

Strategy and Work Plan 2024–2027 Question 1

Do you agree with Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition (see pages 5–6)?

1.6.1 Our Proposed Goal**1. Monitoring Group****International Association of Insurance Supervisors (IAIS)**

The IAIS supports the proposed goal especially as it focuses on developing globally accepted and leading audit, assurance, and related service standards that are aimed at enabling the performance of high-quality engagements that enhance trust in markets.

International Forum of Independent Audit Regulators (IFIAR)

IFIAR broadly supports the strategy and work plan as set out for 2024-2027. In addition to pursuing all encompassing projects, IFIAR encourages IAASB to consider ‘quick response’ projects to support the consistent performance of quality audit engagements, including when changes to auditing standards may be necessary in response to standard-setting activities of other international standard setting boards, such as the International Ethics Standards Board for Accountants (IESBA) and International Accounting Standards Board (IASB). Such a ‘quick response’ process could be inspired by the processes used by the International Accounting Standards Board for developing narrow scope amendments to its Standards. Although the standards are framework neutral, the IAASB should always be actively evaluating changes at IESBA and IASB to consider whether complementary changes are necessary to the auditing standards, or to supplementary guidance.

2. Investors and Analysts**Eumedion**

We agree with the proposed goal. We would suggest replace ‘evolve’ with an alternative. As indicated in the introduction of our comment letter, the mandatory reporting arena for sustainability reporting is clearly changing at a high pace in substantial parts of the world. Allowing standards to only ‘evolve’ along may impair the IAASB’s ability to meet the rapidly changing needs for conducting high quality audits and the justified trust therein.

3. Regulators and Audit Oversight Authorities**Independent Regulatory Board for Auditors (IRBA)**

The appreciation for “high quality” standards may need to be included in the goal to ensure and enable the achievement of these overall goals.

The Proposed Goal includes several important key considerations namely, timely standard setting in an evolving environment, the need to uphold trust, the importance of global adoption and the need for high quality engagements.

4. National Auditing Standard Setters

American Institute of Certified Public Accountants (AICPA)

We support the IAASB's goal to serve the public interest and several of the proposed strategic objectives, namely the need to support the consistent performance of quality audit engagements by enhancing audit, assurance and related services standards in the public interest.

Austrian Chamber of Tax Advisors and Public Accountants (KSW)

We agree with the proposed goal which refers to performance of high-quality engagements. The focus is now on quality management based on ISQM. Hence, we believe that IAASB's Goal should include a reference to quality management.

Canadian Auditing and Assurance Standards Board (AASB)

We support the IAASB's proposed goal, keys to success and stakeholder value proposition.

Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)

We agree with the Proposed Goal, which is significantly improved compared to that set forth in the previous IAASB Proposed Strategy for 2020 – 2023 and Work Plan for 2020 – 2021.

Public Accountants and Auditors Board (PAAB) Zimbabwe

We agree.

We are of the view that developing the globally accepted and leading audit, assurance, and related services standards will enable the performance of high-quality engagements that enhance trust in markets and evolve in a timely manner to meet rapidly changing public interest demands.

Royal Netherlands Institute of Chartered Accountants (NBA)

The NBA supports IAASB's proposed goal of serving the public interest by developing standards for audit, assurance and related services that are of high quality and that enhance trust in markets. Given the increased importance of quality management (ISQM1 and 2) we suggest to include a reference to quality management.

5. Accounting Firms

BDO International Limited

Yes, we agree with the Proposed Goal, as outlined by the Board, and would like to highlight the following:

We acknowledge the environment within which the IAASB operates and the importance of stakeholder outreach activities to ensure that the IAASB's Proposed Goal to enable the 'performance' of high-quality engagements is attainable.

It is important that where the IAASB identifies and develops changes to existing standards or proposes new standards, that these are developed to ensure that they can be implemented practically. We believe the Proposed Goal reflects this aspiration.

We support the plan to monitor whether the IAASB's standards continue to be adopted and incorporated throughout the world. Public trust and the public interest are best served when there is a consistent application

of the IAASB's standards and having appropriate monitoring in place helps to identify where adoption or implementation of standards requires further clarification, guidance, monitoring or oversight.

