3   Afternoon tea   3:30 pm (15 min)

11.   2410 Interim review engagements (PUBLIC)

11.1   Summary paper   3:45 pm (15 min)

Sharon Walker

For Noting

11.2   Draft consultation paper   4:00 pm (15 min)

Sharon Walker

For Decision

12.   Sustainability assurance (PUBLIC)

12.1   Summary paper   4:15 pm (15 min)

Karen Tipper

For Noting

13.   Technology (PUBLIC)

13.1   Summary paper   4:30 pm (15 min)

Thinus Peyper

For Discussion

13.2   IAASB Technology Catalogue

For Noting
SUPPLEMENTARY

Supporting Documents:

14.   Board Management (PRIVATE)

15.   Close Meeting

15.1   Close the meeting   4:45 pm

For Noting
Next meeting: NZAuASB Board Meeting - in-person AKLD - 10 Jun 2026, 8:45 am

PIOB's Public Interest Issues - IAASB projects

(document updated as of January 2026)

The PIOB's Public Interest Issues presented in this document are based on the status of the IAASB´s projects after the IAASB December 2025 meeting and the PIOB meetings in December 2025/January 2026. For each selected project, brief background information and project status are provided, followed by the identified Public Interest Issues. The Public Interest Issues may contain questions or concerns relating to the responsiveness of specific initiatives and projects to the public interest. We encourage the IAASB to consider these questions and concerns during the due process of developing the relevant standards.

For further information and details about the IAASB projects, please refer to the website: http://www.iaasb.org/consultations-projects.

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<u>Use of main acronyms and abbreviations</u>

Code	The IESBA's Code of Ethics
ED	Exposure Draft
IAASB	International Auditing and Assurance Standards Board
IESBA	International Ethics Standards Board for Accountants
ISA	International Auditing Standards
ISAE	International Standard on Assurance Engagements
ISSA	International Standard on Sustainability Assurance
ISQM	International Standard on Quality Management
ISRE	International Standard on Review Engagements
ISSA	International Standard on Sustainability Assurance
PIOB	Public Interest Oversight Board

1. ASSURANCE ON SUSTAINABILITY REPORTING (ISSA 5000)

<u>Background</u>

Following the PIOB certification of the IESBA and IAASB sustainability standards, completed in January 2025, market participants and policymakers around the world now have a robust global baseline to instill confidence in sustainability reporting. Sustainability reporting has wide relevance for users both within and outside of capital markets and it requires additional information sources and the exercise of key judgments beyond financial reporting. There are also heightened risks, such as greenwashing, where organizations might seek to misrepresent their performance. Avoiding such risks, which could undermine public trust and capital flows into sustainable development, is clearly in the public interest.

The IAASB sustainability assurance standard, ISSA 5000, was developed in an accelerated timeline, to meet, to the greatest extent possible, the expectations of users placing reliance on reported information. The next step is a successful implementation of ISSA 5000, which will not only require further work of the IAASB,

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but also significant input from assurance practitioners, regulators, preparers and those charged with governance[1].

As sustainability reporting and assurance are at the start of a long journey and the new IAASB standard is central to this journey, it will necessarily need to evolve in line with public interest needs. The PIOB is encouraging all stakeholders to share feedback from implementation, draw key lessons from experience, to enable timely refinements to the standard.

Status

The IAASB approved ISSA 5000 in September 2024, and the PIOB certified in November 2024 that it followed due process and is responsive to the public interest. The Public Interest Issues below reflect the key matters noted in the "Background" section above and highlight those areas that require further refinement in the context of the necessary evolution of the standard.

1.1. Supporting implementation through monitoring and rapid response

As sustainability assurance is a relatively new field and ISSA 5000 is an overarching standard, it should be foreseen that questions will arise, and necessary clarifications will be needed across jurisdictions as sustainability assurance practitioners start implementing the standard.

The PIOB encouraged the IAASB to create an effective monitoring and rapid response mechanism(s) to monitor and identify implementation challenges and to respond to them appropriately. In this context, the PIOB welcomes the establishment by the IAASB of the "Sustainability Assurance Implementation Group" (SAIG) and the "ISSA 5000 Technical Implementation Group" (TICG) to provide insights, feedback or advice on identified areas relating to the implementation of ISSA 5000. Engaging all relevant stakeholders as an integral part of the monitoring and rapid response mechanism(s), will help ensure the successful adoption and implementation of ISSA 5000 through wide collaboration within the sustainability ecosystem, which is undergoing constant evolution in various jurisdictions.

The PIOB also emphasized the need for coordination with the IESBA and welcomes the appointments of an IESBA observer on the TICG and an IAASB observer on the corresponding working group of the IESBA as well as joint outreach activities and publication of supporting implementation materials.

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[1] *The PIOB notes that, in the context of implementation of the global standards on sustainability assurance, there are public interest matters beyond the remit of the IAASB. The implementation will require a robust level of public interest oversight, where regulators and those charged with governance have a role to ensure that preparers of the sustainability information as well as assurance providers have the appropriate skills and experience and comply with ethical reporting and assurance standards.*

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1.2. ISSA on Group sustainability assurance

We expect that ISSA 5000 will most likely at first be applied on assurance engagements of sustainability reporting by large corporations, which mostly have group structures and require input of a diverse range of professionals. The PIOB welcomed the initiative of the IAASB to address our earlier concerns in respect of group structures, by, as an interim measure, including overriding principles within ISSA 5000 for group sustainability assurance engagements. The PIOB recommends the IAASB, as part of its future work on sustainability, addresses in further detail matters specifically related to group assurance engagements, potentially in a dedicated ISSA similar to ISA 600 (Revised) *"Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)"*, or in a future development of ISSA 5000. This could include matters such as materiality, supervision of the work of component practitioners, value chain components and communication among members of the engagement team, among others.

1.3. Communication between different assurance providers

Based on the inter-connectivity between sustainability and financial reporting, the PIOB underlines the importance of broader two-way communication between various assurance providers, to ensure adequate and timely follow-up of identified issues in both the financial statements audit and the sustainability assurance engagements. While communication may be more straightforward where the financial statements auditor is from the same firm, or a member of the same network, as the sustainability assurance provider, the communication is necessary in all cases, including where different individuals and firms are involved.

The PIOB noted that, due to time constraints and recognizing the overall benefits of finalizing the new standard before the end of 2024, ISSA 5000 only contains requirements for one-way communication by the sustainability assurance provider, without consequential amendments to relevant ISAs. The PIOB encourages the IAASB to address the need for two-way communication in future sustainability-related work on the ISAs, including the issues of confidentiality and timing of sustainability and financial reporting.

1.4. Key audit matters in sustainability assurance reports

One of the public interest considerations during the development of ISSA 5000 was whether to include a requirement for Key Audit Matters (KAMs) in the sustainability assurance report. The PIOB notes that the IAASB concluded not to include such a requirement, even in the instance of public interest entities (PIEs), with reasoning in this regard explained in terms of the balance between costs and benefits. We

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acknowledge and support the IAASB's commitment to consider addressing the use of KAMs in the future development of sustainability assurance standards.

2. AUDIT EVIDENCE AND RISK RESPONSE (ISA 330, ISA 500 AND ISA 520)

Background

The IAASB undertook a public consultation in 2022 on ED-500 "Audit Evidence" but subsequently decided to pause the project with a re-scoping in mind, including a focus on Technology and Internal Controls. As a result, during 2024 the IAASB carried out further work to identify, understand and scope a new project: "*Standards that address Audit Evidence and the Auditor's Responses to Assessed Risks of Material Misstatement*" (the "Audit Evidence and Risk Response" project)*.* This project envisages concurrent revisions of ISA 330 "*The Auditor's Responses to Assessed Risks*", ISA 500 "*Audit Evidence*", and ISA 520 "*Analytical Procedures*".

Status

The IAASB approved the project proposal for Audit Evidence and Risk Response in December 2024 and the project team has been working on identified issues. The Exposure Draft is planned to be issued for public consultation after the June 2026 IAASB meeting. In line with the update of priorities within the Strategy and Work Plan 2024-2027, the project is expected to be finalized in 2027.

2.1. Scoping and objectives of the project

The PIOB continues to regard the overarching topics of audit evidence, risk response, technology and internal controls, which are fundamental to audit methodology, as highly relevant to the public interest by achieving enhanced audit quality. The PIOB welcomes that the project proposal sets out the specific objectives for this project as they relate to the [Public Interest Framework](#) (PIF). This will help to ensure that the entire project stays focused, and that its public interest objectives are achieved in a timely way.

In undertaking its detail drafting work, the PIOB encourages the IAASB to specifically focus on clarity and conciseness as key PIF qualitative characteristics, especially from the perspective of smaller practitioners who may have limited technical resources when implementing standards into their audit methodologies.

2.2. Audit evidence aspects of the project

The PIOB welcomes the fact that the project proposal considers several important topics to strengthen the ISA requirements around audit evidence:

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- the auditors' role in respect of evaluating the relevance and reliability of information which is used as audit evidence, including clarification of the principles behind the use of analytical procedures and identification of possible fraudulent information or unreliable sources of information (see also 2.5);

- encouraging auditors, where appropriate, to seek external sources of specific information, which could contradict or corroborate audit evidence obtained from the client;

- strengthening professional skepticism in evaluating whether there is sufficient appropriate audit evidence obtained to support the opinion and regarding the reliability of information which will be used as audit evidence, including cases when there is inconsistency in audit evidence;

- clarifying how the various stand-back requirements across the ISAs work together.

The PIOB has noted that substantial discussion has been dedicated to the extant requirement in paragraph 18 of ISA 330, which requires auditors to perform substantive procedures for each material class of transactions, account balance, and disclosure (COTABD), irrespective of the assessed risks of material misstatement. The IAASB has considered several options for evolution of this requirement, including its removal, retention, or various modifications. The PIOB encourages the IAASB to continue communicating its intentions in respect of this requirement in a transparent manner, to consider the views of different stakeholders, including regulators, before finalizing the exposure draft and when undertaking further outreach.

Overall, the PIOB emphasizes the importance of considering the balance between requirements in the standards and supporting Application Material relating to persuasiveness of audit evidence. The PIOB considers it crucial that amendments are made with reference to the PIF qualitative characteristics, in particular, clarity and enforceability, with a view to driving improved auditor behavior and increased audit quality.

2.3. Internal control aspects of the project

The PIOB welcomes the IAASB's intention to address through this project instances of inconsistent requirements of ISAs in respect of internal controls to enhance audit quality:

- make clear in which circumstances an auditor is required to test internal controls, thereby overcoming the limitations of substantive testing;

- clarify how to address situations where there is a lack of internal controls or inconsistent operations of controls, including deficiencies in pervasive internal controls, such as IT general controls or segregation of duties, within an entity;

- enhance the exercise of professional skepticism in designing and performing tests of controls, strengthen or clarify relevant requirements and application material.

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In the context of the intended enhancements of the standards, the PIOB emphasizes the importance of the public interest in achieving increased audit quality through clearer and enforceable requirements in the area of internal controls.

2.4. Importance of Using Technology

The PIOB welcomes the IAASB's intention to address various aspects of technology in the standards relating to audit evidence and risk response through the project's focus on the following:

- Principle-based, scalable and proportional requirements and application material relating to the use of technological tools or automated tools and techniques (ATT), including exploration of instances where the use of such tools may be appropriate or even required.

- Relevance and reliability of audit evidence when using technological tools or ATT, including caution against the possible overreliance on information from certain sources. In this context, the PIOB encourages further outreach with regulators on the risks of improper overreliance on technology tools in audit or overreliance by auditors on IT general controls of audited entities, according to their inspection findings.

The PIOB underlines that technology is not only relevant in respect of audit evidence and risk response but is a more pervasive theme throughout the whole suite of ISAs, and therefore important for the future evolution of audit (see section 3.1).

2.5. Auditor's role with respect to the authenticity of documentation

When revising ISA 240 "*The auditor's responsibilities related to fraud in an audit of financial statements*", the IAASB decided to delete the following sentence from the standard: "*Unless the auditor has reason to believe the contrary, the auditor may accept records and documents as genuine*". It was, however, retained in application material paragraph A24 of ISA 200 "*Overall objectives of the independent auditor and the conduct of an audit in accordance with ISAs*" (). The retention of this sentence has raised concerns about the degree of professional skepticism required of auditors across the ISAs, including requirements on robustness of audit evidence. The PIOB notes that some major scandals over recent years involved auditor failures with respect to falsified documents, which generated an expectation that audits should include some procedures to consider this risk.

The PIOB therefore welcomes the IAASB's intention to address this concern in relation to the Audit Evidence and Risk Response project, including the removal of the mentioned leading sentence from ISA 200.A24, which would be replaced by alternative wording stating expectations from auditors to perform work in respect of

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the authenticity of information, including records or documents. The PIOB emphasizes that it is in the public interest that the standards consistently reinforce the exercise of professional skepticism to adequately detect and respond to the above-mentioned risks.

3. LISTED ENTITY AND PUBLIC INTEREST ENTITY

Background

The IAASB has amended the ISQMs and the ISAs in response to the IESBA's revisions of the definitions of Listed Entity and Public Interest Entity (PIE) in the Code of Ethics. In a first phase, transparency requirements regarding independence in the audit report (ISA 700) and in communication with those charged with governance (ISA 260) were addressed (certified by the PIOB in 2023).

In a second phase, the IAASB aimed to converge the concepts between the Code, ISQMs and other ISAs, to the greatest extent possible, and to consider whether differential requirements should be extended to all PIEs. During the development of this project, the IAASB noted that the adoption of the IESBA's definition of PIE would pose the risk of jurisdictional differences in the application of the ISAs, as allowed by the IESBA's definition. Hence, in June 2025 the IAASB approved the adoption of the definition of Publicly Traded Entity (PTE), one of the categories of PIE in the IESBA Code, to replace the term "Listed Entity" in its standards, instead of adopting the PIE definition of the Code. This approach supports interoperability between the ISAs and the Code, while ensuring consistent implementation of the ISAs across jurisdictions. The IAASB has further introduced a framework to guide the auditor in determining whether other entities may warrant treatment similar to PTEs.

Status

The PIOB certified in August 2025 that the narrow scope amendments followed due process and are responsive to the public interest.

The PIOB is of the view that further alignment towards a single PIE definition is necessary in the public interest and note that IAASB and IESBA have committed to a joint action to address this matter.

3.1. Adoption of a Public Interest Entity definition in the IAASB Standards

The definition of PIE is crucial to determine the categories of entities that are subject to stricter (differential) requirements in the ISAs, ISQMs and the Code of Ethics. This treatment is responsive to heightened expectations over the audit of these entities because of the significance of the public interest in their financial condition.

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The PIOB views the IAASB's approach to adopt only the PTE definition to be a pragmatic and constructive first step towards alignment with the IESBA's broader PIE definition and to further consider extending differential requirements in the IAASB standards to all categories of PIEs.

