



Subject:	Agenda for the 161th meeting of the AUASB
Venue:	Virtual
Time:	Wednesday, 11 June 2025, 09:00 am – 11:30 am

Time	No.	Item	Responsibility
<i>PUBLIC SESSION</i> <i>[Open to Members of the Public for Virtual Attendance]</i>			
9:00 am	1	Welcome and Chair Update 1.1 Declaration of Interests	Doug Niven
9:10 am	2	NZAuASB Chair Update *	Marje Russ
9:20 am	3	IAASB/IESBA Stakeholder Advisory Council update	Doug Niven
9:30 am	4	IAASB Meeting June 2025	Rene Herman
11:25 am	5	Close *	Doug Niven

** These items are verbal updates only and there are no associated board papers.*

The timing of Agenda items is subject to change on the day of the meeting.



Agenda

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4.0	Agenda Paper – IAASB Meeting June 2025	10-12



AUASB DECLARATION OF INTERESTS

As at 11 June 2025

AUASB Meeting 161
Agenda Paper 1.0

AUASB Member	Professional/Organisational Affiliations	Employment/Other Positions Held	Other Relevant Interests
Mr Doug Niven (Chair)	<ul style="list-style-type: none">Fellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Chair of the Auditing and Assurance Standards BoardMember, Australia's Financial Reporting CouncilMember, New Zealand Auditing and Assurance Standards Board	<ul style="list-style-type: none">IAASB/IESBA Stakeholder Advisory Council
Ms Julie Crisp (Deputy Chair)	<ul style="list-style-type: none">Registered Company AuditorFellow, Chartered Accountants Australia and New ZealandFellow, CPA AustraliaFellow, Governance Institute of AustraliaFellow, Institute of Public Administration AustraliaGraduate, Australian Institute of Company DirectorsCertified Internal Auditor, Certified Government Audit Professional, Certification in Risk Management Assurance – Professional Member, Institute of Internal AuditorsMember, Association of Certified Fraud Examiners	<ul style="list-style-type: none">Non-Executive Director – CPA AustraliaMember – Performance Statements Audit Expert Advisory Panel, Australian National Audit OfficeBoard Director and Chair of the Auditing & Risk Committee of Aboriginal Investment NT, a Commonwealth statutory entity regulated by the ACNC.Former Northern Territory Auditor-General (concluded 12 September 2024)	<ul style="list-style-type: none">Director and Shareholder, Family Trust CompanyDirector and Shareholder, Asterism Assurance and Advisory Pty Ltd
Ms Merilyn Gwan	<ul style="list-style-type: none">Fellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Partner, Grant Thornton Australia	<ul style="list-style-type: none">Member of Australian Institute of Company Directors Reporting CommitteeMember of the Australian Public Policy Committee – Audit Quality working groupChair of the Australian Public Policy Committee – ESG working groupDirector and Shareholder, Family Trust Company(s)Trustee – personal family trusts