As the IAASB has noted, for the body of IAASB standards to remain 'leading', we consider that it is important that the standards not only evolve but reflect work in new areas (i.e., sustainability, technology-enabled engagements, and complexity). We support the IAASB's Proposed Goal which has been designed to reflect these rapidly changing public interest demands.

Deloitte LLP

Yes, we agree with the proposed goal, especially the focus on "standards that enable the performance of high-quality engagements that enhance trust in markets." We recognize that, when it comes to updating the content in any given standard, there are diverse drivers influencing that content (e.g., the varying needs of multiple stakeholders and differing opinions on what issues should be addressed or how they should be dealt with).

Ernst & Young Global Limited

Regarding the Our Proposed Goal, to better align with the objective of ISQM 1 (refer to ISQM 1.15), we suggest that the goal refer to consistent performance of high-quality engagements.

Regarding the Our Proposed Goal, reference is made to the IAASB monitoring whether its standards continue to be adopted, whether the IAASB's work in new areas achieve the broad respect of and use by stakeholders, and whether the IAASB's commitment to the public interest remains unchallenged. We suggest that the IAASB consider whether they have the capacity or capabilities to implement this monitoring. If the IAASB is not planning to do the monitoring themselves, we suggest specifying in the Strategy and Work Plan who will be responsible for this monitoring, as well as the frequency and method of reporting.

ETY sas

We agree with the Goal, which clearly states the IAASB's engagement to serve public interest through its standards setting mission while taking into account stakeholders' needs in a changing world.

Grand Thornton International Limited

Overall, we are of the view that the Proposed Goal, Proposed Keys to Success and Stakeholder values are appropriate. We do, however, have comments on certain aspects of these proposals.

Similarly, the goal refers to the evolution of standards in a timely manner to meet the rapidly changing public interest demands. A clear and consistent interpretation of timely is important to manage stakeholder expectations and to achieve the IAASB's stated goal. Based on the information presented in the IAASB's Proposed Strategy and Work Plan, a maximum of seven projects will be commenced over the three-year strategy period, which does raise the question of how quickly the rapidly changing public interest demands can be met.

Mazars

We agree with the Proposed Goal and the Value proposition.

MNP LLC

We agree with the Proposed Goal, Keys to Success and Stakeholder Value Proposition.

PriceWaterhouseCoopers

We support the IAASB's defined goal of developing accepted and leading standards that enhance trust in markets and evolve in a timely manner to meet rapidly changing public interest demands. Globally accepted standards that enable the performance of high-quality engagements bring trust and confidence in the information needed for decision making which is vital to support the effective functioning of markets and economies.

RSM International Limited

Yes, we agree with the sections entitled Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition.

6. Public Sector Organizations

Office of the Auditor General of Alberta

We agree that the goal of the IAASB should be to “serve the public interest,” however we note that the “public interest” must include more than public markets and shareholders. A “public interest” is more inclusive and includes the general public and is not exclusive to public markets and/or shareholders. The consultation paper should clearly communicate that the IAASB's goal includes the general public within the “public interest.” We suggest that IAASB define public interest as “the common interests of all which include but exceed the partial interests of individuals or groups.”

7. Member Bodies and Other Professional Organizations

Accountancy Europe

The proposed goal refers to performance of high-quality engagements. With ISQM-1, the focus is now rightfully on quality management at firm level which underpins performing high-quality engagements. Hence, we believe that IAASB's goal should include a reference to quality management.

Association of Chartered Certified Accountants (ACCA)

While we generally agree with the IAASB's proposed Goal, in our view it should also explicitly reflect the importance of consistent and proper implementation similar to the current Goal. As we note in our general comments, while our stakeholders are happy with standard-setting progress, recognising the important milestones that the Board managed to achieve in the last few years (i.e. ISA 540, ISA 315, ISQMs etc.), they are calling for a more balanced approach between a stable platform and being responsive to public interest demands to allow sufficient time for implementation. Implementation challenges are more prevalent in the case of SMPs and in countries where translation of the standards needs to take place as part of implementation.

Chartered Accountants Ireland (CAI)

We support the IAASB's overall goals for 204-27 to develop leading high-quality standards.

The proposed goal refers to performance of high-quality engagements. With the ISQMs, the focus is now on quality management at firm level which underpins performing high-quality engagements. Hence, we believe that IAASB's goal should include a reference to quality management.

