IAASB Strategy and Work Plan 2024-2027

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IAASB CAG Meeting
September 12–13, 2023
Agenda Item I.1
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Recap
Consultation Paper – Breakdown of Respondents

Respondents by Region

- **25%** Global
- **18%** Asia Pacific
- **33%** Europe
- **11%** Middle East and Africa
- **11%** North America
- **2%** South America

<table>
<thead>
<tr>
<th>Stakeholders Type</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring Group</td>
<td>3</td>
</tr>
<tr>
<td>Investors and Analysts</td>
<td>2</td>
</tr>
<tr>
<td>Regulators and Audit Oversight Authorities</td>
<td>6</td>
</tr>
<tr>
<td>National Auditing Standard Setters</td>
<td>11</td>
</tr>
<tr>
<td>Public Sector Organizations</td>
<td>1</td>
</tr>
<tr>
<td>Academics</td>
<td>1</td>
</tr>
<tr>
<td>Individuals and Others</td>
<td>5</td>
</tr>
<tr>
<td>Accounting Firms</td>
<td>11</td>
</tr>
<tr>
<td>Member Bodies and Other Professional Organizations</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>61</strong></td>
</tr>
</tbody>
</table>
**Consultation Paper – List of Questions asked**

<table>
<thead>
<tr>
<th>Question</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Do you agree with Our Proposed Goal, and Our Proposed Keys to</td>
<td>Do you support the identified possible new standard-setting projects as set out in Table B (see pages 20–22) within the area of sustainability and other assurance engagements (numbered <strong>L.</strong> and <strong>M.</strong>)? Topic <strong>L.</strong>, Further Standards for Assurance on Sustainability Reporting, would involve addressing multiple topics (as part of possible multiple projects). Please provide your views about likely candidate topics for further standards.</td>
</tr>
<tr>
<td>Success and Stakeholder Value Proposition?</td>
<td><strong>5</strong> Are there other topics that we should consider as new standard-setting projects? If so, please indicate whether any such topics are more important than the topics identified in Table B (see pages 20–22), and the needs and interests that would be served by undertaking work on such topic(s).</td>
</tr>
<tr>
<td><strong>2</strong> Do you agree with Our Proposed Strategic Drivers as the key</td>
<td><strong>6</strong> Our proposed Strategy and Work Plan emphasizes the importance of close coordination with our sister-Board, IESBA. What are your views about whether and, if so, how coordination could be enhanced in terms of opportunities for joint or complementary actions that would better serve the public interest? Suggestions could entail standard-setting work, engagement with stakeholder groups, and improved ways of working, among others.</td>
</tr>
<tr>
<td>environmental factors that drive the opportunities and challenges</td>
<td><strong>7</strong> Are there any other matters that we should consider in finalizing our Strategy and Work Plan?</td>
</tr>
<tr>
<td>impacting our ability to achieve our goal?</td>
<td><strong>8</strong> Are there any other matters that we should consider in finalizing our Strategy and Work Plan?</td>
</tr>
<tr>
<td><strong>3</strong> Do you agree with Our Proposed Strategic Objectives and Our</td>
<td></td>
</tr>
<tr>
<td>Proposed Strategic Actions?</td>
<td></td>
</tr>
<tr>
<td><strong>4</strong> Do you support the identified possible new standard-setting</td>
<td></td>
</tr>
<tr>
<td>projects as set out in Table B (see pages 20–22) within the area of</td>
<td></td>
</tr>
<tr>
<td>audits and reviews (numbered <strong>A.</strong> to <strong>K.</strong>)? Please share your views</td>
<td></td>
</tr>
<tr>
<td>on the individual topics, including, if relevant, why certain topics</td>
<td></td>
</tr>
<tr>
<td>may be relatively more important to you, your organization or within</td>
<td></td>
</tr>
<tr>
<td>your jurisdiction.</td>
<td></td>
</tr>
</tbody>
</table>
Strategy
Goal, Keys to Success and Stakeholder Value Proposition

To serve the public interest by:
Developing the globally accepted and leading audit, review and other assurance standards enabling the consistent performance of quality engagements that enhance trust in external reporting and evolve in a timely manner to meet changing public interest demands

Keys to success
• Commitment to engage, listen and learn
• Collective competencies, capabilities, and experience of our people at the Board and Staff levels,
• Confidence in the quality of our processes

Stakeholder Value Proposition
• Our standards
• Engagement with our stakeholders
• Coordination with other standard setters
• Work Plan
• Processes

Q1
• 87% response rate
• Broad support from respondents
• Goal refined based on suggestions from respondents
## Strategic Drivers

- **Strong support from respondents**
- **No other strategic drivers were identified**

### Increased and More Diverse Demands for Our Standards
- Heightened supervisory scrutiny
- Impact of technology
- Sustainability reporting and other evolving areas for assurance engagements
- Diverse demands across the spectrum of stakeholders reflecting the breadth of the global economy
- Supporting the implementation of our standards