AUASB Member	Professional/Organisational Affiliations	Employment/Other Positions Held	Other Relevant Interests
Mr Klynton Hankin	<ul style="list-style-type: none">Member, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Partner, PricewaterhouseCoopers	<ul style="list-style-type: none">Member, Finance, Risk and Audit Committee - Cancer Council Australia
Dr Noel Harding	<ul style="list-style-type: none">Member, CPA Australia	<ul style="list-style-type: none">Professor and Head of School of Accounting, Auditing and Taxation, UNSW Sydney	<ul style="list-style-type: none">Editor, International Journal of AuditingDeputy Editor, Accounting and FinanceCo-chair of AFAANZ Auditing and Assurance Standards Committee
Mr Terence L Jeyaretnam	<ul style="list-style-type: none">Degree in Environmental Engineering (UWA)Chartered Professional EngineerFellow and Engineering Executive of the Institute of Engineers, Australia	<ul style="list-style-type: none">APAC Leader and Partner, Climate Change and Sustainability Services, Ernst & Young in MelbourneClean Energy Regulator Accredited Category 2 AuditorAssociate Professor of Practice at Monash University's Department of Accounting, Faculty of Business and Economics	<ul style="list-style-type: none">Chair of the G100 Sustainability Working GroupBoard member, Australian Conservation FoundationBoard member, Amnesty International AustraliaChair, Global Citizen, Australia
Ms Joanne Lonergan	<ul style="list-style-type: none">Member, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Partner, Ernst & Young	<ul style="list-style-type: none">Director & Shareholder, Family Trust Company
Mr Andrew Porter	<ul style="list-style-type: none">Fellow, Institute of Chartered Accountants in England and WalesMember, Australian Institute of Company DirectorsFellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Chief Financial Officer, Australian Foundation Investment Company Limited	<ul style="list-style-type: none">CFO for Djerriwarrh Investments, Mirrabooka Investments and AMCIL LimitedDirector of Australian Investment Company Services Ltd.Director of a Family Trust CompanyDirector of the Melbourne Anglican Foundation and trustee of related entities
Ms Marje Russ	<ul style="list-style-type: none">Member, New Zealand Planning InstituteChartered Member, New Zealand Institute of DirectorsMember, Resource Management Law Association	<ul style="list-style-type: none">Chair, New Zealand Auditing and Assurance Standards BoardTechnical Director, Environment and Sustainable Business, Tonkin & Taylor GroupDirector, Manaaki Whenua: Landcare Research and Chair of Audit and Risk Committee	<ul style="list-style-type: none">Trustee – personal family trusts



AUASB Member	Professional/Organisational Affiliations	Employment/Other Positions Held	Other Relevant Interests
Ms Jennifer Travers	<ul style="list-style-type: none">Member, Chartered Accountants in Australia and New Zealand	<ul style="list-style-type: none">Partner, KPMG	<ul style="list-style-type: none">Chair of the Australian Public Policy Committee – Audit Quality Working GroupParticipant of the Australian Public Policy Committee – ESG Working GroupChair of the Trans Tasman Audit and Advisory Committee (CA ANZ)Director and Shareholder, Family Trust Company(s)Trustee – personal family trusts
Mr Jason Thorne	<ul style="list-style-type: none">Fellow, Institute of Chartered Accountants in England and WalesMember, Chartered Accountants in Australia and New ZealandRegistered Company Auditor	<ul style="list-style-type: none">Partner, Deloitte Touche Tohmatsu	<ul style="list-style-type: none">Director and Shareholder, family trust company
Mr Chi Mun Woo	<ul style="list-style-type: none">Member, Chartered Accountants Australia & New ZealandMember, Institute of Chartered Accountants in England and Wales	<ul style="list-style-type: none">Partner, Climate and Sustainability practice, Deloitte	-

SAC MEETING HIGHLIGHTS

MAY 2025

This summary of the Stakeholder Advisory Council (SAC) public session discussions on 5–6 May 2025 in New York has been prepared for information purposes only.

Recordings of the meeting are available on the [IAASB YouTube](#) and [IESBA YouTube](#) channels.

SESSION 1: DIALOGUE WITH THE STANDARD-SETTING BOARDS

The SAC was updated on developments since the November 2024 SAC meeting, including the progress on ongoing projects and strategic considerations for the upcoming years. SAC members were generally supportive of the direction the standard-setting boards (SSBs) are taking.

Key Observations, Advice and Suggestions from the SAC

- Considering the rapid changes in the external reporting environment, it will be important for the SSBs to maintain regular and open dialogue with all stakeholders to ensure the SSBs' standard-setting work remains responsive to market needs and serves the public interest.
- In light of rapid changes in the environment caused by technology and the opportunities and challenges that technology brings, the SSBs were encouraged to assess the potential impact of technology on the standard-setting activities, and to consider the need for timely responses to emerging technologies and the need for flexibility in the SSBs' work plans. Assessing the role of standards relative to technology is also important for broader benefits as technology leveraged audits can help attract talent into the profession.
- The involvement of investors in the development of standards is important as investors are the ultimate beneficiaries of the SSBs' standards. Also, given the trend towards deregulation, investors can explain to policy makers the importance of the SSBs' standards (also see session 4). The SSBs can create further awareness of its standard setting activities to investors through user-friendly communications.
- Post-implementation reviews and pre-implementation activities (between approval and effective dates) are important. The SAC noted that such reviews are critical for the SSBs to identify and address key practical concerns from stakeholders. In relation to post-implementation reviews, one element is to determine whether the major standards achieved their expected objectives.