CPA Australia

Overall, we are supportive with the Proposed Goal, and Proposed Keys to Success and Stakeholder Value Proposition as the basis for the work plan for 2024-2027.

However, we are of the view that the Proposed Goal could be re-worded for clarity. We also recommend that 'efficiency and effectiveness' in achieving the performance of high-quality engagements should be included in the Proposed Goal as an anchor to ensure future revisions and development of standards are sufficiently balanced. This will assist in promoting the conduct of high-quality engagements that are performed in an efficient and effective manner. Accordingly, we suggest the proposed wording of the Proposed Goal be revised as follows:

“Leading the development of globally accepted audit, assurance and related services standards that:

Enable the performance of high-quality engagements that enhance trust in markets

Evolve in a timely manner to meet rapidly changing public interest demands

Are efficient and effective in achieving the performance of high-quality engagements.”

European Federation of Accountants and Auditors (EFAA)

We wonder, however, whether the goal needs rewording. Since the IAASB's standards also apply to SMEs, not just public interest entities (PIEs), we believe the goal extends beyond enhancing 'trust in markets.' 'Markets' is typically understood to mean capital markets. SMEs often do not participate in these markets. Furthermore, assurance on sustainability reporting serves a greater purpose than trust in markets: it will foster greater public confidence in published information on a company's impact on society and the environment by mitigating greenwashing etc. The IAASB's goal is wider – it's to enhance trust in financial and, increasingly, non-financial information. This information is generally, but not always, put into the public domain.

Institute of Chartered Accountants in England and Wales (ICAEW)

There have been no significant changes to the stakeholder value proposition. These remain appropriate and support IAASB's goal. Changes have been made to other aspects of the proposed strategy, with changes to the overall goal and environmental drivers being described as strategic drivers, etc. Going forward IAASB should try to avoid changes in such classifications and wording to aid comparability.

We support IAASB's overall goal for 2024-2027 to develop leading and globally accepted standards which enable high-quality audits. IAASB has a key role to play in setting standards in a timely manner to meet the rapidly changing public interest demands. This is especially important given the heightened focus on audit and corporate governance reform in the UK and other jurisdictions at present.

IAASB's goal has been updated since the 2020-2023 work plan, with a focus on the need for standard setting to respond quickly to changes. The speed at which high-quality standards are released is critical to meeting public expectations, and therefore we support this focus.

Continuity is important in the current environment. While IAASB's goal, strategic objectives and associated actions have been updated to reflect changing demands, we suggest careful consideration is given going forward to changes that may not be necessary, to ensure continued focus and stability.

Institute of Chartered Accountants of Scotland (ICAS)

Proposed Goal

“To serve the public interest by:

Developing the globally accepted and leading audit, assurance, and related services standards enabling the performance of high-quality engagements that enhance trust in organisational information and markets and evolve in a timely manner to meet rapidly changing public interest demands.”

The focus on “markets” in the proposed goal is likely to be seen as focusing solely on the private sector. The IAASB’s standards have a far wider locus, and we believe that a refinement of the proposed goal would better reflect that.

International Federation of Accountants’ Small and Medium Practices Advisory Groups (SMPAG)

The proposed goal and stakeholder value proposition does not seem to capture an important reference of ensuring that standard-setting activities are progressed through the lens of enhancing both the quality of international standards and the efficiency and performance of engagements, in particular with audits. For example, the cost and benefit of changes to standards should be rigorously evaluated, with greater consideration given to narrow scope maintenance to deal with targeted issues, compared to opening up and changing full standards. The volume and pace of changes continues to have a significant impact on SMPs and organizations supporting the adoption and implementation of international standards. We therefore urge the Board to address the need to allow for a stable platform instead of issuing frequent piecemeal revisions, as implementation is a matter of significant concern, and which could potentially be detrimental to the successful achievement of that part of the IAASB’s proposed goal referring to enabling the performance of high-quality engagements. In other words, developing and issuing standards in a timely manner is not enough, unless the Board factors in the ability of all who are affected by changes to implement them into their respective methodologies.