The PIOB considers that the IAASB and IESBA should address underlying matters which have to date hindered the global adoption of an interoperable PIE definition with categories beyond PTEs. This requires a joint project by the IAASB and the IESBA as the most appropriate route to achieve such definition.

The joint initiative should commence as soon as practicable, integrating evidence from the IESBA's post-implementation review of its PIE definition, scheduled for 2027, as committed by the IAASB and IESBA.

4. TECHNOLOGY

Background

Digitalization is profoundly impacting the role of auditors, transforming how they conduct their work, and the skills required to perform their role. The use of new or emerging technologies by management in their financial and non-financial reporting processes, as well as by auditors in performing audit procedures, introduces new or evolving risks for credibility of financial and non-financial information. The IAASB is currently working on addressing such risks in its standard setting activities.

Status

In September 2024, the IAASB issued a document "The IAASB's Technology Position", which is a framework aimed to guide the Board's activities relating to the impact of technology on audit and assurance engagements. At the March 2025 IAASB meeting, the Board considered a gap analysis of technological aspects of the International Standards on Quality Management (ISQMs) and the International Standards on Auditing (ISAs) (presented as "Catalog of Issues and Possible Actions") and provided feedback on how to further enhance the Catalog. The first two editions of the Catalog were published on the IAASB's website in May 2025 and November 2025. The Catalog is subject to a semi-annual update cycle. Since the June 2025 IAASB meeting, a new Technology Quality Management Workstream has been working to understand how firms are applying the principles of ISQM 1 "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagement*" and ISA 220 (Revised) "*Quality Management for an Audit of Financial Statement*" to emerging technologies at the firm and engagement level, respectively, and to assess what additional support may be needed from the IAASB. Following an extensive outreach with a diverse range of stakeholders, the IAASB decided in December 2025 to pursue the development of non-authoritative material for technology quality management. An action plan detailing the scope, approach,

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governance and timetable of deliverables for this project will be considered at the IAASB meeting in March 2026.

4.1. Scoping the theme of technology in auditing standards

The PIOB welcomes the ambition of the IAASB around emerging technologies to enhance the value and relevance of audit.

The PIOB supports the IAASB's focus on the pervasive impact of technology in the development and revision of its standards, to ensure timely response and enhancing audit quality. The PIOB welcomes the IAASB's ongoing work on the gap analysis to identify specific opportunities to enhance the ISAs and ISQMs for technology related matters, and the finalization of the "Catalog of Issues and Possible Actions", with a plan for regular update going forward.

The new and emerging technologies, such as advanced data analytics, artificial intelligence (AI), machine learning (ML) and block-chain, have not only brought new risks for auditors, but are reshaping the audit landscape, gradually transforming perspectives on how to undertake the audit and how to maintain the audit trail. Data analytics already enables auditors to identify trends, patterns, and anomalies that may not be apparent through traditional methods. To this end, the revisions of relevant standards ought not only to embrace the current practice, but to continue to stay relevant in the evolving technological audit environment.

The PIOB therefore encourages the IAASB to clearly articulate, with reference to the public interest, the challenges that the technological initiative is aiming to address, including the opportunities and risks arising from technology, in the context of the current audit model. At the same time, a common understanding is needed between auditors and users with respect to the scope of the audit and the level of assurance, to avoid a possible widening of the expectation gap.

Considering the overarching impact of technologies on auditors, the PIOB emphasizes the need for co-ordination with the IESBA, beginning at the scoping phase of relevant projects. For both the IAASB and the IESBA, it is important that the Boards benefit to the fullest extent possible from their existing technology expert groups, to ensure an appropriate understanding of the strategic risks related to the theme of technology.

4.2. The Need for Comprehensive Outreach

The PIOB notes that the current activities of IAASB are focused on understanding how firms are applying the principles of the quality management standards to emerging technologies, with a goal to guide the firms to responsible innovation and consistent application of those principles. The PIOB welcomed the IAASB's initiative of roundtables with various stakeholders, which took place in the fourth quarter of 2025,

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considering it as an important part of the due process. The PIOB appreciates the IAASB´s intention to use other formats of outreach, including one-to-one discussions, in order to achieve comprehensive and deep understanding of how firms are approaching the usage of emerging technologies.

Additionally, it is important to understand how the emerging technologies are used by preparers and users of both financial and non-financial information, and how it impacts the role of audit and assurance in enhancing the confidence in corporate reporting. Therefore, further outreach with these stakeholder groups is key to gaining a holistic understanding of public interest issues that should be addressed as part of the IAASB's technology initiative.

4.3. Approach to the Theme of Technology

The PIOB acknowledges the need for agility in order to address the challenges and opportunities brought by emerging technologies and has noted the IAASB's intention to consider using non-authoritative materials as a timely and effective way of supporting consistent application of its Quality Management Standards to these technologies.

In this context, the PIOB acknowledges the IAASB's intention to remain agile while respecting the role of oversight in the public interest and draws attention to the public interest issue about possible new mechanisms for development of the non-authoritative materials (see Section 8 for further details).

5. ISRE 2410 REVIEW OF INTERIM FINANCIAL INFORMATION

Background

The International Standard on Review Engagements (ISRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" establishes the auditor's responsibilities to provide limited assurance on the interim financial information issued by companies. ISRE 2410 has remained largely unchanged since it was issued in 2005. It was not subject to the Clarity project, nor to conforming and consequential amendments of recent projects. This has resulted in inconsistencies in practice and challenges in its application, as well as increased the risk of jurisdictional fragmentation, due to the development of local standards to address such challenges. Consequently, the IAASB Strategy and Work Plan for 2024-2027 included a project to revise ISRE 2410.

Status

In June 2025, the IAASB approved the project proposal and since then has been deliberating on the issues and challenges identified, including a first read of the full proposed standard. The IAASB expects to complete an exposure draft in March 2026.

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5.1. Clear and robust interim review requirements

Interim financial information provides periodic updates about the financial performance of an entity throughout the year and its review by the auditor enhances the confidence of the intended users of that information. Trustworthy and timely financial information becomes particularly relevant for investors and users in contexts of high volatility and rapid change.

The PIOB supports the revision of ISRE 2410 to support auditors in the performance of review engagements of interim financial information as a matter of public interest. As interim reviews are designed to achieve limited assurance, the revision of the standard should provide clear guidance to auditors on the work effort required. Careful consideration should be given to the balance between requirements and application material to ensure the standard can be interpreted consistently and subsequently enforced, especially in areas such as materiality, groups and first-review engagements.

The standard should also ensure that review reports are clear for users in respect of the level of assurance achieved. The PIOB acknowledges the IAASB planned engagement with investors and other user groups to assess whether the proposals appropriately address their needs.

In addition, the revisions should incorporate robust procedures, proportionate to limited assurance, in areas such as going concern, fraud and group considerations that have been recently updated and strengthened.

6. MAINTENANCE OF THE ISA FOR LESS COMPLEX ENTITIES

Background

The IAASB approved the ISA for Less Complex Entities (LCEs) in 2023 (certified by the PIOB in December 2023) and was effective in December 2025. The IAASB committed to maintaining the ISA for LCEs after a period of stability of at least three years to allow adoption and implementation before introducing further revisions.

Status

In December 2025, the IAASB approved its approach to the maintenance of the ISA for LCEs and published it in January 2026. The IAASB also approved the project proposal for the first maintenance project, that will consider the recent revisions to ISA 570 *"Going concern"*, *ISA* 240 *"Fraud"*, and the narrow scope amendments from PIE track 2 and Experts.

6.1. Ensuring the same level of assurance and audit quality

The PIOB welcomes and supports the maintenance project to address relevant revisions to ISA 570, ISA 240 and other narrow scope amendments. Incorporating the

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relevant principles of these revisions should reduce the risks that the ISA for LCEs is perceived as a lower quality or achieving less than reasonable assurance.

During the development of the ISA for LCEs, the PIOB stressed that an important aspect of the standard's public interest responsiveness is the balance it should achieve between the scalability and proportionality of the standard and ensuring that the standard enables the same level of assurance and audit quality as when applying the full suite of ISAs. Maintaining this balance is an ongoing key public interest consideration in any future maintenance revisions.

In this respect, the PIOB welcomes the establishment of the Approach for Maintaining the ISA for LCE that will ensure transparency for stakeholders and consistency in execution.

Going forward, the IAASB needs to continue to find the right balance between maintaining the ISA for LCEs updated with the core principles in the ISAs, as they are subsequently revised, and the stability of the standard, avoiding frequent revisions that could impair its consistent implementation.

7. INTEROPERABILITY OF ETHICS AND AUDIT: IAASB AND IESBA COORDINATION

The PIOB notes that ethics and audit are two sides of the same coin, both from practitioners' and users' perspectives, as standards need to be interoperable to properly serve the public interest.

The PIOB acknowledges that the IAASB and IESBA coordinate their efforts at different stages of the development cycle of standards to determine potential implications on their respective projects, in alignment with the Public Interest Framework. In some instances, however, due to the complexity and nature of the topic and the challenge of achieving coherence in the standards, projects would require further joint efforts e.g. through joint board sessions, joint project teams, and potentially also by recasting some projects as joint projects.

A joint approach will enable the IAASB and IESBA to identify risks, opportunities, and impacts at an early stage for topics that overlap between ethics and audit and assurance. Clear communication of these matters will enhance stakeholders' understanding of the respective roles of ethics and audit and assurance, as well as their interdependence. The PIOB therefore encourages the IAASB and IESBA to consider whether to deepen the cooperation and coordination in the following projects and initiatives:

- Implementation of Sustainability standards (see Section 1.1 and IESBA Public Interest Issues)
- Definition of Public Interest Entity (see Section 3)

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- Technology (see Sections 2.4 and 4 and IESBA Public Interest Issues)
- Firm Culture and Governance and ISQM1 (see IESBA Public Interest Issues)
- Evolution of the use of non-authoritative materials (see Section 8 and IESBA Public Interest Issues).

In this context, the PIOB strongly supports the proposal to launch a joint survey by the IAASB and IESBA to inform the preparation of the Boards' next Strategies and Work Plans, which raises awareness among stakeholders of the critical role that both standard-setting boards play in the development of high quality interoperable ethical and assurance standards.

8. EVOLUTION OF THE USE OF NON-AUTHORITATIVE MATERIAL AND OVERSIGHT

In the current hierarchy of the IAASB's publications, non-authoritative material (NAM) provides practical, voluntary guidance to help in the application of the IAASB's standards. NAM does not override or modify authoritative standards but supports their consistent implementation and application in practice. In a number of ongoing workstreams, questions are arising about this hierarchy in view of the evolution of NAM and the role of public interest oversight.

The IAASB has proactively and regularly informed the PIOB about its evolving plans for using NAM in the complex area of technology quality management (see Section 4.3) in a manner that may go beyond how NAM has traditionally been prepared and used. Specifically there is potentially a greater reliance on input from external experts as part of a development process that enhances credibility and authority.

The IAASB's principle-based quality management standards (ISQM) are designed to be neutral to specific technologies. NAM is considered a timely and effective tool to support the consistent application of those principles in practice, allowing the IAASB to address the rapid evolution of emerging technologies while maintaining the principle-based nature of ISQMs.

In this context, NAM development may be going beyond its traditional use and becoming closer to standard setting. Questions necessarily arise as NAM is not subject to formal due process, that is, it does not require public consultation or PIOB certification.

The PIOB notes the need to balance agility in rapidly changing environments with adherence to due process, transparency, and public interest oversight. Among the key issues are leveraging specialized expert input with limited consultation while retaining the IAASB's ownership and accountability for NAM content. Public interest oversight may also need to evolve to help achieve this balance. Equally, public interest oversight

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serves to ensure that an enhanced use of NAM does not replace standard-setting where this is needed to meet the public interest.

The considerations above are expected to arise across both the IAASB and IESBA workstreams. The PIOB emphasizes the importance of the IAASB coordinating with IESBA, which is also considering the use of NAM in several areas. The goal is to establish transparent and consistent processes for both boards, increasing the credibility and authority of their NAM and responding to the public interest, to the extent possible outside of the due process for setting authoritative standards.

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PIOB's Public Interest Issues - IESBA projects

(document updated as of January 2026)

The PIOB's Public Interest Issues presented in this document are based on the status of the IESBA´s projects after its December 2025 meeting and the PIOB meetings in December 2025 and January 2026. For each selected project, brief background information and project status are provided, followed by the identified Public Interest Issues. The Public Interest Issues may contain questions or concerns relating to the responsiveness of specific initiatives and projects to the public interest. We encourage the IESBA to consider these questions and concerns during the due process of developing the relevant standards.

For further information and details about the IESBA projects, please refer to the website: https://www.ethicsboard.org/consultations-projects.

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Use of main acronyms

Code	The IESBA's Code of Ethics
ED	Exposure Draft
IAASB	International Auditing and Assurance Standards Board
IESBA	International Ethics Standards Board for Accountants
IESSA	International Ethics Standards for Sustainability Assurance
ISA	International Auditing Standards
ISSA	International Standard on Sustainability Assurance
PIOB	Public Interest Oversight Board

1. SUSTAINABILITY REPORTING AND ASSURANCE

Background

Following the PIOB certification of the IESBA and IAASB sustainability standards by the beginning of 2025, market participants and policymakers around the world now have a robust global baseline to instill confidence in sustainability reporting. Sustainability reporting has wide relevance for users both within and outside of capital markets and it requires additional information sources and the exercise of key judgments beyond financial reporting. There are also heightened risks, such as greenwashing, where organizations might seek to misrepresent their performance. Avoiding such risks, which could undermine public trust and capital flows into sustainable development, is clearly in the public interest.

The new IESBA sustainability standards for robust and consistent ethics and independence for sustainability reporting and assurance were developed in an accelerated timeline, to meet, to the greatest extent possible, the expectations of users placing reliance on reported information. The next step is a successful implementation of the sustainability standards, which will not only require further work of the IESBA, but also significant input from assurance practitioners, regulators, preparers and those charged with governance[1].

As sustainability reporting and assurance is at the start of a long journey and the new IESBA standards are central to this journey, it will necessarily need to evolve in line

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[1] *The PIOB notes that, in the context of implementation of the global standards on ethics and independence for sustainability reporting and assurance, there are public interest matters beyond the remit of the IESBA. The implementation will require a robust level of public interest oversight, where regulators and those charged with governance have a role to ensure that preparers of the sustainability information as well as assurance practitioners have the appropriate skills and experience and comply with ethical reporting and assurance standards.*

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with public interest needs. The PIOB is encouraging all stakeholders to share feedback from implementation, draw key lessons from experience, to enable timely refinements and, ideally, simplifications to the standards.

Status

In January 2025 the PIOB certified the standard *"International Ethics Standards for Sustainability Assurance (including International Independence Standards) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting"* (also referred to as the "standards" or IESSA in this section), as approved at the December 2024 IESBA meeting. The Public Interest Issues below reflect the key matters noted in the "Background" section above and highlight those areas that require further refinement in the context of the necessary evolution of the standards.