SESSION 2: TRENDS IN THE EXTERNAL REPORTING ECOSYSTEM

This session explored key trends and changes in the external reporting environment and their potential implications for international standard setting. SAC members participated in breakout discussions, sharing perspectives on how these trends could inform the SSBs' strategy for 2028–2031. SAC members generally supported the trends that were identified in **Agenda Item 2**.

Key Observations, Advice and Suggestions from the SAC

- *Technology.* Rapid digital transformation, including the widespread adoption of artificial intelligence, is reshaping audit and reporting. The SAC noted that while artificial intelligence may bring efficiencies, there are concerns about data reliability and over-reliance on such technologies which may limit critical thinking. SAC members encouraged the SSBs to explore all avenues, not restricted to standard setting (e.g. non-authoritative guidance), to respond on a timely basis to the changes in technology.
- *Sustainability.* While sustainability reporting has grown, there remain concerns about greenwashing and the lack of focus on social factors. SAC members also highlighted that the implementation of the sustainability assurance standard is still in the early stages, and recommended to issue guidance to provide clarity on the implementation of the standard and aid broad adoption.
- *Global Fragmentation.* There is an increased risk of jurisdictional divergence from global standards, driven by trends towards simplification and deregulation (also see session 4). They emphasized the critical role the SSBs play in maintaining consistency and coherence in financial reporting at a global level and therefore ensuring alignment across jurisdictions.
- In addition, maintaining and enhancing the relevance of the SSBs' standards through improved communications and more effective outreach efforts is important. The SAC also underscored the long-term nature of the SSBs' standards, highlighting the need for the SSBs to focus on issues that will shape the future of the profession over the long term.

SESSION 3: VALUE AND IMPACT OF RECENT REVISIONS AND ENHANCEMENTS TO INTERNATIONAL STANDARDS

The SAC discussed the value proposition of the SSBs and the different ways to gauge whether the SSBs standards are having the desired impact and effect.

Key Observations, Advice and Suggestions from the SAC

- It is critically important that the SSBs' standards remain consistent, scalable, principle-based and responsive to investor needs. Absent these characteristics, there is risk of jurisdictional divergence, which can impact investor confidence, the ability to attract investments and cross-border comparability.
- There is need for a compelling value proposition that clearly articulates the SSBs' public interest role, independence and impact. In this regard, suggestions included:
 - Reframing the value proposition to better highlight the direct beneficiaries, particularly investors, audit committees and preparers without, in any way, diminishing the importance of regulators.
 - Emphasizing how the SSBs' standards serve as a foundational element for public trust in capital markets.
 - Clearly spelling out the benefits of international standards and clarifying the public interest considerations.
 - Making the value proposition more tangible and accessible by adding examples of how the SSBs' standards add value.

- Recognizing the distinct roles of standard setting and enforcement.
- Using language in the value proposition that is clear and outcome-focused so that it better resonates with stakeholders both within and outside the profession. Also, to bring the value proposition to life, the SAC suggested making the principal / agent problem clear through real life cases and user-friendly communication mechanisms. This will improve the visibility of the SSBs' standards and will explain that the standards reduce the risks for investors.
- The SSBs are encouraged to leverage post-implementation reviews, root cause analyses and insights from regulators, including inspection finding reports, to better assess whether the standards are achieving their intended objectives. In this regard, suggestions for the SSBs included considering:
 - Conducting a comprehensive global survey to gain a deeper understanding of how effective the recently completed standards are.
 - Working closely with academics and investors to obtain a broader perspective on the effectiveness of the standards.
 - Gaining a better understanding of why aspects of the standards are not implemented.
 - Communicating results of post-implementation reviews and other surveys by sharing data and practical examples. The SAC members specifically highlighted the importance of sharing success stories—such as better auditor judgment, stronger independence, and improved accountability.