We believe that the focus on only enhancing “trust in markets” in the proposed goal is too narrow and could be interpreted as not reflecting the full audit ecosystem. The majority of audits globally are being undertaken for SMEs and not-for-profit organizations who are not active on public markets.

Nordic Federation of Public Accountants (NRF)

However, the Proposed Goal includes a reference to “trust in markets”. In our view, this gives the impression of a PIE engagement focus when in reality most audit engagements globally relate to SMEs and engagements outside public markets. We believe some adjustments are needed to ensure that the entire spectrum of audit and assurance engagements is being covered by the Proposed Goal.

NRF broadly agrees with IAASB’s Proposed Goal, Proposed Keys to Success and Stakeholder Value Proposition.

Norwegian Institute of Public Accountants

We support the input shared by NRF.

Pan-African Federation of Accountants (PAFA)

Overall, we agree with the components of the proposed goal however, as stated, the Proposed Goal is quite a long sentence and therefore a little difficult to follow. We noted that there is no reference or emphasis to high-quality standards and believe that there is a need to mention this explicitly (especially in the light of the desire for greater agility) as high-quality engagements are a factor of high-quality standards.

9. Individuals and Others

Anne Ramsay et al.

We agree with the stated proposed goal and view it as supportive of including digital assets and blockchain in the workplan.

Cristian Munarriz

- Add explicit mention to quality management and review standards to include all standards issued by IAASB, and replacing “assurance” with “other assurance” (audit and review services are assurance services too).

1.6.2 Our Proposed Keys to Success

1. Monitoring Group

International Association of Insurance Supervisors (IAIS)

The IAIS agrees that keys to success will include fostering confidence in the quality of the IAASB’s processes and the relevance and credibility of standards. Implementing the monitoring group reforms will be an important element of that, together with continued efforts to enhance processes and standards in the public interest.

2. Investors and Analysts

Eumedion

We agree with the first two keys to success.

We disagree with the third bullet as it strikes us as being more of a passive strength, rather than a key to success. Instead, the relevance and credibility of the IAASB depends more on how expedient the Board can meet the rapidly changing public interest needs. The lack of timeliness is already undermining the relevance and credibility of the IAASB. So the language in the third bullet should not herald the quality of the evidently lengthy existing processes, but highlight the willingness to implement changes in its due process and working procedures where necessary while adhering to ultimately high quality standards.

4. National Auditing Standard Setters

Canadian Auditing and Assurance Standards Board (AASB)

In particular, we strongly agree that engagement with interested and affected parties is a key to the IAASB’s success and is an important aspect of the IAASB’s stakeholder value proposition.

We support the IAASB’s proposed goal, keys to success and stakeholder value proposition.

CNCC-CNOEC - France

We support the Proposed Keys to Success and Stakeholder Value Proposition.

Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)

We support the Proposed Keys to Success as set out in the Consultation Paper.

Public Accountants and Auditors Board (PAAB) Zimbabwe

On the keys to success, we also believe that the IAASB's commitment to engage, listen and learn is of paramount importance in protecting the public interest.

5. Accounting Firms

BDO International Limited

We agree that fostering confidence in processes and the relevance and credibility of the IAASB's standards are also 'Keys' to success.

We note that the work of the Board and Staff will likely be enhanced through the recent clarification in respect of IFAC and independent standard-setting board respective responsibilities and the resolution of Monitoring Group proposed reforms. The addition of more dedicated and full-time resources (i.e., staff) is also important to support the work of the IAASB's task forces and working groups (post-Monitoring Group reforms).

Ernst & Young Global Limited

Overall, we agree with the proposed goal, proposed keys to success and stakeholder value propositions.

ETY sas

Key to Success. Agree with, but we think that a proper implementation is also a key to success element to consider.

Grand Thornton International Limited

Overall, we are of the view that the Proposed Goal, Proposed Keys to Success and Stakeholder values are appropriate. We do, however, have comments on certain aspects of these proposals.

MNP LLC

We agree with the Proposed Goal, Keys to Success and Stakeholder Value Proposition.

PriceWaterhouseCoopers

We recommend that the final "key to our success" be adapted to state: "building support for, and adoption of our standards across jurisdictions, by fostering confidence in.....". This will be critical in the context of the proposed ISA for LCE and ISSA 5000, where adoption of the Board's proposed standards will be a key to success. Concerted strategic actions will be needed in this area.