1.1. Supporting implementation through monitoring and rapid response

As sustainability reporting and assurance is a relatively new field, it is foreseen that questions will arise, and necessary clarifications will be needed across jurisdictions as sustainability practitioners start implementing the standards. Such challenges might arise, for example, in respect of expected involvement of those practitioners who are less familiar with the IESBA standards or in relation to the deferral of the effective date of the independence clauses for value chain components.

The PIOB encouraged the IESBA to create an effective monitoring and rapid response mechanism(s) to identify implementation challenges and to respond to them appropriately. In this context, the PIOB welcomes the establishment by the IESBA of the "IESSA Implementation Monitoring Advisory Group" (IIMAG) to provide insights, feedback or advice on identified areas relating to the implementation of the IESSA. Engaging with all relevant stakeholders, as an integral part of the monitoring and rapid response mechanism(s), will help ensure successful adoption and implementation of the IESSA through wide collaboration within the sustainability ecosystem, which is undergoing constant evolution in various jurisdictions.

The PIOB also emphasized the need for coordination with the IAASB and welcomed the appointments of an IAASB observer on the IIMAG and an IESBA observer on the corresponding working groups of the IAASB as well as joint outreach activities and publication of supporting implementation materials.

1.2. Scope of new Part 5 and applicability of Part 4B of the Code

The certified standards have been scoped to cover specific types of assurance on sustainability information as defined in the new Part 5 of the Code. While this approach is appropriate to have a global baseline at this point of time, further work is needed to achieve consistency in the standard's application for all sustainability assurance practitioners. The PIOB acknowledges that there remains a difference in the

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application of the Code between professional accountants on one hand, and other practitioners who are not professional accountants, on the other:

- Both professional accountants and other practitioners must follow Part 5, which covers specific types of assurance on sustainability reporting with respect to sustainability information that is reported according to a general-purpose framework and required according to law or regulation, or publicly disclosed, to support investors' and other stakeholders' decision making.

- Only professional accountants must follow Part 4B, which relates to other sustainability assurance services which are not covered under the scope of independence requirements in Part 5. Other practitioners are only encouraged to apply the requirements of Part 4B.

It is in the public interest, for the benefit of users of reliable and trustworthy sustainable information and the quality of its assurance, to have a level playing field for all sustainability assurance practitioners, i.e. both professional accountants and other sustainability assurance practitioners, who should be subject to the same requirements, for all sustainability assurance engagements, even for those which are not covered in the scope of independence requirements in Part 5.

The PIOB acknowledges the commitment of the IESBA to address this matter and welcomes the commencement of information gathering prior to a project proposal. In this context, it is important to take into account considerations in relation to the expansion of the scope of the Code, as further described in section 5 of this document.

1.3. Strengthening NOCLAR communication

The certified standards require communication on suspected or actual non-compliance with laws and regulations (NOCLAR), from the sustainability assurance practitioner to the financial statements' auditor, or vice versa, unless prohibited by law or regulation. This requirement is currently only applicable if the sustainability assurance client is also an audit client, or a component of an audit client, of the same firm. In other instances, the standard only requires that the assurance practitioner shall consider whether to communicate, which is consistent with the general approach of the Code.

In this context, the PIOB acknowledges the IESBA's plan to consider whether to expand and strengthen this requirement in a holistic way and in the near term, as described below.

Two-way NOCLAR communication between the financial statements' auditor and sustainability assurance practitioner, in all instances

The PIOB underlines the importance of two-way communication between different assurance practitioners to ensure adequate and timely follow-up of identified

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instances of suspected, or actual, NOCLAR, which may include suspected greenwashing, in both the financial statements audit and the sustainability assurance engagement.

While communication may be easier in instances where the group and component sustainability assurance practitioners, as well as the financial statements auditor are from the same firm, the communication is necessary in all instances to address the risk of an uneven level-playing field for all assurance arrangements.

Two-way communication between the group sustainability assurance practitioner and assurance practitioners of the value chains

The PIOB notes that the approved standards only contain requirements for communication between the group sustainability assurance team and sustainability assurance practitioners of group components. There is no required communication by another practitioner performing work for the group assurance practitioner at a value chain component.

The PIOB encourages the IESBA to address the need for timely broader two-way communication in the context of NOCLAR between all relevant assurance practitioners. In this context, the PIOB welcomes that the IESBA has committed to address the NOCLAR communication matter throughout the Code in a holistic manner and that it has commenced NOCLAR post-implementation review.

2. FIRM CULTURE AND GOVERNANCE

Background

The project of Firm Culture and Governance was included in the Strategy and Work Plan 2024-27 due to a clear need to respond to persistent cases of unethical behavior within firms and to consider the broader issue of firm culture and governance and how these might impact ethical behavior and compliance with the Code. The PIOB has expressed strong support for this project.

Status

The IESBA discussed the work on Firm Culture and Governance during all its meetings in 2024, leading to the approval of the project proposal in December 2024. The IESBA continued gathering input for the project during the first quarter of 2025, including feedback through a series of global roundtables with a wide range of stakeholders. Based on the feedback received from the roundtables, as well as from other stakeholder outreach initiatives, the IESBA decided at its June 2025 meeting to re-sequence the project activities, prioritizing the development of non-authoritative and supporting material for the next 18-24 months while exploring the best approach for the Firm Culture and Governance Framework. Regarding the latter, the IESBA has developed a series of "viewpoints" on various elements of the envisaged Framework.

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The "viewpoints" were published, together with related supporting material, in January 2026 with a view to using them for further engagement with stakeholders during the first half of 2026. It is envisaged that by June 2026 the IESBA will stand back, reflect on the feedback received on the "viewpoints" and determine the way forward with respect to the Framework.

2.1. Achievement of behavioral changes as the ultimate goal of the project

The PIOB welcomes that the project proposal has defined the objective of the project as to develop a Firm Culture and Governance Framework that promotes, supports and reinforces a high standard of ethical behavior. The PIOB also welcomes IESBA's intention for the project to aim at instilling behavioral changes through the proposed Framework, in the specific areas highlighted by the project proposal, such as leadership of firms, provision of independent input, firm-wide level accountability, performance management, speak-up culture, education and training, and transparency. In referring to behavioral change, the PIOB emphasizes the importance of uniformity across all the service lines of firms, which require consistent interpretation and level of understanding of the Code regardless of the professional background of the individuals.

The PIOB encourages the IESBA to pursue development of an enforceable Framework inspired by an understanding of factors which contribute to unethical individual behavior and culture through building on fundamental ethical principles to achieve behavioral change, rather than "compliance" steps. Equally, ethical aspects relating to governance should stipulate substance rather than form, in order to complement the principles for individual behaviors and to also provide appropriate transparency for the users of services and public confidence more generally. The PIOB acknowledges the IESBA's commitment to achieve the goal of the project via a principles-based Framework, noting that there are benefits in re-sequencing the project steps to gain a better practical understanding and knowledge for the development of such a Framework (see section 2.3).

2.2. Scope of the project

The PIOB welcomes the IESBA's approach in the Firm Culture and Governance project proposal to address risks impacting the public interest arising from the organizational culture and governance of firms in which individuals work.

The PIOB welcomes the IESBA's approach to consider all service lines within the firm rather than a narrow approach focused only on the audit service line. An ethical culture that is integrated in the firm's strategy covering all service lines with supporting performance indicators, measurement and monitoring can guide a systematic approach to continuous improvement. Considering these factors, the project will more

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completely address "firms" as market-facing multi-service entities, taking into consideration the interplay between traditional service lines, such as audit, with others that are not necessarily undertaken by professional accountants. Equally, it is important to cover arrangements within and across jurisdictions often housed under "network" arrangements.

The PIOB supports the intention of the IESBA to consider risks which arise within legal structures used across firms, as well as from private equity investments (see also Section 4), with attention to their interplay with incentives that might lead to unethical behavior and corporate governance arrangements. Scalability of the future Framework based on consistent principles to cover firms of different sizes, and with a clear rationale if non-application is envisaged in circumstances of certain firms, will require careful attention. Compatibility with local legislation and ensuring that public benefit is achieved in a neutral way with respect to market structure are among key matters to be considered for any potential amendments to the Code.

The PIOB supports the re-sequencing of the project steps (see section 2.3) and consideration of further feedback to better inform the ultimate standard setting work in achieving the agreed scope and objectives of the project.

In this context, the PIOB acknowledges the IESBA's commitment to remain within its remit and leave the regulation of legal structures to regulators. The PIOB supports the IESBA's focus on ensuring the ethical behavior of individuals of different backgrounds and expertise within the firm and ethical functioning of governance arrangements.

2.3. Approach to developing a Framework

The PIOB supports IESBA's decision to stand-back and assess how best to achieve the objectives of this project resulting in the re-sequencing of the project steps. This is appropriate considering the complex nature of the subject matter and variations in rules and practices across jurisdictions, as well as given the feedback received from a range of different stakeholders and the logic of using the proposed IESBA "viewpoints" to inform and make more efficient the design of the Framework. In this context, the PIOB acknowledges the IESBA's approach to utilize the "viewpoints" as a stepping stone in this respect and to ensure that the project's intended outcome is fully maintained in rebuilding and maintaining trust in firms in the public interest.

The PIOB welcomes the IESBA's plan for a preliminary field-testing of the "viewpoints" through simulation exercises with selected firms of different size categories. If timed appropriately, this could be an important mechanism to avoid unintended consequences, help with the acceptance of the Framework by firms and achieve the ultimate success of the project.

The PIOB encourages the IESBA to responsibly consider risks of being misunderstood as to what the project is seeking to achieve at this stage. Clear communication is

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crucial throughout the project, including the choice of terminology in the various materials being issued and how the "viewpoints" may be translated into a new framework. This is important to achieve understanding among stakeholders and keep the project's objective at the forefront, which is to enhance the role and contribution of the Code to support the public interest responsibility of the profession.

2.4. Inter-operability with ISQM 1

The PIOB emphasizes, as a matter of priority in the Firm Culture and Governance project, the benefits of an enhancement in ongoing coordination with the IAASB (see also Section 8). Such coordination is vital specifically with respect to the inter-operability of the characteristics of the anticipated Framework, as reflected in the draft IESBA "viewpoints", with the IAASB's International Standard on Quality Management ISQM1, through careful consideration of any links and potential overlaps between the two. Ethical behavior and independence are crucial principles that underpin audit quality, and they are already recognized by ISQM1. It is therefore important that IESBA communicates clearly to stakeholders in a timely way on how it intends to interlink the envisaged Framework with ISQM 1.

The PIOB welcomes that the IESBA has developed, in coordination with the IAASB, a paper with two of the "viewpoints" (Ethical Leadership, and Incentives and Disincentives) compared with relevant sections of ISQM1, and that it has committed to extend such comparison to the "viewpoints" relating to the remaining six elements of the FCG framework. Such comparisons should help address the interoperability point and facilitate the preliminary field-testing of the "viewpoints" (see section 2.3).

3. COLLECTIVE INVESTMENT VEHICLES AND PENSION FUNDS

Background

The revised definition of "Public Interest Entity" (completed in 2022) does not explicitly include Collective Investment Vehicles (CIVs) and Pension Funds (PFs), but the Code contains a strong encouragement for local bodies to consider adding CIVs and PFs as categories of PIEs in their own jurisdictions. The PIOB supported this approach as the PIE definition was revised in 2022, regarding this as appropriate at that point in time. Equally, the PIOB strongly encouraged the IESBA, at the time, to undertake further research activities in respect of CIVs and PFs, specifically with respect to their interaction with related entities, and relationships with and between trustees, managers and advisors.

Status

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In line with the approved Strategy and Work Plan for 2024-2027, the IESBA discussed the CIVs and PFs project during board meetings in 2024. The initial conclusions from the research conducted were that unrelated third parties that undertake significant management responsibilities on behalf of CIVs and PFs are currently not explicitly captured by the Code's definitions of "audit client" and "related entity" and therefore there is a risk that auditors would not apply the conceptual framework in a consistent manner.

The IESBA approved a Consultation Paper at the IESBA meeting in March 2025, to solicit further views about this perceived gap in the Code. In December 2025, the IESBA considered and agreed to the recommendation of the project team to commission the development of non-authoritative materials to provide clarity and further guidance in the application of the conceptual framework.

3.1. Incorporation of CIVs and PFs into the Code

The PIOB supports the IESBA's activities to identify to what extent there is currently a public interest "gap" in coverage of the Code – i.e. risks arising from the absence of the specific independence provisions addressing audits of CIVs and PFs.

The PIOB has acknowledged the current intention of the IESBA to consider potential enhancements to independence provisions in the Code rather than reconsidering inclusion of CIVs and PFs explicitly in the PIE definition.

The PIOB supported the proposal to carefully consider the practical aspects of a "perceived gap" as described in the Consultation Paper before proposing any amendments to the Code. and emphasized the importance of gaining an understanding of how auditors currently apply the conceptual framework to assess their independence when dealing with CIVs and PFs and whether there are inconsistencies in the application of the Conceptual Framework in the Code. The analysis, as reflected in the Project Team's final report, provides clear evidence about the need for further clarity on the proper application of the requirements in the Code in respect of certain relationships.

The PIOB supports IESBA's decision to accept the recommendation in the final report to commission the development of non-authoritative materials to provide further clarity and guidance regarding the application of the conceptual framework in this area. The PIOB also emphasizes, as noted in the final report, that a phased approach could be considered, overtime, to develop application material in the Code. In this context, the PIOB draws attention to the public interest issue about the development of non-authoritative materials (see Section 9)

The PIOB encourages the IESBA to investigate potential similar issues arising across CIVs and PFs and private equity investments (see Section 4) to ensure their consistent treatment in the Code.

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In summary, it will be important to ensure that risks to the public interest are clearly articulated so that the non-authoritative materials are tailored appropriately, also with scalability in mind, in order that they meet the public interest without unintended consequences.

3.2. Engagement with investors and other respondents

The PIOB underlines that the independence of auditors is fundamental for fostering trust in financial reporting and decision making. The Consultation Paper directly addressed independence challenges, seeking feedback on how independence may be compromised, either in substance or appearance, due to relationships with "connected parties" of CIVs and PFs.

Gaining a deep understanding of the diverse feedback received to the Consultation Paper by stakeholder groups and conducting further engagement, as needed, are relevant steps to adequately respond to stakeholders' needs and the public interest.

Recognizing the strong interest expressed by investor stakeholder groups in the matters addressed in the Consultation Paper, as noted by the response of several investors and asset managers, the PIOB encourages the IESBA to further engage with the investor community in the development of NAM. This dialogue is important to gain deeper insights into the key concerns and challenges surrounding auditor independence in the context of CIVs, PFs, and similar structures, and to explore potential approaches for effectively addressing these issues.