SESSION 4: DEREGULATION AND ITS POTENTIAL IMPLICATIONS FOR SUSTAINABILITY AND OTHER INTERNATIONAL STANDARDS

The SAC discussed the trend towards deregulation and simplification of regulations in certain jurisdictions and considered strategies for the SSBs to navigate this trend.

Key Observations, Advice and Suggestions from the SAC

- Deregulation will vary by region and can be broadly seen as cyclical. In the international context, it is therefore important not to overreact. Simplification of laws and regulations, however, is often aimed at enhancing competition, and therefore economic growth, by reducing administrative burden.
- In navigating these trends:
 - A clearly articulated value proposition is critical. This includes reinforcing:
 - The need for the current standard setting activities with careful consideration of tone and clear communications of why the standards and guidance issued serve the public interest.
 - The relevance of the SSBs' work and avoid being perceived as contributing to regulations overload.
 - The value of the SSBs' international standards is enhanced when the standards are principles-based, scalable, flexible and responsive to market needs, including for small and medium-sized entities and practices.

- Critically challenging whether there is a need for new standards or if the priority at the moment is developing non-authoritative guidance, workshops and educational materials to support the adoption and implementation of recently issued standards.
- There may be opportunities for the SSBs to collaborate with the International Federation of Accountants, regional professional accountancy organizations and other global institutions to support the adoption and implementation of its standards as well as to monitor the changes in deregulation and simplification of regulation.

NEXT MEETING

The next SAC meeting is scheduled for October 21–22, 2025 in New York, USA.



AUASB Agenda Paper

Title:	IAASB June 2025 Meeting	Date:	14 May 2025
Office of the AUASB:	Rene Herman	Agenda Item:	4.0

Objective of this agenda paper

1. The objective of this agenda item is to seek the views of AUASB members on key directional matters affecting projects on the IAASB standard setting projects.
2. The projects to be discussed at the IAASB meeting are at a relatively early stage where there is likely to be a greater opportunity to influence the direction of the projects than when project plans are finalised or public consultation documents issued.
3. Members are appointed in a personal capacity and do not represent the views of the firms. **In this instance we would appreciate Board members from audit firms also bringing to the meeting perspectives from within their firms on the key questions in this Board paper.** This will better inform the discussion at the meeting and input to the IAASB. It would be appreciated if members from the firms held discussion with technology or audit technical specialists, as necessary for this purpose.
4. Member views may inform Bill Edge in providing his views to the IAASB as a member. Significant issues (if any) may also be communicated to the IAASB by the AUASB's IAASB Technical Advisor and/or the AUASB Chair (including through the IAASB/IESBA Stakeholder Advisory Council and Jurisdictional Standard Setters arrangements).

Key questions for AUASB members

5. AUASB members will be asked to provide views on the following key questions. The key questions below concern matters that the Office of the AUASB recommends should be raised with the IAASB for consideration in relation to IAASB standard setting project plans.

No.	Key questions	Current or proposed IAASB approach
1	Interim reviews – Do AUASB members agree that the IAASB should also review ISRE 2400 <i>Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity</i> which underpins ISRE 2410 <i>Review of a Financial Report Performed by the Independent Auditor of the Entity</i> ?	At present, the IAASB project would take ISRE 2400 as a given in the project to revise ISRE 2410. This significantly limits the scope of project to the revisions to ISRE 2410. ISRE 2400 is fundamental to ISRE 2410.
2	PIE Track 2 – Do AUASB members continue to support the IAASB's proposed approach of amending the ISAs by replacing 'listed entity' with the IESBA term 'publicly traded entity' but to defer introducing the IESBA term 'public interest entity' for areas such as key audit matters and engagement quality reviews to a later date?	The approach outlined in the question is consistent with the proposal exposed by the IAASB, and with the approach proposed in the IAASB June 2025 meeting papers.
3	Firm culture and governance – Do AUASB members agree that: (a) The IESBA project is appropriate in the current environment; (b) Aspects may not be within the remit of the ethics standards setters who may need to work with others, including the IAASB with regard to ISQM 1;	The full scope of the IESBA project may change. The IESBA has made no specific decisions.