RSM International Limited

Also, we suggest clarifying who the IAASB will engage with, listen to, and learn from in the first bullet of the Keys to Success.

However, we suggest that, as well as being included in the Stakeholder Value Proposition, engagement with stakeholders should be included as one of the Keys to Success.

Yes, we agree with the sections entitled Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition.

6. Public Sector Organizations

Office of the Auditor General of Alberta

In order for keys to success to be actionable and effective, they should be refined to be clearly measurable. For example, how will the IAASB measure the utilization of the collective competencies, capabilities and experience of staff? Or how will the IAASB foster confidence in their processes and credibility of standards? A clear key to success is to receive \$XXX in additional funding in order to allow the IAASB to expand staff levels by X number of employees (e.g. 4 staff, 4 managers and 4 directors). Note – the level of funding required is currently not included as one of the Keys to Success and we believe it should be included.

7. Member Bodies and Other Professional Organizations

Accountancy Europe

Overall, we agree with the proposed goal, keys to success and stakeholder value proposition, while noting our considerations below.

ASEAN Federation of Accountants (AFA)

As part of the Board's stakeholders, we look forward to seeing how the move to a new governance structure of the International Foundation for Ethics and Audit will impact the IAASB's existing keys to success and value proposition. We believe the accountancy profession must continue to be represented as part of the standard-setting process and its stakeholders.

Overall, we agree with the proposed goal, keys to success, and stakeholder value proposition.

Association of Chartered Certified Accountants (ACCA)

Proposed key success and stakeholder value proposition

We agree with the proposed key success and stakeholder value proposition.

CPA Australia

Overall, we are supportive with the Proposed Goal, and Proposed Keys to Success and Stakeholder Value Proposition as the basis for the work plan for 2024-2027.

European Federation of Accountants and Auditors (EFAA)

We generally agree.

Institute of Chartered Accountants of Scotland (ICAS)

Keys to success

“By fostering confidence in the quality of our processes and the relevance and credibility of our standards, evidenced by the many jurisdictions using or committed to using our standards.”

Care needs to be exercised in relation to “committed to using our standards.” Success is judged by those using the ISAs that are extant at a point in time. Unless there is a clear timeline to adoption under any commitment to apply the ISAs, we do not believe this should be used as a measure of success. In summary, success should be judged on “actual adoption” and not “contingent adoption”.

International Federation of Accountants' Small and Medium Practices Advisory Groups (SMPAG)

The SMPAG broadly agrees with the proposed goal, keys to success and stakeholder value proposition, subject to consideration of the following points.

Nordic Federation of Public Accountants (NRF)

NRF broadly agrees with IAASB's Proposed Goal, Proposed Keys to Success and Stakeholder Value Proposition.

Norwegian Institute of Public Accountants

We support the input shared by NRF.

9. Individuals and Others

Cristian Munarriz

Regarding the proposed keys to success, I generally agree but I propose mentioning other publications (e.g. application and implementation guidance) in addition to standards.

1.6.3 Our Proposed Stakeholder Value Proposition

2. Investors and Analysts

Eumedion

We agree. In the light of our other remarks on time sensitivity, we would suggest to change in the last bullet 'delivery' in 'timely delivery'.

Norges Bank Investment Management (NBIM)

Yes. We particularly welcome the focus on coordination with other standard-setters in the Stakeholder Value Proposition.

3. Regulators and Audit Oversight Authorities

Independent Regulatory Board for Auditors (IRBA)

On the Proposed Keys to Success and Stakeholder Value Proposition, the concept that may be considered for inclusion is flexibility. In this ever-changing environment, there needs to be reflection on which workstreams may better serve the public interest.

4. National Auditing Standard Setters

American Institute of Certified Public Accountants (AICPA)

Unlike the 2020-2023 IAASB strategy, the proposed Stakeholder Value Proposition is unclear as to where accountability rests. Can the IAASB be clearer and more direct about accountability?

Canadian Auditing and Assurance Standards Board (AASB)

We recommend the IAASB continue to monitor and be mindful of the pacing of its documents for comment. In doing so, the IAASB should ensure sufficient time is provided to allow for quality education, outreach and engagement, both by the IAASB but also by National Standard Setters, on the proposals.