4. PRIVATE EQUITY INVESTMENTS

Background

Private equity investments (PEI) in audit firms have been increasing in recent years, particularly as firms seek capital to grow, invest in technology, or expand service offerings. As this trend is impacting the traditional structure of many accounting firms, the topic of PEI has become relevant to several on-going projects and initiatives of the IESBA.

Status

The IESBA's on-going projects where the PEI is relevant are most notably the Firm Culture and Governance (see Section 2), and CIVs, Pension Funds and other Investment Company Complexes (see Section 3). In addition, in July 2025 the IESBA issued a Staff Alert regarding PEI in audit firms, which aims to provide guidance on how to apply the Code, particularly its conceptual framework, to different PEI structures.

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4.1. Coordination between various projects

The PIOB encourages the IESBA to clearly articulate, beyond the Staff Alert, whether it intends to address the ethics and independence considerations of the PEIs and how the different projects, as referred to above, interrelate. Another consideration could be to also coordinate with the IAASB regarding risk assessment aspects of the PEI in the context of its quality management standard ISQM 1. It is important that the respective teams work together to ensure consistency and coherence in their approaches.

OTHER PUBLIC INTEREST ISSUES

Background

During its oversight activities, the PIOB has identified several public interest issues, which are of a broader nature relevant to IESBA workstreams. These issues are described in Sections 5-9 below.

5. Potential expansion of the scope of the Code of Ethics

Consideration of the potential expansion of the impact of the Code, including possibly expanding the scope and application of the Code, is part of the IESBA's 2024-2027 Strategy and Work Plan, which the PIOB concluded in April 2024 has been developed in a manner consistent with agreed due process and is responsive to the public interest. The PIOB has already acknowledged the intention of the IESBA to expand the applicability of Part 4B to other practitioners who are not professional accountants (see Section 1.2 for details).

As the IESBA considers further expanding the applicability of the Code to individuals other than professional accountants, the PIOB underlines the importance of clear articulation of the anticipated benefits as well as any specific risks from the public interest perspective. Robust engagement would be imperative with investors, users, regulators and stakeholders both within the accountancy profession as well as among other professionals who would be the subject of any such extension of application of the Code. Equally, a wider impact analysis would be required to identify any potential unintended consequences regarding the efficacy of the Code as a whole where professional accountants are concerned. By way of example, this analysis would cover potential risks arising from the use of more universal language in any extension to enable other professionals to understand and apply the Code.

In summary, taking into account all the relevant perspectives, a potential extension of the application of the Code will require time and resources and therefore impact on other areas of IESBA's work. Therefore, careful evidence-based evaluation of priorities will be needed, considering the significance of risks to public interest issues to be addressed.

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The IESBA's mandate to serve the public interest lies in setting ethics standards, including independence, as a cornerstone to ethical behavior. By definition, this mandate is distinct from, while complementary to, the remit of regulators. Preserving this complementarity while guarding against any overlap will help ensure that the Code continues to be responsive to the public interest and assist regulators in achieving efficient regulation.

6. Impact of technology on ethics and independence

Digitalization is profoundly impacting the role of professional accountants, including auditors, transforming the conduct of their work and the skills required to perform their roles. In this context, new risks for professional accountants with respect to ethics and independence have appeared.

It is welcome that the IESBA has recently issued revisions to the Code and resource materials for professional accountants, including Technology-related Revisions to the Code (effective from 15 December 2024) or Practical Guidance for auditors on how to apply the Code's requirements with respect to independence (dated July 2023). The PIOB acknowledges IESBA's commitment to remain attentive to feedback on the usefulness of these materials and market developments overall, continuously identifying gaps with real-world challenges. The PIOB therefore welcomes the IESBA's plan to provide professional accountants with new practical guidance, specifically in light of fast-moving developments in artificial intelligence (AI), including "agentic" as well as "generative" AI. In this context, the PIOB draws attention to the public interest issue about development of the non-authoritative materials (see Section 9).

Equally, the PIOB encourages the IESBA to liaise closely with the IAASB with respect to its important technology-related project, with a view to anticipating any significant impacts on ethics and independence.

For both the IESBA and the IAASB, it is also important that the Boards benefit to the fullest extent possible from their existing technology expert groups, to ensure an appropriate understanding of the strategic risks related to the theme of technology.

7. Classification of assurance services and their impact on independence

The Code prescribes that auditors of financial statements consider potential threats to their independence in cases when a large proportion of fees charged to their clients is generated by providing services other than audit (paragraph 410.11 A1). Under the current approach, the non-audit services which trigger the application of these provisions, include all assurance services, with the exception of reviews of financial statements (paragraph 410.3 A3) and sustainability assurance within the scope of the new Part 5 of the Code (paragraph 410.11 A2a). Consequently, a wide range of

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assurance services are considered as threats to auditors' independence, based on IESBA's view that they have a lower level of public interest.

Recognizing the importance of the principle-based nature of the Code and its coherence, the PIOB is concerned about the public interest implications of such an inconsistency in the treatment of assurance services and the resulting stringent independence requirements. From the user and broader external perspective, the inconsistent treatment of different types of assurance creates unnecessary complexity which is not conducive to the credibility of the auditor and the assurance work performed. On these grounds, the PIOB encourages the IESBA to reflect on the public interest benefit of overall coherence in the approach with respect to independence of the financial statement auditor in the Code.

8. Interoperability of ethics and audit: IESBA and IAASB coordination

The PIOB notes that ethics and audit are two sides of the same coin, both from practitioners' and users' perspectives, as standards need to be interoperable to properly serve the public interest.

The PIOB acknowledges that the IESBA and IAASB coordinate their efforts at different stages of the development cycle of standards to determine potential implications on their respective projects, in alignment with the Public Interest Framework. In some instances, however, due to the complexity and nature of the topic and the challenge of achieving coherence in the standards, projects would require further joint efforts e.g. through joint board sessions, joint project teams, and potentially also by recasting some projects as joint projects.

A joint approach will enable the IAASB and IESBA to identify risks, opportunities, and impacts at an early stage for topics that overlap between ethics and audit and assurance. Clear communication of these matters will enhance stakeholders' understanding of the respective roles of ethics and audit and assurance, as well as their interdependence. The PIOB therefore encourages the IESBA and IAASB to consider whether to deepen the cooperation and coordination in the following projects and initiatives:

- Implementation of Sustainability standards (see Section 1.1 and IAASB Public Interest Issues),
- Technology (see Section 6 and IAASB Public Interest Issues),
- Firm Culture and Governance and ISQM1 (see Section 2.4),
- Definition of Public Interest Entity (see IAASB Public Interest Issues)
- Evolution of the use of non-authoritative materials (see Section 9 and IAASB Public Interest Issues).

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In this context, the PIOB strongly supports the proposal to launch a joint survey by the IESBA and IAASB to inform the preparation of the Boards' next Strategies and Work Plans, which raises awareness among stakeholders of the critical role that both standard-setting boards play in the development of high quality interoperable ethical and assurance standards.

9. Evolution of the use of non-authoritative materials and oversight

In the current hierarchy of the IESBA's publications, non-authoritative material (NAM) provides practical, voluntary guidance to help in the application of the Code. NAM does not override or modify the Code but supports its consistent implementation and application in practice. In a number of ongoing workstreams, questions are arising about this hierarchy in view of the evolution of NAM and the role of public interest oversight.

The PIOB has acknowledged IESBA's intention to use NAM in the areas of CIVs and pension funds (see Section 3) and technology (see Section 6). Also, the IESBA is developing NAM for the FCG project (see Section 2). Overall, this has raised questions about the appropriate use of NAM and when standard-setting is needed.

The Code's principle-based requirements are designed to be neutral to legal structures or specific technologies. NAM is considered a timely and effective tool to support consistent application of those principles in practice, allowing IESBA to address specific circumstances, address the rapid evolution of emerging technologies, and raise awareness while maintaining the principle-based nature of the Code.

In this context, the PIOB considers that there may be parallels with the IAASB's NAM development in the area of technology, which may be going beyond its traditional use and becoming closer to standard setting. Questions necessarily arise as NAM is not subject to formal due process, that is, it does not require public consultation or PIOB certification.

The PIOB notes the need to balance agility in rapidly changing environments with adherence to due process, transparency, and public interest oversight. Among the key issues are leveraging specialized expert input with limited consultation while retaining the IESBA's ownership and accountability for NAM content. Public interest oversight may also need to evolve to help achieve this balance. Equally, public interest oversight serves to ensure that an enhanced use of NAM does not replace standard-setting where this is needed to meet the public interest.

The considerations above are expected to arise across both the IAASB and IESBA workstreams. The PIOB emphasizes the importance of the IESBA coordinating with the IAASB. The goal is to establish transparent and consistent processes for both boards, increasing the credibility and authority of their NAM and responding to the public

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interest, to the extent possible outside of the due process for setting authoritative standards.

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XRB | *Te Kāwai Ārahi Pūrongo Mōwaho*
EXTERNAL REPORTING BOARD

Joint Project Plan

Project Title:	Revision of Explanatory Guidance EG Au8 *Audit Implications of the Use of Service Organisations for Investment Management Services* (New Zealand version) and Guidance Statement GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services* (Australian version)
Date Prepared:	29 April 2025
Prepared By:	Rajen Pillay and Thinus Peyper (15 May 2025)

Overview of Project

Information Gathering/Background

GS 007 was first issued in March 2008 and subsequently updated and reissued on 25 October 2011 by the AUASB. EG Au8 was issued in September 2013 by the NZAuASB.

Feedback from audit firms and regulators highlighted that the audit landscape has evolved since EG Au8 and GS 007 (the guidance) were last issued for example, changes in auditing standards, and changes in technology and its use by entities. Therefore, the current versions of the guidance require revisions to align it with current practice. Further details are noted under the project scope area below.

Consistent with the Principles of harmonisation of New Zealand and Australian Standards, the NZAuASB and AUASB (the boards) will work jointly on revising the guidance to achieve consistency where appropriate across jurisdictions.

At the AUASB Board meeting in November 2024, it was agreed that Klynton Hankin (a current AUASB Board Member) will be the project sponsor for the revision of the guidance. A subsequent meeting was held with him in December 2024 to get a brief overview of the issues with the application of GS 007 and to inform the scope of the project. The issues have been further informed by input from Project Advisory Group (PAG) members, before and during an initial PAG meeting on 2 April 2025.

Stakeholder engagement

The guidance is widely used in the investment management services industry. Key stakeholders impacted by the revision are:

- service/subservice organisations that provide investment management and related services to the superannuation and wealth management industry and their auditors providing assurance on the design and effective operation of relevant controls; and

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- user entities (e.g. managed schemes, responsible entities, registrable superannuation entities and RSE licensees/trustees) and the auditors of their financial reports.

It is also expected that there will be ongoing discussions with the FMA and ASIC which regulate financial reports and audits.

An Australian stakeholder group from whom input may be sought, is the Australian Custodial Services Association, an industry body representing members of Australia's custodial and investment administration sector.

XRB staff will also endeavour to seek input from any relevant stakeholder groups in New Zealand, as the revision progress.

Scope

Project Objective

To review and revise the guidance for key issues with its application by auditors of financial reports of entities in the investment management and superannuation industry.

Project Scope

The application section of the guidance has been retained. The guidance is provided to:

(i)   user auditors of a financial report of a user entity which uses a third-party service organisation to provide investment management services; and

(ii)   service auditors of those service organisations who provide reports on controls (or financial information) which may be used as audit evidence in the audit of the user entity's financial report.

To meet the project objective this project will address the application issues with the current guidance having regard to feedback from audit firms and practitioners that undertake audit work in the investment management services industry.

The application issues to be addressed are outlined in the **Appendix** to this project plan identified by the PAG chair and members. These issues will be refined as we progress with the review.

The review of the guidance and the approach to deal with issues identified will be informed by a review of guidance/practices in the US and UK (i.e. SSAE 18 in the US (2017) and ICAEW 01/20 AAF in the UK (2020)), and possibly other jurisdictions.

Issues Out of Scope of this project

The project is confined to the use of service organisations in the context of a financial report audit. The update will not cover, for example, sustainability reporting and associated value chain reporting by service organisations. This could be addressed as a separate project at a future date.

Project Governance

PAG

To assist the Boards with this project, a PAG was formed to advise on the development of proposed amendments to the guidance. The PAG comprises member representatives from the largest audit firms from New Zealand and Australia. The PAG Chair is Klynton Hankin.

The Boards sought nominations of suitably experienced individuals to serve on the PAG. Following AUASB protocols, the AUASB Chair made the final decision on selecting PAG members to ensure appropriate representation on the PAG. XRB staff was also consulted in making his decision.

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Targeted Implementation Date

The reporting period targeted is years ending 30 June 2026 and later. It is planned to provide a final draft in February/March 2026 for review and approval by the Boards (refer action plan below).

Risks/Issues

Risk/Issue to meeting project objective	Planned Mitigation Activities
Scope not well defined – "scope creep"	Discussions at the PAG and the Boards (including approval of this project plan) to clearly define scope
Amendments go beyond or are not consistent with the underlying requirements in the auditing and assurance standards	Review by the PAG and the Boards

Action Plan

Action plan steps outlined in the table below.

Date	NZAuASB Timing	Date	Description/AUASB timing
18 Feb 2025	Initial NZAuASB Discussion	14 Feb 2025	Initial discussion AUASB staff
2 April 2025	Project scope issues discussed at 1st PAG meeting – inform plan	2 April 2025	Joint project same timing
9 April 2025	NZAuASB updated on project progress and scope	-	-
4 June 2025	Plan approval by NZAuASB Board	14 May 2025	Plan approval by AUASB Board
3 April to Dec 2025	Project work undertaken and ongoing PAG review		Joint project same timing
Jan/Feb 2026	Early draft of the guidance for PAG review		Joint project same timing
Feb/Mar 2026	Final draft of the guidance to NZAuASB Board for review/approval	Feb/Mar 2026	Final draft of the guidance to AUASB Board for review/approval

Communication with stakeholders

The necessary protocols of the Boards will be followed to issue updated non-authoritative pronouncements.

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Appendix

Project scope issues are detailed in the table below. This is subject to further consideration/refinement during the PAG process.