No.	Key questions	Current or proposed IAASB approach
	<p>(c) Guidance may be useful but should allow firms to adopt a combination of initiatives, that may differ between firms, including with regard to the size of a firm; and</p> <p>(d) Consideration could be given to ISQM 1 applying to areas of firms other than audit and assurance (similar to APESB and NZAuASB standards)?</p>	
4	<p>Targeted ISA 500-series standards - Inventory - Are there practical issues that require amendments to ISA 501 <i>Audit Evidence – Specific Considerations for Selected Items</i> in the following areas:</p> <p>(a) Evolving inventory systems at entities could impact the risk assessment (e.g. sites that are not physically accessible by humans);</p> <p>(b) Use of technology for inventory observations (e.g. drones);</p> <p>(c) Enhancing work effort for inventory under custody and control of a third party; and</p> <p>(d) Any other challenges in obtaining sufficient and appropriate audit evidence regarding inventory?</p>	ISA 501 was revised in 2009 (before the clarity project).
5	<p>Targeted ISA 500-series standards - External Confirmations - Do AUASB members agree that the IAASB should revise ISA 505 <i>External Confirmations</i> to:</p> <p>(a) Require confirmations for certain account balances (e.g. cash at bank); and</p> <p>(b) Prohibit the use of ‘negative confirmations’?</p>	ISA 505 was last revised in 2008.
6	<p>Targeted ISA 500-series standards - Sampling – Do AUASB members agree that the review of ISA 530 <i>Audit Sampling</i> should include providing guidance that is subject to professional judgement on determining statistically valid sample sizes for compliance testing and substantive testing, so as to promote consistency in the sampling models used across audit firms?</p>	While the project to revise ISA 530 would address important issues on audit sampling, it appears that the fundamental approach to determining sample sizes will not be within scope.
7	<p>Technology project – Do AUASB members agree with the following:</p> <p>(a) The ISAs are not fundamentally broken with regards to technology;</p> <p>(b) There are specific matters that should be addressed, such as tools used by auditors for substantive testing that are neither substantive analytical procedures or tests of detail; and</p> <p>(c) To meet the immediate needs of practitioners, guidance should be initially developed in key emerging areas such as the use of AI audit tools and the use of AI by audited entities (with standards considered later, as appropriate)?</p>	Technology has been described as the major project of the IAASB. It is possible that extensive revisions to the ISAs may be considered.
8	<p>Technology and quality management – Do AUASB members agree that the initial focus in the technology project should be on key issues affecting audits (e.g. the broad range of matters associated with the use of AI, how to address exceptions when testing an entire population) and that firm-level and engagement-level quality management on the development, approval and use of tools used on audits should not be a specific focus initially?</p>	The quality management work stream is a focus at the June 2025 IAASB meeting, including outreach plans.
9	<p>Sustainability – Do AUASB members agree that the IAASB should continue to devote significant resources to developing implementation support materials?</p>	While the IAASB published implementation guidance in January, it is not that 30% of IAASB time will be devoted to

AUASB Agenda Paper

No.	Key questions	Current or proposed IAASB approach
		sustainability and implementation guidance (as suggested in the latest IAASB workplan).
10	Other matters – Do AUASB members have any other comments?	Not applicable.

Background information

6. The IAASB has recently completed major standard setting projects on sustainability assurance, a revised going concern standard and a revised fraud standard. No major standards are planned to be issued before later 2027. Current standard setting projects are at a relatively early stage where the direction of those projects may be more capable of being influenced.
7. The main topics for the June 2025 IAASB meeting are:
 - (a) The topics for which key questions are listed in paragraph 5 of this paper; and
 - (b) The Audit Evidence & Risk Response topic (for which there are no specific questions for members in this paper).
8. The public papers for the IAASB meeting are available at [IAASB Quarterly Board Meeting - June 16-18, 2025](#). The meeting runs for only 2 ½ days, which includes private breakout sessions (with private feedback) on the 'Select ISA 500-series Standards' and 'Technology – Focus on Quality Management'.