Finally, to help practitioners to effectively implement the IAASB's standards, we recommend that the IAASB commit to building in sufficient time and resources to support the development of timely implementation tools/resources on all its projects. We support the IAASB's proposed goal, keys to success and stakeholder value proposition. In particular, we strongly agree that engagement with interested and affected parties is a key to the IAASB's success and is an important aspect of the IAASB's stakeholder value proposition.

On the issue of engagement with interested and affected parties, as indicated in our Overall Comments, practitioners are facing challenges with keeping up with the volume and pace of change. For the AASB, this has resulted in challenges with recruiting field-testers and participation in outreach sessions on our documents for comment, a key input to satisfying our due process in adopting IAASB standards. This engagement is also a key input into the feedback that we provide the IAASB as part of its due process. Obtaining timely input on the IAASB's exposure drafts, including potential implementation challenges more likely to be identified by practitioners, is critical to ensuring the standards are revised appropriately.

CNCC-CNOEC - France

We support the Proposed Keys to Success and Stakeholder Value Proposition.

Regarding the “coordination with other standard setters”, we think it is important to collaborate with IFAC so that they update the SMO 3 which deals with the compliance with the IAASB Pronouncements to include ISSA 5000.

Institut der Wirtschaftspruefer in Deutschland e.V. (IDW)

This issue is connected to the robustness of standards over time – that is, standards should be written in a principles-based manner so that they stand the test of time and are less subject to disruption. If they do not, then this is an indication that such standards are too granular and no longer principles-based.

We also agree with the Stakeholder Value Proposition with the exception of the narrative in Our Work Plan.

We believe that the narrative in Our Work Plan is incomplete. We agree with the statement that timeliness and quality need to be balanced, but there are also other issues that need to be taken into account. In particular, there is a public good in having standards represent a stable platform over time rather than being subjected to continual fundamental change, which engenders both increased implementation costs and increases the risks of inappropriate implementation compared to when major changes are required in stages over longer periods of time. This issue is connected to the robustness of standards over time – that is, standards should be written in a principles-based manner so that they stand the test of time and are less subject to disruption. If they do not, then this is an indication that such standards are too granular and no longer principles-based.

Royal Netherlands Institute of Chartered Accountants (NBA)

The NBA would like to underscore that standards need to be understandable and sufficiently practicable so auditors understand what is expected from them in their delivery of high quality services in the public interest.

5. Accounting Firms

BDO International Limited

With respect to the Stakeholder Value Proposition, the emphasis on continued coordination with other standard setters – particularly in respect of the IESBA - is also welcome. We note that one of the Monitoring Group's proposed reforms was to ensure there was closer alignment by having a single standard setting board

to cover both ethics and auditing standards. Although the IAASB and IESBA have not moved to this model, having closer cooperation and collaboration as standards develop (and most especially in respect of Strategy and Work Plan coordination) can help support the Stakeholder Value Proposition.

Recommended change.

While we support the ‘Our processes’ proposition, we note that as the volume of IAASB activities continues to increase, it is even more important that monitoring the implementation of those activities, to identify further guidance or support, occurs in an expedited manner. In addition, we ask that there is greater transparency about the planned release of implementation guidance and other engagement activities (perhaps through a Project Dashboard) to enable better planning by Stakeholders.

We strongly support the need for engagement be it through the forum of firms or other stakeholder engagement and outreach activities. This engagement is very important to ensure that standards development results in pragmatic requirements and identifies where additional guidance or support is likely to be helpful.

Deloitte LLP

Yes, we agree with the proposed goal, especially the focus on “standards that enable the performance of high-quality engagements that enhance trust in markets.” We recognize that, when it comes to updating the content in any given standard, there are diverse drivers influencing that content (e.g., the varying needs of multiple stakeholders and differing opinions on what issues should be addressed or how they should be dealt with). The overriding objective of the IAASB should be to set standards that are clear, understandable, and capable of being applied to the vast variety of facts and circumstances that can and do arise when executing engagements. Keeping this overriding objective in mind when developing standards will support the ability of auditors to implement them with consistency and to achieve the intended outcomes – and should, in the same way, create standards that can be used effectively by regulators who are overseeing how auditors have applied them.