	Issues / Observations	Related Action / Response
	A. Subservice organisations	
1	Subservice organisations (SSO) and the inconsistent application of the carve-out method. Where carve-out is applied some principles-based guidance is needed, including: • Initial risk assessment procedures to justify why SSO is carved out. • Monitoring of controls by the service organisation to evidence design and operating effectiveness of controls at the SSO to support a conclusion regarding achievement of the in-scope objectives. • Adequacy of reporting around control objectives/controls by service/subservice organisation? • Consideration of ability to obtain sufficient appropriate audit evidence on the relevant control objectives where there are carved out SSOs.	
2	Limitations on user auditor access to SSOs where controls are at the SSO rather than the service organisation. • Consider whether guidance may be useful for SSOs that are considered significant and the absence of a contractual relationship between the user entity and the SSO – linking into issue 1 above on risk assessments and possible carve out (e.g. superannuation fund audits)?	
	B. Gap periods	
3	Gaps in time periods between: (i) service organisations relying on subservice organisations; and (ii) service organisations and user entity financial reporting year end. Applying a risk lens, clarity on the nature and extent of additional audit procedures that could be used by user/service auditor to address: • Coverage of a gap period and over what duration; • Risk considerations around duration of the gap, nature of the control and system changes; and the criticality of the service provider to the subject matter; and • Consider regulatory requirements / expectations i.e. FMA and ASIC. For example, consideration may be given to the impact of the combination of: • the gap period at a subservice organisation; and • the time lag between the date of the report from the service organisation auditor and the balance date of the entity subject to audit.	

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	Issues / Observations	Related Action / Response
	C. Nature and extent of controls testing (and related considerations)	
4	Clarity on requirements for evidencing the extent of controls testing (including IT dependencies) on the following. • The extent of testing on automated controls or key reports, and IT dependent manual controls? Can it be assumed that service auditor has tested the IT dependency for report generation and completeness and accuracy of the source population as part of an IT dependent manual control or should this be set out in the service auditor's assurance report? • Where control samples are selected from a population, what testing has been performed over the completeness and accuracy of the population. NB: Further clarity around definition of: • in-scope IT systems underpinning reporting (and therefore subject to Section G IT controls) • the key reports subject to controls/substantive testing. • IPE – inclusion of this terminology to provide some clarification and to achieve audit consistency. **(Added after 15 May 2025)**	
5	Are controls described at too high a level leading to inconsistency in interpretation (including Section G IT controls). • Do descriptions need to be more specific and more clearly articulated (e.g. details of precision of review controls, in-scope systems tested)? • Need for further guidance over description of controls (including examples).	
6	Should service organisation auditors provide clarity on the approach to determining sample sizes, provide sample sizes in reports and reference the frequency of testing for each control with the report? Alternatively, should relance be placed on the professional judgement of the service organisation auditor. • Some base line level of sampling might be included in the guidance. • This would exclude how auditors should determine sample sizes.	
7	Extent to which roll forward test procedures are performed over differing period ends, and whether and how this is disclosed in service organisation auditor reports. It may be appropriate to draft based on UK guidance AAF 01/20.	
	D. Other areas of challenge	
8	Use of EoM (emphasis of matter) paragraphs when controls exist but were not required to operate within the period (e.g. controls over client acceptance where no new clients were accepted during the period).	

	Issues / Observations	Related Action / Response
	• Clarifying when and how such matters should be reported is seen as important for consistency and for informing the user auditor's conclusions.	
9	Expectations on interaction between user auditor and service auditor having regard to likely report content, particularly where the report will be received late in the audit. • Communication throughout to avoid surprises when final report is received. • Timing of the receipt of the controls report to allow sufficient time for the user entity auditor to use the evidence it contains prior to completion of the user entity's audit. Further procedures may be required for opinion modifications and/or deviations reported, as well as seeking more clarity on the controls tested, etc. • Clarifying the expectations regarding findings and qualification – any additional information required to be included in the report or to support the report to assist user entity auditors or auditors of the service organisation • Disclosure of procedures undertaken to determine completeness and accuracy of population where completed?	
10	While the guidance is focused on financial reporting, a statement might be included that service organisation reports may also need to include controls to address operational resilience or other reporting matters required by regulatory bodies. This could include business continuity plans and cyber-security. However, guidance on these matters would remain outside the scope of the guidance.	
11	Expanding GS 007/EG Au8 to include emerging service providers. **(Added after 15 May 2025)** The investment management services industry has evolved, with new types of service providers operating beyond traditional custodians and fund administrators. Suggested additions include platforms & "fintech" services that support investment management services. PAG members agreed to assess whether GS 007 should introduce a new service category for these emerging providers.	

POST-IMPLEMENTATION REVIEW – ISA 540 (REVISED)

In June 2018, the IAASB approved ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures,* as a final standard. The standard was effective for audits of financial statements for periods beginning on or after December 15, 2019.

As highlighted in the Strategy and Work Plan for 2024-2027, post-implementation reviews (PIRs) are considered after a significant period of global adoption and implementation of a standard (i.e., 3-5 years) and balancing with other work plan priorities and capacity considerations. The IAASB is commencing work for its PIR on ISA 540 (Revised) in 2025. Audits with December 2020 to 2024 year-ends would have been completed using ISA 540 (Revised) (i.e., five audit cycles).

This request for information to the IAASB-Jurisdictional Standard Setter (JSS) Liaison Group (IAASB-JSS) is conducted as part of the planning phase of the PIR and includes seven high-level questions. The IAASB aims to:

- Obtain an understanding of the current adoption and implementation status of ISA 540 (Revised);
- Gather information on jurisdictional activities and developments related to the implementation of ISA 540 (Revised); and
- Gain insights into the benefits and potential areas of challenge with regard to the application of ISA 540 (Revised).

The result of this request for information will directly inform the development of focused questions for the public consultation survey, which is targeted for approval by the Board in December 2025. All stakeholders, including the IAASB-JSS, will be invited to complete the public consultation survey which, subject to Board approval, is expected to be released in January 2026.

All responses to this request for information, whether complete or partial, once submitted will be accepted and considered as input for the ISA 540 (Revised) PIR project. The results of the request for information may be made public, as deemed appropriate, through issues papers and related materials that may be tabled for the IAASB's consideration in plenary session, but will be discussed at an aggregated level as datapoints that inform the Project Team's proposals for the public consultation survey.

Please complete this request for information by **August 8, 2025**.

Please contact Isabelle Raiche (isabelleraiche@iaasb.org) with any questions.

Section 1. Respondents Details and Demographic Information

Your organization's name (or your name if you are making a submission in your personal capacity)	External Reporting Board
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Misha Pieters

Name(s) of contact(s) for this submission (or leave blank if the same as above)	Lisa Thomas
E-mail address(es) of contact(s)	lisa.thomas@xrb.govt.nz

Section 2. Adoption and Implementation of ISA 540 (Revised) or National Equivalent Standards and Related Developments

1. In your jurisdiction, have you adopted ISA 540 (Revised) directly, or a local equivalent of ISA 540 (Revised)? In the case of the latter, please provide the name and a link to your local equivalent standard. If neither ISA 540 (Revised) nor a local equivalent has been adopted, please provide the reason(s).

   > Yes. ISA (NZ) 540 (Revised) Auditing Accounting Estimates and Related Disclosures

2. If your answer to question 1 is that a local equivalent of ISA 540 (Revised) has been adopted in your jurisdiction, please indicate the nature of any changes or modifications (e.g., new or different or incremental requirements, or additional or amended application material) compared to ISA 540 (Revised)? Please also provide a brief description of the areas or aspects of auditing accounting estimates impacted and the reason(s) why a change or modification was deemed necessary. *Note: you may provide a link to relevant material in this regard.*

   > No incremental requirements or additional or amended application material added.
   >
   > Modifications only to incorporate terminology used in New Zealand.

3. Have there been any other recent significant developments in your jurisdiction related to the auditing of accounting estimates that you wish to share? *Note: you may provide a link to relevant material in this regard.*

   > None

Section 3. Benefits and Possible Challenges in Applying ISA 540 (Revised) or National Equivalent Standard

4. In your view, what have been some of the major benefits or improvements brought about by implementing ISA 540 (Revised) or the local equivalent standard?

> - Focused the auditor on where the risks lie in estimates.
>
> - The objective based requirements help to break down auditor work effort directed at the methods, data and assumptions.
>
> - Focused the auditor on whether there is enough evidence based on the assessed risks.
>
> - Improved awareness of what is an estimate.
>
> - Professional scepticism may have been encouraged or further promoted.
>
> - Estimates remain a challenging area for both preparers and auditors but have seen improvements over time.
>
> - While there are multiple contributing factors that contribute to high quality reporting, the above benefits to enhance audits of accounting estimates may be contributing to better disclosures in financial statements.

5. What potential areas of challenge for auditors are you aware of in applying ISA 540 (Revised) or the local equivalent standard?

Based on our preliminary outreach with stakeholders in New Zealand, key challenges include:

1. Linkage/distinction between management's estimate or developing an auditor's estimate or range is blurry

- In practice, auditor's often focus first on challenging management's estimate. The auditor may start to test management's estimate, but when a client does not have a sophisticated model or has poor processes to develop the estimate, or the auditor identifies issues, it becomes blurry as to when the auditor moves to develop their own estimate or range. The either/or in the testing approaches creates challenges. Clarity is sought as to when the auditor should bail out of testing management's estimate and move into a different testing approach.

- Auditors are generally reluctant to develop a point estimate, with concerns about the expected level of precision.

- The expected level of precision in the auditor's estimate where there are implicitly high levels of uncertainty, results in work effort that may not be proportionate to the risk or the acceptable range for an estimate. For example, when the auditor uses substantive analytics over management's estimate or starts to develop their own estimate, what is the level of precision for a balance that is highly uncertain.

- When the auditor's estimate does not match the client's estimate there is a lack of clarity on what steps should be taken to resolve the difference, bearing in mind materiality judgements, and what might be an acceptable range.

2. Risk assessment and auditing estimates

- The scalability of the procedures performed, responsive to the risks remains a challenge. Inconsistencies persist in understanding how the responses to various inputs (methods, assumptions and data) may differ.

- We hear queries as to whether the risk assessment should be at the assertion level or the input level for estimates. There is a challenge in applying the risk assessment approach at the assertion level when the methods, assumptions and data impact the same assertion. However, the spectrum of risk is often at a more granular level (e.g. may be higher in the cash flows but lower in the discount rate). There is opportunity to enhance practice to focus on identifying what are the risks that are driving the outcome to enhance proportionality and scalability further.

- The examples provided in the standard are too easy. Practitioners may benefit from more real-life examples, based on the more complex estimates, to demonstrate the proportionality of the requirements and the documentation.

3. Knowing when an auditor has the skills needed or when to use an auditor's expert (and issues around the scope of work of the expert)

- In practice, auditors may struggle to determine whether they have the appropriate skills or knowledge needed, or when to use an auditor's expert. This is despite the application material in A61. This is an application of the standard challenge, rather than an issue with the standard.

- Perhaps more related to the application of ISA 620, there are challenges in clarifying the scope of work expected by an auditor's expert versus the audit team e.g. who is testing what. Experts often don't test the reliability of the underlying data, so it's important that the auditor covers this.

> - How an auditor selects an appropriate auditor's expert to assess an estimate when there is divergence in practice of the underlying expertise.
>
> *Other areas noted from our outreach*
> - The standard is long. There is repetition, and linkages to other standards, before the standard deals with how to audit an estimate.
> - There is opportunity to add emphasis and consideration of the estimates due to climate change and emerging sustainability topics.
> - There is the need to focus on consistent application of professional scepticism. This is not something that can be done through the standards alone.
> - The importance of having sufficient knowledge of the underlying financial reporting requirements specific to the estimate. ISA 540 (Revised) does emphasise "the applicable financial reporting framework" throughout. This is foundational. Different bases of valuation present different risks for auditors, so understanding the valuation basis is key to a good risk assessment and appropriate response.
> - The importance of the disclosures that accompany the estimate. ISA 540 (Revised) does have this emphasis, even within the title, but the disclosures are critical.

6. What are the key inspection findings and observations relating to the audit of accounting estimates in your jurisdiction?

Key insights from Financial Market Authority (FMA) audit quality reports related to auditing accounting estimates post ISA (NZ) 540 (Revised)

Audit Quality Monitoring Report 2021-2022

Improvements noted

- increased documentation relating to accounting estimates
- enhanced application of professional scepticism
- auditors had performed more work in areas with higher risk

Areas for improvement

- instances where the auditors did not obtain sufficient audit evidence
- auditors were reminded to:
    - be sceptical when assessing management estimates
    - document how they challenged management on the appropriateness of their key assumptions, such as substantial revenue growth rates, discount rates or terminal growth

Expectations for directors

- disclose key assumptions made by management
- prepare accounting papers for unusual or more complex transactions to support decisions and treatment
- if the accounting team has insufficient experience, obtain independent advice
- record key decisions and discussions on the key accounting estimates in board minutes

Audit Quality Monitoring Report 2022-23

- auditors should test how management developed the accounting estimate, assess the integrity of the significant assumptions and the data used in complex models
- example insight:
    - the auditor used the expertise of an actuary to assess insurance liabilities
    - no procedures were performed on the data used in the financial model of reinsurance contracts to ensure it was accurate and complete

    The FMA emphasized:
- auditors should understand what data is used in calculating the accounting estimate
- when using an auditor's expert
    - be clear on who is responsible for testing the underlying data and how the work should be documented
    - inform the auditor's expert of data that significantly impacts the estimate

Audit Quality Monitoring Report 2023-2024

- auditing accounting estimates an area of continuous improvement
- findings related to:
    - insufficient documentation and evidence obtained, including lack of clarity on what procedures had been performed over aspects of an estimate
    - incorrectly assessing the impact of a misstatement
    - not identifying an error in a management estimate potentially understating an impairment
- when using an auditor's expert, the FMA emphasized the auditor should assess:

- o relevance and reasonableness of the expert's findings and conclusions, and their consistency with other audit evidence
- o relevance and reasonableness of the expert's significant assumptions and methods
- o relevance, completeness and accuracy of source data that is significant to the expert's work.

IESBA–JSS Questionnaire

Respondent's Name: Position or Title: E-mail Address:

1. Please select the adoption status of the IESSA or conforming standard in your jurisdiction: a. IESSA or conforming standard has been adopted (standard approved by jurisdictional standard-setter) • If yes, respond to the following:

- State effective date [MM/DD/YYYY]
- Adopted for [Select one]

     1. Voluntary assurance engagements

     2. Mandatory assurance engagements

     3. Both voluntary and mandatory assurance engagements

- Provide hyperlink/s to relevant documents, e.g., final standard, approval announcement, mandatory assurance requirements, and/or other supporting documents

<mark>b. Adoption in progress (due process to issue IESSA or conforming standard underway, e.g., exposure draft issued)</mark>

 • If yes: Please provide additional context, information, and links to the relevant documents, e.g., exposure draft if already issued

The consultation on adoption of the IESSA in New Zealand closed in October 2025. The New Zealand exposure draft and submissions received are available here.

The NZAuASB has agreed to adopt IESSA (NZ), with NZ amendments, in December 2025.