### Confronting ‘Headwinds’ to Adoption of Standards
- Value of cooperation across independent standard-setting bodies
- Evolving expectations around sustainability assurance
- Impact of and reasons for jurisdictions developing their own audit and assurance standards
- Increasingly complex to manage global engagement with new stakeholders

### Changing Demands to Our Ways of Working
- Attract top talent at the Board and Staff levels
- Increasingly tight timelines to meet heightened expectations.
- Implement the Monitoring Group reforms
- Ability to leverage technology
Strategic Objectives and Actions

- **Objective 1**: Support the Consistent Performance of Quality Audit Engagements by Enhancing Our Auditing Standards in Areas Where There is the Greatest Public Interest Need
- **Objective 2**: Establish Globally Accepted Standard(s) for Assurance on Sustainability Reporting
- **Objective 3**: Strengthen Coordination with IESBA and Other Leading Standard Setters and Regulators to Leverage Better Collective Actions in the Public Interest
- **Objective 4**: Create more Agile, Innovative Ways of Working in Line with the Monitoring Group’s Reform Vision

Our Goal
Matters for IAASB CAG Consideration

The Representatives are asked for their views on the Goal, Keys to Success, Stakeholder Value, Strategic Drivers, and Strategic Objectives and Strategic Actions as presented in Agenda Item I.2 and in view of the matters discussed in Section C in Agenda Item I.3
Work Plan
Our Work Plan is focused on the ongoing, timely identification of new or emerging issues that may affect our global standards, and timely analysis and resolution of these identified issues.

- Balance Between Audits and Reviews, and Sustainability and Other Assurance Engagements
- Projects underway at the start of 2024
- Possible new projects/workstreams

Implementation Support Activities
Audits and Reviews

**Focus on the impact of technology**

- Holistic approach
- Embed technology in ISAs
- Planning Committee considered 2 options
  a) ISA 330 project and a technology project focused on standards in the ISA 500-series
  b) Expanded audit evidence and risk response project, and a technology project focused on other targeted standards

**Other topics**

- “Joint Audits” not a candidate for a new project
- The revision of ISRE 2410 ranks high as a candidate topic (strong arguments in favor vs views of not a priority compared to other topics)
- ISA 320 also ranks high (support between stakeholder groups varied)
- ISA 620 and ISA 720 (Revised) ranks behind the above topics. Comments also noted the IESBA project on Experts

**Post Implementation Reviews**

- Respondents supported the IAASB undertaking post-implementation reviews for
  - ISA 540 (Revised)
  - ISA 315 (Revised 2019)
  - Quality Management Standards
- PIR for Quality Management Standards is unlikely for this work plan period given their effective date and the period of implementation that should be allowed for
Sustainability and Other Assurance Engagements

**Bespoke Suite of Standards on Sustainability Assurance**
- Strong support for a bespoke suite of standards
- Few respondents suggested candidate topics for possible further standards
- Need for sufficient time to implement ISSA 5000 before a project(s) for further standards
- Prudent to have a placeholder in line with Board’s commitment to the ISSA suite

**ISAE 3000 (R), ISAE 3410, and EER Guidance**
- Views that a focus on these are important to avoid confusion with ISSA 5000
- Need identified to update EER Guidance
- Need identified to clarify relationship between ISSA 5000 and ISAE 3410
- Actions to complement ISSA 5000 are likely. A project on ISAE 3000 (R) is unlikely.

**Assurance on XBRL**
- Mixed views by respondents
- Increased use of digital reporting recognized. Other views about global relevance of topic; ISAE 3000 (R) can be used; priority compared to other topics
- Views supporting a research project or updating ISAE 3000 (R) to better accommodate XBRL
- On balance, it is unlikely that a project would be commenced
Matters for IAASB CAG Consideration

The Representatives are asked for their views on possible programming decisions in finalizing the Work Plan as discussed in Sections D in Agenda Item I.3, including as distinguished between
• Audits and Reviews (Section D.1 in Agenda Item I.3)
• Sustainability and Other Assurance Engagements (Section D.2 in Agenda Item I.3)
Other Considerations
Other Considerations

IAASB/IESBA Coordination

- Importance of maintaining and enhancing coordination between the two Boards
- Systematic approach to coordination
- Efforts at the start of the work plan period will particularly focus on our parallel projects – Sustainability; Listed Entity and PIE
- Continued attention: IESBA project on Experts; IAASB projects focused on the impact of technology; Other projects per final work plans
- Project identification and scoping is a key stage to benefit from coordination

Other Matters

- Need for the IAASB to stay focused on developing principle-based standards
- IAASB to be more detailed in relation to work plan matters such as project priorities, project objectives, targeted outputs, project timelines, and allocation of resources.
- Other one-off comments did not warrant further revisions
Matters for IAASB CAG Consideration

The Representatives are asked whether there are any other matters that the Planning Committee should consider in updating the Strategy and Work Plan.
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