Ernst & Young Global Limited

Regarding the stakeholder value proposition for Our Engagement with Our Stakeholders, we believe the IAASB’s coordination with IFAC and its committees as a key mechanism through which the IAASB engages with stakeholders is particularly relevant in light of the reforms that are being implemented, which could be highlighted in this section or elsewhere in the document. In addition, the IAASB could discuss here, or elsewhere in the document, more specifics regarding how IAASB processes for outreach enable the collection of sufficiently broad and unbiased input from a representative sample of stakeholders, possibly using academics or other non-biased facilitators to collect meaningful input.

Regarding the stakeholder value proposition for Our processes, we believe the critical importance of the IAASB’s due process to achieving high-quality widely accepted International Standards should be included. We would also recommend highlighting public transparency as a critical aspect of this due process. Such transparency also facilitates stakeholder engagement and collaboration with others.

We believe the stakeholder value proposition for Our Standards should more explicitly address the importance of the IAASB’s standards’ capability to be practically applied to audits and other engagements for all entities. We do not believe the words ‘globally relevant’ or ‘scalable’ are adequate to convey this critical objective.

Grand Thornton International Limited

Overall, we are of the view that the Proposed Goal, Proposed Keys to Success and Stakeholder values are appropriate. We do, however, have comments on certain aspects of these proposals.

Developing the globally accepted leading audit, assurance, and related services standards is an admirable aspirational goal that the IAASB is striving to achieve. In doing so, it is important to remember that, because these are internationally adopted standards, there is an acknowledged need for jurisdictional differences to make the standards ‘fit for purpose’ by taking into account the facts and circumstances of that particular jurisdiction. We recommend that this is explicitly recognised in the section discussing ‘Our Stakeholder Value Proposition.’

To establish the stakeholders the IAASB is intending to serve, a clear and consistently understood definition of what the public interest means for the IAASB is needed. As explained in our covering letter, the ISAs have become increasingly complex as they are focusing more on establishing specific requirements for the audits of listed entities or of public interest entities. This complexity resulted in auditing standards that are difficult to scale to audits of entities that are not listed or not public interest entities, absent timely first-time implementation guidance. Consequently, a standard for less complex entities is being finalised, which aims to address the specific issues and concerns of applying the ISAs to those entities. This results in auditing standards that address the two extremes of the spectrum, the complex listed or public interest entities and the less complex entities. This leaves a significant portion of entities, the mid-sized entities, for which audits are required but which, based on the focus of the IAASB’s recent research and outreach, are not the focus of the more recently updated auditing standards. The IAASB’s Proposed Strategy and Work Plan needs to be clear as to how the IAASB actions will result in standards that are sufficiently scalable to be used for audits on mid-sized entities. In this respect, we recommend that amendments are developed with these entities in mind with additional requirements and guidance added for listed or public interest entities only where necessary. [Mazars](#)

Regarding the “coordination with other standard setters”, it is paramount that the Statement of Membership Obligations (SMOs) are regularly updated within IFAC.

MNP LLC

We agree with the Proposed Goal, Keys to Success and Stakeholder Value Proposition. The Stakeholder Value Proposition describes the standards as globally relevant, coherent, scalable, proportionate, operable and adaptable for the future. We would like to emphasize the importance for the standards to be scalable. Current standards are being used by auditors performing engagements from very small and not complex audits to large and complex entities. Beyond scalability, certain assurance standards such as ISA 540 and ISA 270 as well as ISA 315 indirectly raise expectations and costs around management’s internal processes and decisions, some of which are difficult for small and medium sized entities to meet. Auditors (and management) must be able to scale the requirements based on the nature of the entity and the needs of users.

RSM International Limited

Yes, we agree with the sections entitled Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition. However, we suggest that, as well as being included in the Stakeholder Value Proposition, engagement with stakeholders should be included as one of the Keys to Success.

7. Member Bodies and Other Professional Organizations

Accountancy Europe

We agree that the consistent performance of quality engagements is key for the stakeholder value proposition. This consistency can only be achieved by truly principle-based standards that are robust and future-proof. This was well framed in IAASB's extant goal which refers to 'consistent and proper implementation' of its standards.