The approved New Zealand standard is in the process of being issued, with an application date for accounting periods beginning on or after 15 December 2026, with early adoption permitted. The process is expected to be completed by end of February 2026.

c. Adoption is under consideration (publicly stated intention to adopt, e.g., adoption roadmap in place, public statement by policy-maker, regulators, or standard setter) • If yes: Provide any additional context or information if applicable

d. Not yet considered • If yes: Provide any additional context or information if applicable

e. Not adopting • If yes: Provide any additional context or information if applicable

2. Please provide examples of SAEs in your jurisdiction that would remain covered under Part 4B of the IESBA Code (i.e., outside the scope of the IIS in Part 5) once the IESSA is effective. Please describe their nature and objectives.

We understand that assurance engagements that are offered in New Zealand include:

- Validation or verification engagements that may form part of certification.

- Assurance required by banks for their sustainability products, such as sustainability linked loans.

   These loans are linked to an entity's sustainability targets that could be relevant to their sector. The interest rate of these loans can be linked to performance of these targets. If banks require assurance and the sustainability information is not required to be prepared using a general purpose framework, Part 4B would apply as the sustainability information is not likely to be public.

- External verification of annual allocation reports following a Green Bond issuance. This is required by the Treasury green bonds framework - not currently done in accordance with XRB standards.

 For example:

a. Whether these engagements are voluntary or mandated by laws or regulations.

Engagements in New Zealand that fall outside of the IESSA, but are covered by Part 4B, are likely to be voluntary assurance engagements.

b. Users of the report(s) (e.g., internal use only, a limited or specified group, for example, regulators, lenders, certification bodies, proxy-advisors, contracting or supply-chain partners, or broader public distribution, for example, investors, customers).

Users of these assurance reports may include:

- Regulators

- Lenders

- Certification bodies

- Contracting or supply chain partners

c. Reporting framework being used (e.g., ISSB, GRI standard, or any other global general-purpose reporting framework, or special-purpose framework, or national reporting framework, or entity-developed criteria).

- Special-purpose framework

d. Assurance standards being used (e.g., ISAE 3000, national standards).

The following assurance standards would be used in New Zealand to perform the above-mentioned engagements:

- ISAE (NZ) 3000, the ISAE 3000 equivalent

- ISO 14064-3:2019 Greenhouse gases —Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

e. Ethics standards (e.g., IESBA Code or other ethics framework) that are used for these engagements.

Examples of ethical standards followed by practitioners in New Zealand include:

- PES 1, International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) - the IESBA Code equivalent.

- ISO 14065:2020, General principles and requirements for bodies validating and verifying environmental information

- Carbon and Energy Professionals New Zealand Code of Ethics and Code of Professional Conduct

- ISO 17029:2019, Conformity assessment — General principles and requirements for validation and verification bodies

- Joint Accreditation System of Australia and New Zealand Accreditation Requirements

f. Whether these engagements are also being performed by practitioners who are not professional accountants (non-PAs).

Yes, other assurance providers, who are not professional accountants, are permitted to provide assurance over assurance that is required by law over certain climate reporting disclosures. They may also provide voluntary assurance over other sustainability information.

3. To the extent practicable, please estimate a projection of the percentage of the SAEs that you expect will be subject to the IIS in the IESSA in your jurisdiction, as compared to those SAEs that would remain under Part 4B once the IESSA is effective.

The New Zealand mandatory reporting regime is undergoing significant change, with fewer entities captured by mandatory reporting and assurance requirements going forward; it is therefore difficult to estimate a projection as it is not yet clear whether entities will continue with voluntary assurance and over what information going forward.

The mandatory SAEs will be subject to the IESSA. Climate Reporting Entities (CRE) in New Zealand must use the NZ CSs (a general purpose framework) to prepare their climate statement in terms of legislation.

4. Are the current independence provisions in Part 4B meeting the needs of practitioners in addressing the risks that arise in sustainability assurance (e.g., value-chain or group engagements)? If you believe there are gaps or areas where revisions to Part 4B or additional guidance may be necessary in relation to SAEs, please describe them.

We have not heard feedback that Part 4B is not meeting practitioner needs or specific areas that additional guidance may be necessary. Practitioners are working to understand how to adopt the IESSA and have expressed the need for further implementation guidance to assist them to understand and implement the IESSA, rather than querying the application of Part 4B. Our priority is focussed on supporting the adoption of the IESSA (NZ) in New Zealand.

TECHNOLOGY POSITION
Catalog of Issues and Possible Actions
Version 2 (NOVEMBER 2025)

The Catalog of Issues and Possible Actions, beginning on page 2, is informed by the IAASB's Technology Position Statement. Below is an abridged version of this Statement. For the complete Technology Position, including the full Technology Position Statement adopted by the IAASB in September 2024, please visit the IAASB's Technology web page.

IAASB's Technology Position Statement

Commitment: The IAASB is committed to actively facilitating and, where appropriate, encouraging the appropriate use of technology in engagements and systems of quality management (SOQMs) through developing new and revised standards. The IAASB will also develop, or facilitate the development of, non-authoritative materials and foster ongoing engagement around relevant insights about opportunities and risks associated with the use of technology with the IAASB's broader stakeholder community.

Guiding Actions to Deliver on the Commitment:

1) Embrace technology-driven innovations
2) Remove barriers in the standards, real or perceived, to practitioners using technology
3) Explore and then introduce, as appropriate, principle-based requirements and application material relating to using technology in engagements
4) Address the impact of technology used by reporting entities
5) Strike the right balance when referring to opportunities and risks associated with technology
6) Align with principles of ethics and ethical requirements
7) Ensure scalability and proportionality
8) Convene stakeholders and foster ongoing engagement

#	Issue Including basis for concluding that it is an issue	Source of insight About the issue	Possible actions • Standard-setting actions • Non-authoritative materials • Further information gathering	Possible standards[1] That may be impacted if standard setting occurs	Prioritization (High, Medium, Low) and details about possible actions Prioritization was based on the five criteria on page 6 of the IAASB's Framework for Activities
Theme#1: Terminology					
1(a)	**More clarity needed in technology-related terminology** As the IAASB embarks on delivering on the Technology Position it adopted at the September 2024 IAASB meeting, it is crucial that the terms the IAASB uses to refer to technology (e.g., in its standards and other communications) are internally consistent and understandable. Stakeholders have asked for more clarity about the meaning of technology-related terms used in standards (including standards that are currently under revision) and non-authoritative materials. This will contribute to enhanced clarity and consistency about what auditors should be considering when using technology to perform audit procedures (i.e., technology-enabled procedures).[2] The IAASB received a significant amount of feedback about technology-related issues relating to a number of standards, including about technology-related terminology, in comment letters on Exposure Draft (ED-500): Proposed International Auditing Standard (ISA) 500 (Revised), *Audit Evidence and Proposed Conforming and Consequential Amendments to Other ISAs.* Refer to Agenda Item 8-B for the December 2023 IAASB	• Guiding action #2 • ED-500 feedback • Audit regulators	• Standard-setting actions	• The standards which contain references to "automated tools and techniques" and other technology-related terminology. See **Appendix 1** for more information.	**High** This is in scope of the Audit Evidence and Risk Response project (refer to the first Proposed Action that deals with **Issue #13** in the project proposal). The Audit Evidence and Risk Response Project Team is currently determining an appropriate course of action, which will be finalized upon the project's completion.

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[1] This column refers to existing standards at the time an issue was added to the Catalog that could be impacted if the Board were to decide that standard setting is an appropriate action. Decisions about appropriate actions will be informed by information-gathering and outreach activities. If standard setting is appropriate, final scoping decisions will be made within the context of specific standard-setting projects. Such projects may impact existing standards, or result in new standards, that differ from those initially identified.

[2] The term "technology-related procedures" is used throughout the Catalog to maintain consistency with terminology used in the IAASB's Technology Position. However, this term does not appear in the ISAs. The use of this term is not meant to prejudice the outcome of work that will be carried out by the Audit Evidence and Risk Response project team about the appropriateness of technology-related terminology used throughout the ISAs as described in the Prioritization column.

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	meeting for a comprehensive description about technology-related feedback received on ED-500. Regarding terminology specifically, some respondents on ED-500 recommended that the IAASB: • Provide a definition for the term "automated tools and techniques", particularly if the IAASB intends to add requirements related to this term. • Consider replacing the word "automated" in the term "automated tools and techniques" with another term. We have also heard that it is unclear what the term "automated tools and techniques" is meant to apply to. For example, does the term also refer to auditing software used to compile audit documentation (i.e., the audit platform) or Microsoft Excel used to perform routine calculations? See **Appendix 1** for an inventory of technology-related terms used in the standards (e.g., technological resources, automated tools and techniques, computer-assisted audit techniques).				
Theme#2: Conceptual Framework					
2(a)	**Inherent limitations of an audit** As described in ISA 220 (Revised),[3] technology-enabled procedures may enhance the quality of audits by allowing the auditor to evaluate large amounts of data more easily to, for example, provide deeper insights, identify unusual trends or more effectively challenge management's assertions, which enhances the ability of the auditor to exercise professional skepticism. Similarly, the use of technology by entities in their information systems and financial reporting processes may enhance the quality of their financial reporting by, for example, enhancing the quality of their automated controls. As the growing use of technology continues to evolve among auditors and entities, there is an opportunity to re-examine how the inherent limitations of an audit are described and contextualized throughout the ISAs and ISQMs. For example, the use of emerging technologies by entities in their financial reporting processes may introduce new	• Guiding Action #4 • Academics • Audit regulators	• Further information gathering	• TBD	**Low** Additional information gathering will include outreach with stakeholders, including representatives from academia, to further investigate the matter.

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[3] ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*, paragraph A64

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	challenges for the auditor to take into account in designing and performing audit procedures (see also Issue 6(b)). The Technology Team performed a preliminary review of the references to inherent limitations throughout the ISAs. None of the references appear to be inappropriate or irrelevant within the context of the prevailing level of technologies in use today. However, a deeper dive will be required on whether any of the references to inherent limitations of an audit in the IAASB's standards need to be modernized, while reinforcing the auditor's responsibility to obtain sufficient and appropriate audit evidence.				
2(b)	**Impact of the growing use of technology-enabled procedures on expectations about the use of technology in audits and the concept of reasonable assurance** How the auditor obtains audit evidence, including whether technology-enabled procedures are used to obtain such evidence, does not change the underlying objective of an audit which is to obtain reasonable assurance by obtaining sufficient appropriate audit evidence to reduce audit risk to "an acceptably low level".[4] Yet, technology-enabled procedures may enable auditors to obtain *more persuasive* audit evidence than manual audit procedures. This may, in turn, create an expectation by stakeholders that auditors should be using technology to enhance the quality of their audits and elevate expectations about what reasonable assurance is in an audit. Certain stakeholders have identified a need for the IAASB to monitor evolving expectations by users of financial statements and other stakeholders, such as regulators and preparers, based on the increased availability of cost-effective technologies for auditors and whether and, if so, how that impacts key concepts in the IAASB's standards.	• Stakeholder Advisory Council • Academics	• Further information gathering	• ISA 200	Low Additional information gathering will include outreach with stakeholders, including representatives from academia, to further investigate the matter.
2(c)	**Auditing framework for continuous auditing** The concept of "continuous auditing" first emerged in the late 1980s. The first formal guidance on continuous auditing, often called the Red Book, was published jointly by the Canadian Institute of Chartered Accountants (CICA) and the American Institute of Certified Public Accountants (AICPA) in 1999. It defines continuous auditing as a	• Guiding action #1 • Guiding action #2 • Academics • Practitioners	• Further information gathering	• TBD	Low Continuous auditing, including whether it gains widespread adoption, will be monitored as part of

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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*, paragraph 17

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	methodology that enables auditors to obtain near-real-time assurance through reports issued simultaneously with, or shortly after, relevant events (CICA/AICPA, 1999). Advancements in technology have made continuous auditing increasingly feasible. For example, cloud computing now provides the necessary infrastructure, enabling automated data collection and analysis of client financial data without the need for the auditor to be physically present at the entity. The standards do not contemplate a continuous audit approach. Therefore, it is worthwhile for the IAASB to monitor adoption rates for continuous reporting by entities and continuous auditing by assurance providers as that may eventually require more extensive revisions to the IAASB's standards than those currently considered in this Catalog.	• National Standard Setters (NSS)[5]			Component 3 of the IAASB's Technology Position.
Theme#3: Quality Management					
3(a)	**Firm-level approval of technological resources used in engagements** Significant advancements in the sophistication of technological resources used in engagements since International Standard on Quality Management 1 (ISQM 1)[6] became effective have given rise to the need for additional information gathering, including engagement with practitioners, regulators, and other stakeholders. Further information gathering would seek to understand how the standard's principles-based requirements and application material are being applied and whether further guidance would be beneficial, in particular on managing quality risks associated with new and emerging technologies. Several firms have recently started to deploy more complex technological resources, including artificial intelligence applications (AI) powered by neural networks, in their assurance practices. Some of these technological resources are generally considered to be "black-box" systems, which creates challenges in understanding how the system is arriving at its conclusions/outputs (see also Issue 6(b)).	• Guiding action #1 • Guiding action #5 • Guiding action #7 • Stakeholder Advisory Council • Practitioners • NSS	• Further information gathering	• ISQM 1	**High** In June 2025, the IAASB launched the Technology Quality Management Workstream to examine how ISQM 1 and ISA 220 (Revised) are being applied to new and emerging technologies. The workstream is gathering evidence on current practices, challenges, stakeholder expectations, and opportunities to support the consistent and responsible use of such technologies in engagements. While the working hypothesis is that non-authoritative materials may be the most timely and effective way to support consistent

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[5]   Jurisdictional and National Auditing Standard Setters (NSS) that form part of the IAASB-NSS liaison group (see information on the About IAASB webpage)

[6]   ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	The IAASB understands that there also is a growing focus on data privacy and security risks that need to be considered and managed by firms, particularly as much of the data that assurance practitioners use is proprietary client data.				application and meet expectations, the ultimate direction will be determined by the Board's consideration of the Technology Team's evidence-gathering activities. See also Issues 3(b) and 3(c) below.
3(b)	**Engagement-level approval of technological resources** The considerations for firm-level approval of technological resources also apply when engagement teams independently obtain or develop technological resources that have not been pre-approved by the firm. As these resources become increasingly accessible and cost-effective, engagement teams may introduce their own technological resources for use in performing technology-enabled procedures in engagements. Accordingly, the same issue described in Issue 3(a) above also applies here. The quality management principles governing firm-level approval of technological resources should similarly apply to engagement teams, so that any independently acquired or developed technological resources used in technology-enabled procedures, meet the same quality standards.	• Guiding action #1 • Guiding action #3 • Guiding action #5 • Guiding action #7 • Stakeholder Advisory Council • Practitioners • NSS	• Further information gathering	• ISA 220 (Revised)	**High** Issues 3(a)–(c) are being actioned together. See the description under Issue 3(a) above.
3(c)	**Technological resources used in engagements which are developed by service providers** Many firms acquire or license technological resources from third parties (which ISQM 1 refers to as "service providers") which the firms then approve and roll out for use by their practitioners in their assurance engagements. Larger firms tend to develop a greater proportion of their technological resources themselves (i.e., "in-house") while smaller firms tend to acquire or license a greater proportion of their technological resources from service providers. However, service providers will typically limit the amount of information they share with firms —the detailed specifications about how the technological resource was developed—in order to protect their intellectual property. This creates quality management challenges for firms in ascertaining whether the technological resources	• Guiding action #1 • Guiding action #7 • Audit regulators • Service providers • Practitioners • NSS	• Further information gathering	• ISQM 1 • ISA 220 (Revised)	**High** Issues 3(a)–3(c) are being actioned together. See the description under Issue 3(a) above.

