

IAASB's Proposed Strategy for 2020–2023 and Work Plan for 2020–2021— Discussion

Objective of the IAASB Discussion

The objective of this agenda item is to approve the draft Consultation Paper (CP) on the IAASB's Proposed Strategy for 2020–2023 (the Strategy) and Work Plan for 2020–2021 (the Work Plan), as set out in **Agenda Item 1-A**.

Introduction

1. Since the December 2018 Board meeting, the 2018 Steering Committee (which acts as the Task Force for the development of the IAASB's Strategy and Work Plan) has further developed the CP on the proposed Strategy and Work Plan taking into account the comments made by the Board. Subsequently, an updated draft of the CP on the proposed Strategy and Work Plan was distributed to the Board for comments.
2. An extract of the draft December 2018 meeting minutes on the proposed Strategy and Work Plan is included in the Appendix to this agenda item.

Consultation Paper on the IAASB's Proposed Strategy for 2020–2023 and Work Plan for 2020–2021

3. In response to the comments received on the updated draft of the CP, Staff and the IAASB Chairman agreed to make several changes to the CP on the proposed Strategy and Work Plan, including:
 - Placing the 'Request for Comments' section after the 'Chairman's Foreword.' Including this section in the beginning of the document will help readers know upfront those matters in which the IAASB is particularly interested and also may help readers in navigating the document.
 - Enhancing the questions in the 'Request for Comments' section by including references to relevant paragraphs. In addition, it has been noted that it would be helpful to obtain stakeholder views about the IAASB's future research activities and where these should be focused. Accordingly, a question was added relating about the completeness of the topics to be included in the IAASB's 'information-gathering and research agenda.'
 - Emphasizing within the CP the IAASB's focus on scalability and proportionality by enhancing the description of the 'Environment for Small- and Medium-Sized Entities' (on page 6 of **Agenda Item 1-A**), highlighting that there is an increasing pressure regarding the scalability and proportionality of the standards.
 - Highlighting that the proposed detailed Work Plan (as presented on page 14 of **Agenda Item 1-A**) is the IAASB's best estimate about how the IAASB will progress the various projects, and that the Work Plan is subject to changes, especially given the nature of the issues and the complexities of the projects.
 - Clarifying that the section on managing the delivery of the Strategy and Work Plan (on page 16 of **Agenda Item 1-A**) relates to both the Strategy and the Work Plan.
 - A number of more detailed clarifications as suggested by various Board members.

4. Based on the comments received from the Board, Staff and the IAASB Chairman also decided not to include a mindmap as suggested by a Board member as this did not necessarily add to the understandability of the document. In addition, although helpful in providing context for the IAASB's work in 2019, it was agreed that a link to the 2019 Work Plan would help keep the document more concise. The Work Plan for 2019 will be posted as a separate document on the IAASB's website.

Consultation Period

5. Once the CP has been approved by the IAASB, it will be published for a 120 day consultation period.

Matters for IAASB Consideration

1. The IAASB is asked whether it agrees with the content of the Consultation Paper on the IAASB's Proposed Strategy for 2020–2023 and Work Plan for 2020–2021, as set out in **Agenda Item 1-A**, and to approve the CP for public consultation.

Extracts from Draft December 2018 Minutes¹

The IAASB's Strategy 2020–2023 and Work Plan 2020–2021

Mr. Gunn and Ms. Bahlmann provided an introduction to the draft Consultation Paper on the IAASB's Strategy for 2020–2023, and the related Work Plan for 2020–2021, (the 'Strategy and Work Plan') as presented to the Board in **Agenda Items 7 and 7-A**. They also informed the Board that Staff has been working on a more focused and concise format for presenting the Strategy and Work Plan and explained the rationale for the updated format.

The Board discussed the draft Strategy and Work Plan (as presented in **Agenda Item 7-A**), and asked the Steering Committee to consider:

- Further elaborating how the Board will address the advances in, and use of, technology. In addition, it was suggested that further clarification about the different types of technologies impacting the environment was needed, as well as making clear that it also affects the way that practitioners undertake their work.
- Giving more prominence to the project that addresses issues related to the audit of less complex entities, making clear that this project's outcomes had not yet been determined but that work was being undertaken to determine the most appropriate actions to address the issues.
- Enhancing the description of the research phase given the importance of this activity stream in identifying and further understanding issues and challenges affecting the IAASB's standards.
- Clarifying the diagram that depicts the IAASB's proposed framework of its activities (as included on page 15 of **Agenda Item 7-A**) to better illustrate how the new structured activities interact.
- Clarifying how the IAASB will deliver on the Strategy and Work Plan. It was also questioned whether the IAASB has the resources and processes in place to fully deliver the Strategy and Work Plan, especially given the additional focus on implementation activities and the Monitoring Group's possible changes.
- In relation to the detailed Work Plan (included on page 20 of **Agenda Item 7-A**):
 - Verifying that the classification of projects into the different new activity streams are correct; and
 - Considering whether all indicated targets are realistic.
- How the Monitoring Group consultation has been presented in the draft Consultation Paper, including considering whether this should be made more prominent earlier in the document.
- How the draft Consultation Paper could be made more forward looking, as much of the focus seemed to be on current projects. It was noted that this may help identify areas where IAASB actions may be needed in the future.
- A "mindmap" format for the table of contents.

¹ The draft minutes are still subject to IAASB review and therefore may still change.

The Board was supportive of further developing the more focused and concise format for presenting the Strategy and Work Plan, but asked the Steering Committee to take into account the points raised in the discussion of **Agenda Item 7-A** as noted above.

CAG CHAIR'S REMARKS

Mr. Dalkin suggested to describe a stronger linkage between the opportunities and challenges that the IAASB is facing with the proposed strategic actions. He also highlighted the need to further emphasize advances in technology as appropriate. On the detailed Work Plan, Mr. Dalkin suggested clarifying when a project is expected to be finished, as well as when an Exposure Draft is expected to be published.

PIOB OBSERVER'S REMARKS

Mrs. Stothers was supportive of having a statement on the Monitoring Group consultation in the beginning of the Consultation Paper. She was also supportive of further developing the more focused and concise format of the Consultation Paper. In that version she specifically highlighted the section that describes the IAASB's goals, keys to success and the stakeholder value proposition, as well as the section that describes the opportunities and challenges. She emphasized the need to be open about the challenges that the IAASB is facing and therefore that changes are needed.

WAY FORWARD

The Steering Committee will further develop the more focused and concise format of the Strategy and Work Plan. The updated Strategy and Work Plan will be discussed at the Board's January 22, 2019 teleconference and is expected to be issued in early February 2019.