The proposed work plan aims to meet users' needs, while balancing timeliness and quality. We also underline the need to achieve a balance between having a stable platform, which supports consistent performance, and revising standards to meet rapidly changing public interest demands. Accordingly, in finalizing its work plan, IAASB needs to thoroughly consider the capacity-related and practical issues that standard-setters, professional bodies and firms face in adopting and implementing revised or new standards. Implementation requires considerable time and resources for translation, integration into audit methodologies and training, etc. (please also see our response to question 4)

Association of Chartered Certified Accountants (ACCA)

While we generally agree with the IAASB's proposed Goal, in our view it should also explicitly reflect the importance of consistent and proper implementation similar to the current Goal. As we note in our general comments, while our stakeholders are happy with standard-setting progress, recognising the important milestones that the Board managed to achieve in the last few years (i.e. ISA 540, ISA 315, ISQMs etc.), they are calling for a more balanced approach between a stable platform and being responsive to public interest demands to allow sufficient time for implementation. Implementation challenges are more prevalent in the case of SMPs and in countries where translation of the standards needs to take place as part of implementation.

Chartered Accountants Australia and New Zealand (CA ANZ)

Yes. We are pleased to see timeliness recognised as an important consideration in both the proposed goal and the proposed stakeholder value proposition. The timeliness of standard development needs to be considered when finalising the Work Plan and deciding which projects should be undertaken. Timeliness is not only a consideration in the development of standards but also in the timing of consultations and discussion papers to allow for adequate stakeholder outreach. Issuing too many consultations with close deadlines can increase the difficulty of the consultation process for professional bodies, national standard setters and practitioners due to resourcing and time constraints. **Chartered Accountants Ireland (CAI)**

In finalizing its work plan, the IAASB needs to consider capacity-related and practical issues standard-setters, professional bodies and firms face in adopting and implementing revised or new standards. Implementation requires considerable amount of time and resources for integrating into current methodologies, training, etc. See also our response to question 3 below.

International Federation of Accountants' Small and Medium Practices Advisory Groups (SMPAG)

The proposed goal and stakeholder value proposition does not seem to capture an important reference of ensuring that standard-setting activities are progressed through the lens of enhancing both the quality of international standards and the efficiency and performance of engagements, in particular with audits. For example, the cost and benefit of changes to standards should be rigorously evaluated, with greater consideration given to narrow scope maintenance to deal with targeted issues, compared to opening up and

changing full standards. The volume and pace of changes continues to have a significant impact on SMPs and organizations supporting the adoption and implementation of international standards. We therefore urge the Board to address the need to allow for a stable platform instead of issuing frequent piecemeal revisions, as implementation is a matter of significant concern, and which could potentially be detrimental to the successful achievement of that part of the IAASB's proposed goal referring to enabling the performance of high-quality engagements. In other words, developing and issuing standards in a timely manner is not enough, unless the Board factors in the ability of all who are affected by changes to implement them into their respective methodologies. The stakeholder value proposition section on 'Our standards' is missing an emphasis on the Board continuing to develop 'principles-based' standards. This is important because there are concerns that the Board has in recent years had an increasing tendency to move away from developing truly principles-based standards, to longer, more 'rules-based', complex and detailed standards.

We support the close coordination with IESBA highlighted in the section 'Our coordination with other standard setters'. Given the importance of sustainability reporting and the Board's work on sustainability assurance, additional prominence could be placed on the interaction with the International Sustainability Standards Board (ISSB).

Nordic Federation of Public Accountants (NRF)

On the same theme, we believe "Our Stakeholder Value Proposition" would benefit by further emphasizing the importance of drafting principles-based standards, which is a precondition to the application of scalability and proportionality.

Norwegian Institute of Public Accountants

We support the input shared by NRF.

9. Individuals and Others

Anne Ramsay et al.

A lack of globally accepted standards coupled with risk avoidance on the part of professional accounting firms may create situations where local standard setters or industry participants develop their own methods to provide transparency to clients and investors. It is crucial to involve accounting professionals, or the result may lead to a patchwork of methods.

Cristian Munarriz

Regarding the proposed stakeholder value proposition, I generally agree but I propose these minor changes:

In the first point, also mention other publications (e.g. application and implementation guidance) in addition to standards.

In the third point, also mention accounting and sustainability standards setters (like IASB and ISSB).