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	are operating as intended when approving the technological resources for use in their assurance practices. Based on our outreach, the IAASB understands that the issue is disproportionately impacting smaller firms making leaders at those firms reluctant to acquire or license third-party developed technological resources to avoid regulatory scrutiny. In this context, it is worth exploring whether ISQM 1 and ISA 220 (Revised) may better facilitate the use of technological resources developed by service providers, while maintaining the same level of quality expectations as tools developed internally (as contemplated under Issues 3(a) and (b)).				
Theme#4: Determining whether to perform technology-enabled procedures					
4(a)	**Exploring introducing explicit requirements and application material about determining whether technology-enabled procedures are required to achieve engagement objectives** There are no explicit requirements in the standards for practitioners to determine whether technology-enabled procedures are required to achieve engagement objectives. Guiding action #3 of the Technology Position Statement states the Board will explore the need to introduce such principles-based requirements and application material in its standards. Based on outreach undertaken, the IAASB understands that there may be circumstances when it will be challenging, or in some cases impracticable, for auditors to obtain sufficient appropriate audit evidence to address financial-statement or assertion-level risks without using technology-enabled procedures. Some examples that stakeholders have provided include: • Audits of entities with crypto-asset activities (e.g., crypto miners, companies that hold crypto-assets, etc.) may require the use of "block explorers" to verify sales and purchases of crypto-asset on the applicable blockchains. • Audits of online gaming entities to, for example, test amortization of "game props" or to assess user lifecycles.	• Guiding action #3 • Guiding action #7 • Practitioners • Academics	• Standard-setting actions	• ISA 315 (Revised 2019)[7] • ISA 330[8] • ISQM 1 • ISA 220 (Revised)	**High** This is in scope of the Audit Evidence and Risk Response project (refer to **Issue #13** in the project proposal). There may also be firm-level or engagement-level quality management implications that should be considered (see also Issues 3(a)–3(c) above for more information).

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[7]   ISA 315 (Revised 2019), *Identifying and Assessing Risks of Material Misstatement*

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

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	• Responding to assessed risks in expected credit loss (ECL) estimates at larger financial institutions involving complex estimation methods and dependances on significant data inputs from several IT systems. Some stakeholders have also suggested that the auditor may need to design and perform technology-enabled procedures to adequately audit the financial statements of entities with fully digitalized information systems or when responding to risks arising from the use of sophisticated IT applications by entities, including artificial intelligence, in their financial reporting processes.				
4(b)	**Challenges to using technology-enabled procedures that arise because of how data is produced and maintained by entities** The ability of auditors to use technology-enabled procedures in their audits depends on whether the entities whose financial statements are being audited have digitalized information systems and the availability, form, or restrictions around the data from those systems. Specifically, the following factors apply: • Availability of data in a usable form, and of sufficiently high quality; • Limitations in accessing information, whether due to restrictions imposed by data privacy laws or regulations, or to entities' concerns about data security once transferred to the auditor; and • Challenges with collecting, extracting, storing, transferring, and transforming data from entities' systems, to be usable by the auditor. The Pre-finalization Holding Package of Proposed ISA 500 (Revised)[9] includes application material highlighting these matters as areas for auditors to be aware of when planning to obtain evidence using technology-enabled procedures.	• Guiding action #4 • ED-500 feedback	• Standard-setting actions • Non-authoritative materials	• Pre-finalization Holding Package of Proposed ISA 500 (Revised)	**High**[10] This is in scope of the Audit Evidence and Risk Response project (refer to **Issue #2** in the project proposal).

[9] The latest version of proposed ISA 500 (Revised), *Audit Evidence*, that was presented to the Board at its March 2024 meeting has been referred to as the Pre-Finalization Holding Package of Proposed ISA 500 (Revised).

[10] This prioritization applies to potential standard-setting actions. The IAASB believes it is premature to assign a priority to the possible development of non-authoritative materials as a means of addressing the issue. The relevant project teams will be better positioned—through continued information gathering and related activities—to determine which aspects of the issue are most appropriately addressed incrementally through non-authoritative materials

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
4(c)	**The IAASB's role in promoting best practices** With the adoption by the IAASB of its Technology Position at its September 2024 meeting, the Board has formally recognized technology's transformative potential to improve audit and assurance quality. It was in this context that the IAASB has committed in its Technology Position Statement to facilitate and, where appropriate, encourage the use of technology in engagements and SOQMs. Audit regulators worldwide have more recently started to feature in their inspection reports observations about best practices they are observing in their inspections of audits, including how technology-enabled procedures used in audits have improved audit quality. This was a strategic shift by audit regulators to elevate audit quality at the firms by being deliberate about balancing positive and critical feedback relating to audit work (i.e., audit findings). The Board will determine whether the IAASB should develop content addressing "best practices" for stakeholders, as well as the appropriate timing and scope of such content.	• Guiding action #1 • Technology Position Statement • Practitioners	• Non-authoritative materials	n/a	**Low** The Technology Team believes the IAASB has a role to play in promoting best practices. While there is some room for integrating considerations about best practices in the standards, this may be more effectively pursued in non-authoritative materials. These materials may be developed by the IAASB directly or the IAASB may facilitate the development of such materials by working with NSS or other parties.
Theme#5: Entities' use of technology					
5(a)	**Identifying, assessing, and responding to risks arising from the use of IT by entities** As described in guiding action #4 of the IAASB's Technology Position Statement, the IAASB will address the impact of technology used by reporting entities. ISA 315 (Revised 2019) introduced a strong foundation to guide an auditor's identification and assessment of risks arising from the use of IT by entities. However, stakeholders have expressed a need for enhanced clarity about how the auditor addresses such risks in their further audit procedures. Additionally, a publication (April 2024) by The Center for Audit Quality (CAQ) called: Auditing in the Age of Generative AI refers to a survey that found that one in three audit partners see companies in their primary industry sector deploying or planning to deploy AI in their financial reporting processes. The CAQ goes on to describe several new risks that emerge from the use of Gen AI by entities.	• Guiding action #4 • Guiding action #5 • Practitioners	• Standard-setting actions • Non-authoritative materials	• ISQM 1 • ISA 315 (Revised 2019) • ISA 330 • Pre-finalization Holding Package of Proposed ISA 500 (Revised)	**High** The considerations related to the impact of entities' use of IT on auditor's responses to risks of material misstatement, and on their evaluation of audit evidence is in scope of the Audit Evidence and Risk Response project (refer to **Issues #9** and **#17** in the project proposal). **Medium** The Technology Team will continue to monitor emerging issues that are impacting the financial reporting ecosystem, which may inform

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	There may be a need to enhance principles or provide further guidance on the auditor's identification, assessment, and responses to assessed risks arising from the use of emerging technologies by entities.				ongoing or future standard-setting projects. The IAASB may also develop non-authoritative materials that address relevant matters.
5(b)	**Impact on the audit when entities use service organizations that use emerging technologies** Like in issue 5(a) above, which deals with the increasing sophistication of technologies used by entities under audit, service organizations that provide services to user entities may also be using sophisticated technologies to perform their services. This may also give rise to risks from the use of IT at service organizations that need to be identified, assessed, and responded to by auditors of user entities (i.e., user auditors). User auditors typically rely to some extent on the work performed by auditors of the service organizations' controls (i.e., service auditors) to identify, assess, and respond to risks of material misstatement arising from the outsourced services provided by service organizations as addressed in ISA 402.[11] Challenges faced by service auditors to support their Type 2 reports, as contemplated in ISA 402, because of the increasingly sophisticated technologies used by service organizations to perform their services, will also create challenges for user auditors. For example, the IAASB has received feedback that this challenge has been particularly pronounced in audits of entities with crypto-asset activities. These user entities typically rely on service organizations to custody their crypto-assets and, in some cases, keep a record of their crypto-asset holdings.	• Guiding action #2 • Guiding action #3 • Feedback on the IAASB's Strategy and Work Plan for 2024-2027	• Further information gathering	• ISA 402	**Medium** The IAASB did not prioritize revising ISA 402 as a proposed project for its 2024-2027 Work Plan. This was based on balancing the feedback from respondents across stakeholder groups, using the criteria as outlined in the public agenda papers for the Strategy and Work Plan and the consideration of available resources. However, the Technology Team will continue to monitor emerging technologies used by entities, including service organizations, that the Board may consider in any decision to adjust the Work Plan (or for a future Wok Plan). The Technology Team will also consider the need to develop non-authoritative materials on this topic.
5(c)	**Identifying opportunities associated with the use of technology by entities** As described in guiding action #5 of the IAASB's Technology Position Statement, the IAASB will strike the right balance when referring to opportunities and challenges	• Guiding action #1 • Guiding action #5	• Non-authoritative materials	• n/a	**Low** The Technology Team believes the IAASB has a role to play in describing

[11]   ISA 402, *Audit Considerations Relating to an Entity Using a Service Organization*

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	associated with the use of technology by practitioners and entities. This guiding action recognizes the potential of the use of technology to enhance the quality of financial reporting and assurance engagements. However, the auditing standards are not designed to deal with *opportunities* associated with the use of technology by entities. Rather, ISA 315 (Revised 2019) appropriately requires the auditor to identify and assess risks of material misstatement, including risks arising from the use of IT by the entity. The auditor then designs and performs further audit procedures, in accordance with ISA 330 and other ISAs, to respond to assessed risks, including risks arising from the use of IT by the entity.				how the use of technology by entities may enhance the quality (e.g., reliability) of their financial reporting, which may, in turn, lead to opportunities for auditors to enhance the quality and efficiency of their work. However, the Technology Team proposes that this should be pursued in non-authoritative materials.
Theme#6: Performing technology-enabled procedures					
6(a)	**Exploring introducing explicit requirements and application material about considerations for the appropriate use of technology-enabled procedures** Designing and performing technology-enabled procedures gives rise to unique challenges that need to be carefully managed by practitioners. Audit regulators are raising inspection findings that point to deficiencies in three areas. Specifically, auditors are not consistently: • Considering the reliability and relevance of the data inputs, • Determining whether the technology-enabled procedure operate as designed, and • Determining whether the outputs meet the purpose for which the technology-enabled procedure is designed to address. A requirement (paragraph 10A) and application material (paragraphs A65A–A65M) in the Pre-Finalization Holding Package of Proposed ISA 500 (Revised) have previously been presented to the Board that aim to address the areas described above. Further to the objective of the Board to temporarily pause the revision of Proposed ISA 500 (Revised) in order to facilitate an integrated approach to Audit Evidence and Risk Response, including with respect to technology-related matters, the Board should consider whether the requirement described above, or elements of the requirement and application material, appropriately belong in the proposed Audit Evidence standard.	• Guiding action #3 • Guiding action #7 • ED-500 feedback • Audit regulators	• Standard-setting actions	• ISA 220 (Revised) • ISA 315 (Revised 2019) • ISA 330 • Pre-Finalization Holding Package of Proposed ISA 500 (Revised)	**High** This issue is in scope of the Audit Evidence and Risk Response project (refer to **Issue #13** and **#17** in the project proposal).

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
6(b)	**Interpretability or explainability associated with how a technology-enabled procedure arrives at its outputs** A lack of interpretability or explainability[12] associated with a technology-enabled procedure makes it challenging or, in some cases impracticable, for firms or auditors to understand how the technology is transforming inputs into outputs. This issue is becoming critical as the use of black-box technologies, including some artificial intelligence (AI) applications including Gen AI, are likely to become ubiquitous in engagements and systems of quality management. It is in this context that the IAASB should consider the implications of the standards requiring firms and auditors to understand the logic and processing of technology-enabled procedures in all circumstances—or whether in certain cases it may be sufficient for the auditor to focus instead on evaluating the usefulness of the outputs (see also Issue 6(a)). Furthermore, these considerations must include the appropriate division of responsibilities of the firm (i.e., for quality management) and the engagement team.	• Guiding action #2 • Guiding action #6 • Technology experts • ED-500 feedback • Academics • Practitioners • NSS	• Standard-setting actions • Non-authoritative materials	• ISQM 1 • ISA 220 (Revised) • Pre-finalization Holding Package of Proposed ISA 500 (Revised)	**High**[13] The issue is in scope of the Audit Evidence and Risk Response project (refer to **Issues #13** and **#17** in the project proposal).
6(c)	**Categorization of technology-enabled procedures** We've heard feedback that it is becoming increasingly more challenging to understand how technology-enabled procedures should be categorized, including: • Whether they are risk assessment procedures or further audit procedures, or both; • Whether they are tests of controls or substantive procedures or both (i.e., dual-purpose tests); and • Relating specifically to substantive procedures, whether they are tests of details (ToD) or substantive analytical procedures (SAP). The categorization issue was described as a barrier to practitioners using technology in the Technology Position Issues Paper presented to the Board at its June 2024 meeting (see Agenda Item 5).	• Guiding action #2 • ED-500 feedback • Practitioners • Audit regulators	• Standard-setting actions	• ISA 315 (Revised 2019) • ISA 330 • Pre-finalization Holding Package of Proposed ISA 500 (Revised) • ISA 520[14]	**High** This is in scope of the Audit Evidence and Risk Response project (refer to **Issues #14** and **#15** in the project proposal).

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12   Link to resources from IBM on explainable AI, including the difference between the interpretability and explainability of an AI system

13   See footnote 10.

14   ISA 520, *Analytical Procedures*

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	Some of these categorization issues have been addressed in the IAASB's non-authoritative materials. However, some stakeholders would like to see some of this non-authoritative material integrated, as appropriate, into the IAASB's standards.				
6(d)	**Challenges associated with the use of technology-enabled substantive analytical procedures (SAP)** The increased use of "data analytics" is giving rise to questions about how these technology-enabled procedures map to the requirements in ISAs, including ISA 520 which deals with the auditor's use of analytical procedures as substantive procedures. The IAASB has issued non-authoritative materials to address questions of interpretation about the requirements in the ISAs relating to using automated tools and techniques (ATT) in performing audit procedures including substantive analytical procedures (refer to the IAASB's Technology Page to access the FAQ on The Use of Automated Tools and Techniques in Performing Audit Procedures). However, questions continue to be raised on this topic, indicating that there is a need for additional clarity, including standard-setting on this topic.	• Guiding action #2 • Guiding action #3 • Audit regulators • Practitioners • ED-500 feedback • Strategy and Work Plan 2024-2027 feedback NSS	• Standard-setting actions	• ISA 330 • ISA 520	**High** This is in scope of the Audit Evidence and Risk Response project (refer to **Issues #11** and **#15** in the project proposal).
6(e)	**Testing outliers and exceptions in the output of a technology-enabled procedure** The standards do not provide guidance on considerations relating to testing outliers and exceptions identified by a technology-enabled procedure. The IAASB has issued non-authoritative materials to address this matter (refer to the IAASB's Technology Page to access the FAQ on Investigating Exceptions & Relevance of Performance Materiality when Using ATT). In responding to feedback on ED-500, the Audit Evidence Task Force also leveraged this FAQ to develop related application material in the Pre-finalization Holding Package of Proposed ISA 500 (Revised). However, this guidance has been challenged by audit regulators. Specifically, some audit regulators believe that Notes 6 and 7 of the FAQ suggest that auditors can choose to ignore the outliers or exceptions identified by a technology-enabled procedure and revert to "alternative procedures" to test the underlying population. Their concern is that this could be interpreted to mean, for example, that auditors can choose to ignore an	• Guiding action #2 • Audit regulators • Practitioners • ED-500 feedback	• Standard-setting actions • Non-authoritative materials	• ISA 315 (Revised 2019) • ISA 330 • Pre-finalization Holding Package of Proposed ISA 500 (Revised)	**High**[15] This is in scope of the Audit Evidence and Risk Response project (refer to **Issue #16** in the project proposal).

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[15] See footnote 10.

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	inordinately large number of outliers or exceptions when more "traditional procedures" (e.g., sampling) of the underlying population is more efficient. Audit regulators have noted that auditors cannot "unsee" what they've seen and that it would be inappropriate to ignore the outputs of a technology-enabled procedure.				
6(f)	**Appropriate use of technology-enabled procedures for confirmations** ISA 505,[16] which deals with the auditor's use of external confirmation procedures to obtain audit evidence, is scheduled for revision as part of the project, "Modernization of Other Targeted Standards in the ISA 500 Series" in the Work Plan for 2024-2027, including technology-related revisions. This standard was last revised prior to 2009 and the auditing environment and methods of communication with confirming parties have evolved significantly since then. Today, auditors use various electronic means for confirmations, including one or more of the following: • Electronic means like email or e-fax; • Firm-acquired or developed automated tools that enable secure communication, such as robotic process automation (RPA)-enabled platforms and Application Program Interfaces (APIs); and • Third-party intermediaries, like confirmation.com or shared-service centers, which use automated platforms to facilitate confirmation requests. Modernization of the principles and guidance in ISA 505 is appropriate in view of the widespread adoption of technology-enabled confirmation procedures that introduce unique risks, opportunities, and considerations. Examples include auditors' control over the automated confirmation process, evaluation of the reliability of audit evidence obtained electronically, and ensuring the security of communication channels to verify that confirmations are sent to and received from the appropriate third party.	• Guiding action #2 • Guiding action #3 • Guiding action #5 • Guiding action #7 • Audit regulators • Practitioners • NSS	• Standard-setting actions	• ISA 505	**High** The ISA 500 Series Project Team is undertaking information-gathering activities that will inform the scoping of a proposed project relating to the possible revision of targeted standards in the ISA 500 series, which includes ISA 505.

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[16] ISA 505, *External Confirmations*

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
6(g)	**Appropriate use of technology-enabled procedures in inventory counts** ISA 501[17] deals with, among other matters, specific considerations in obtaining audit evidence relating to inventory. This standard is scheduled for revision as part of the project, "Modernization of Other Targeted Standards in the ISA 500 Series" in the Work Plan for 2024-2027, including technology-related revisions. ISA 501 includes a requirement for auditors to perform alternative procedures if attending the physical inventory counts is impracticable (paragraph 7). Business interruptions during the COVID-19 lockdown made physical attendance of inventory counts impracticable in some cases, leading auditors to leverage technology to attend inventory counts remotely (e.g., location cameras, drones, etc.). Additionally, the increasing use by entities of automated warehouses powered by emerging technologies (e.g., a fleet of fully autonomous robots and AI-powered software) that operate with minimal human access has also made physical attendance by auditors impracticable. These examples have raised questions among regulators and practitioners about how the use of those technologies by auditors and entities maps to ISA 501.	• Guiding action #2 • Guiding action #3 • Guiding action #5 • Audit regulators • Practitioners • NSS	• Standard-setting actions	• ISA 501	**High** The ISA 500 Series Project Team is undertaking information-gathering activities that will inform the scoping of a proposed project relating to the possible revision of targeted standards in the ISA 500 series, which includes the Inventory section in ISA 501.
6(h)	**Documentation requirements when performing technology-enabled procedures** The growing use of technology in audits is giving rise to questions about what auditors should be documenting when designing and performing technology-enabled procedures. The IAASB issued non-authoritative materials to address some of these questions (refer to the IAASB's Technology Page to access the FAQ on Audit Documentation when Using Automated Tools and Techniques). However, questions persist. Clarification is sought on documentation considerations, including: • Whether the data used as an input into the technology-enabled procedure needs to be retained. • Whether each successive set of refinements being made to the parameters used in a technology-enabled procedure needs to be documented, or whether documenting	• ED-500 feedback • Audit regulators	• Standard-setting actions • Non-authoritative materials	• ISA 230 • ISA 315 (Revised 2019) • ISA 330 • Pre-finalization Holding Package of Proposed ISA 500 (Revised)	**High**[19] This is in scope of the Audit Evidence and Risk Response project (refer to **Issue #12** in the project proposal).

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[17]   ISA 501, *Audit Evidence–Specific Considerations for Selected Items*

[19]   See footnote 10.

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	only the final set of parameters is sufficient.			• ISA 520	
	• Whether the auditor needs to retain the data output from the technology-enabled procedure or simply a description of the identifying characteristics of the output.				
	• Whether the documentation requirements are different when a technology-enabled procedure is intended to be a risk assessment procedure or a further audit procedure or both.				
	• What information should be retained at the engagement level versus what documentation could be retained at the firm level.				
	There is a further question of clarifying how auditors determine the sufficiency of their documentation related to technology-enabled procedures using the "experienced auditor" requirement in ISA 230.[18] Specifically:				
	• Is the "experienced auditor" from a similar jurisdiction, with similar expertise and technological access?				
	• Is the "experienced auditor" an individual that has experience with the specific technology-enabled procedure used?				
Theme#7: Using the work of a (management's or auditor's) expert					
7(a)	**Evaluating the work of an auditor's expert** ISA 620[20] deals with the auditor's responsibilities relating to the work of an auditor's expert when that work is used to assist the auditor in obtaining sufficient appropriate audit evidence. The increasing sophistication of technologies used by auditors' experts to perform their work, including Gen AI, may make it more challenging for auditors to comply with the ISA 620 requirements. Specifically, the auditor is required to understand and evaluate the adequacy of the expert's work (see paragraphs 12–13 and A32–A40) and that may become more challenging when the auditor's expert is using technology that may lack interpretability or explainability (also see Issue 6(b) above).	• Guiding action #2 • Guiding action #6 • Audit regulators	• Standard-setting actions • Non-authoritative materials	• ISA 620	**Medium** ISA 620 was classified as a "reserve topic" in the IAASB's Strategy and Work Plan for 2024-2027 because, although the IAASB did receive feedback on revising this standard, other candidate topics for the Work Plan were considered to be higher priorities at the time (using the criteria as elaborated in the public agenda

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18   ISA 230, *Audit Documentation, paragraph 8*

20   ISA 620, *Using the Work of an Auditor's Expert*

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
	This may exacerbate concerns by audit regulators who find that auditors are not consistently evaluating the relevance and reasonableness of the findings or conclusions of an auditor's expert (as required by paragraph 12(a) of ISA 620). There is an opportunity for the Board to clarify how auditors may satisfy their responsibilities in evaluating the adequacy of the expert's work when emerging technologies, including Gen AI, are used by the experts.				papers for the Strategy and Work Plan). Because reserve topics in the Work Plan could be elevated to projects based on, for example, changes in the environment relating to emerging issues, the Technology Team will continue to monitor this topic, including the need to develop non-authoritative materials.
7(b)	**Evaluating the work of a management's expert** Like in Issue 7(a) which deals with the auditor's expert, ISA 500 (paragraph 8) and the Pre-finalization Holding Package of Proposed ISA 500 (Revised) (paragraph 11) also require, depending on the significance of the management expert's work for the auditor's purposes, the auditor to obtain an understanding of the work done by the expert and to evaluate the appropriateness of that work. The same challenges that are described in Issue 7(a) may also apply to this issue.	• Guiding action #2 • Guiding action #4 • Technology experts	• Standard-setting actions • Non-authoritative materials	• Pre-finalization Holding Package of Proposed ISA 500 (Revised).	**Medium**[21] This is in scope of the Audit Evidence and Risk Response project (refer to **Issue #2**, **#13**, and **#17** in the project proposal).
7(c)	**Experts are presumed to be humans in the standards** ISA 620 which deals with the auditor's expert, ISA 500, and the Pre-finalization Holding Package of ISA 500 (Revised) either explicitly refer to the expert as human or imply it. However, new technologies, including artificial intelligence and robotic process automation are, in some ways, designed to reduce, and in some cases eliminate, the need for human involvement. The Board should continue to consider whether the assumption in the IAASB standards that experts must be humans, or at least involve human interaction (i.e., human-in-the-loop), remains valid today.	• Guiding action #1 • Guiding action #2 • Technology experts	• Further information gathering	• ISA 500 • ISA 620	**Low** This is a low priority issue because the IAASB has not heard a lot of feedback on this matter. The Technology Team proposes that further information gathering be undertaken to further explore the issue.

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[21] See footnote 10.

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
Theme#8: Technological Resources and Professional Skepticism					
8(a)	**The impact of using technology-enabled procedures on the exercise of professional skepticism** The IAASB was asked by members of the Stakeholder Advisory Council in a meeting in November 2024 how the IAASB's standards relating to professional skepticism are impacted by the increasing use of technology-enabled procedures in engagements. The IAASB also received feedback from other stakeholders, including on ED-500, that the IAASB should not overemphasize the challenges associated with using technology-enabled procedures as that type of messaging may serve to unintentionally stifle innovation. The IAASB's Technology Position Statement's Guiding Action #5 now directs the Board to appropriately balance references to challenges and opportunities associated with using technology-enabled procedures in engagements. To act on Guiding Action #5, the Fraud Task Force highlighted the benefits of using technology-enabled procedures as a means of enhancing the exercise of professional skepticism – see paragraph A9 of ISA 240 (Revised)[22] that was approved at the March 2025 IAASB meeting. The Audit Evidence Task Force also addressed feedback on ED-500 by relocating application material that referred to automation bias in the Pre-finalization Holding Package of Proposed ISA 500 (Revised) to follow the description of the benefits of using technology. This was intended to offer a balanced perspective. There may be other opportunities throughout the standards to consider whether matters related to professional skepticism remain appropriately balanced within the context of the growing use of technology in engagements. Also, additional matters may need to be highlighted from a professional skepticism perspective.	• Guiding action #1 • Guiding action #5 • Guiding action #6 • ED-500 feedback • Stakeholder Advisory Council • Practitioners	• Standard-setting actions • Non-authoritative materials • Further information gathering	• ISQM 1 • ISA 200 • ISA 220 (Revised) • ISA 300 • ISA 315 (Revised 2019) • ISA 330 • Pre-finalization Holding Package of Proposed ISA 500 (Revised) • ISA 520 • ISA 530[23]	**High** This is in scope of the Audit Evidence and Risk Response project (refer to **Issue #2** and **#3** in the project proposal). **Medium** The Technology Team will continue to monitor emerging issues with respect to professional skepticism, which may inform ongoing or future standard-setting projects. The IAASB may also develop non-authoritative materials that address relevant matters.

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

[23] ISA 530, *Audit Sampling*

#	Issue	Source of insight	Possible actions	Possible standards[1]	Prioritization (High, Medium, Low) and details about possible actions
**Theme#9: Transparency through communication and auditor reporting**
9(a)	**Communicating About the Use of Technology** Some stakeholders have questioned whether, and to what extent, auditors should communicate about their use of technological tools when performing audit procedures. Such communication could occur in different ways, including strengthening expectations for dialogue with those charged with governance (TCWG) and/or through communication in the auditor's report. The rationale for exploring this issue includes: • Helping TCWG and/or users of financial statement better understand the nature of the auditor's work and the role of technology, particularly both its benefits and limitations. • Responding to growing expectations from some stakeholders, including, for example, TCWG of entities that the auditor discloses whether technology was used, and, if so, how it contributed to audit evidence and the auditor's conclusions. • Reducing potential inconsistency, as practitioners may otherwise adopt varied approaches in how (and whether) they communicate the use of technological tools, resulting in uneven levels of transparency.	• Board member feedback • Guiding action #3 • Guiding action #5	• Further information gathering	• ISA 260 (Revised)[24] • ISA 700 (Revised)[25]	**Low** This issue is currently assessed as low priority. While stakeholder interest in communication about the auditor's use of technology is increasing, it is not presently viewed as a communication gap. At this stage, possible actions are limited to further information gathering to better understand global prevalence and stakeholder perspectives which would initially focus on communications with TCWG.

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

[25] ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

Appendix 1– Inventory of references in ISAs and ISQMs to technology used in audits and systems of quality management

This inventory was created through a key word search of the following terms in the ISAs and ISQMs: automated tools and techniques (ATT), computer-assisted audit techniques (CAAT), technology, and technological resources.

	ISQMs and ISAs											
	ISQM 1	ISA 200	ISA 220 (Revised)	ISA 240 (Revised)	ISA 300	ISA 315 (Revised 2019)	ISA 330	Proposed ISA 500*	ISA 550	ISA 570 (Revised 2014)	ISA 600 (Revised)	ISA for LCE
Requirements:	32F	None	None	None	None	None	None	10A	None	None	None	None
Application material:	A47	A73	A19	A9	None	A21	A16	A2A	A36	A13	A68	2.3
	A72		A35	A36		A31	A27	A4		A42	A129	6.2.3
	A86		A60	A40		A35		A18		A46		6.3.8
	A98		A64	A41		A57		A42				6.7
	A99		A65	A56		A137		A65A – A65M				7.3.16
	A100		A66	A66		A161						
	A101		A67	A126		A203						
	A103		A68	A128								
	A104		A72	A129								
	A105			A145								
	A107			A146								
	A108			A147								
				A151								
				A155								
Other:	None	None	None	Appendix 2 Appendix 3	Appendix	Appendix 3 Appendix 5 Appendix 6	None	Appendix 1 Appendix 2	None	None	None	None

* Per Agenda Item 5-A of the March 2024 Board Meeting papers   *Updated November 2025*

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