IAASB Strategy and Work Plan 2024-2027

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IAASB Meeting
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Recap
Consultation Paper – Breakdown of Respondents

Respondents by Region

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

<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>
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</table>
SWP – Feedback from CAG

- Broadly supportive of the proposed changes to the strategy section and initial views and direction about programming decisions in the work plan section
- Highlighted the importance of focusing on the impact of technology and its integration in the standards (mentioned specific technologies, e.g., AI, and use of technology in the standard-setting process)
- Post Implementation Reviews cited as a valuable means to obtain feedback and as an important candidate for a new project(s) during the upcoming work plan period
- Support noted for ‘Option II’ regarding ED-500, ISA 330 and standards in the ISA 500-series
- Support for revising ISA 320, ISA 620 and ISA 720R (noting that these topics also have a link to sustainability assurance), as well as updating the EER Guidance
- Suggestion for a flexible approach in developing further standards on sustainability assurance
- Suggestion to specifically ask about the continuation of projects underway in future consultations
Strategy
Goal, Keys to Success and Stakeholder Value Proposition

**Proposition**

- 87% response rate
- Broad support from respondents
- Goal refined based on suggestions from respondents

**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*

<table>
<thead>
<tr>
<th>Keys to success</th>
<th>Stakeholder Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to engage, listen and learn</td>
<td>Our standards</td>
</tr>
<tr>
<td>Collective competencies, capabilities, and experience of our people at the Board and Staff levels,</td>
<td>Engagement with our stakeholders</td>
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<tr>
<td>Confidence in the quality of our processes</td>
<td>Coordination with other standard setters</td>
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<td></td>
<td>Work Plan</td>
</tr>
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<td></td>
<td>Processes</td>
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</table>
The IAASB is asked for its views on the Goal, Keys to Success, and Stakeholder Value as presented in Agenda Item 5-B and in view of the matters discussed in Section C.1 in Agenda Item 5
Strategic Drivers, Objectives and Actions

<table>
<thead>
<tr>
<th>Q1</th>
<th>Increased and More Diverse Demands for Our Standards</th>
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<tbody>
<tr>
<td></td>
<td>Heightened supervisory scrutiny</td>
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<tr>
<td></td>
<td>Impact of technology</td>
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<td></td>
<td>Sustainability reporting and other evolving areas for assurance engagements</td>
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<td></td>
<td>Diverse demands across the spectrum of stakeholders reflecting the breadth of the global economy</td>
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<td></td>
<td>Supporting the implementation of our standards</td>
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<td>Q2</td>
<td>Confronting ‘Headwinds’ to Adoption of Standards</td>
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<td></td>
<td>Value of cooperation across independent standard-setting bodies</td>
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<tr>
<td></td>
<td>Evolving expectations around sustainability assurance</td>
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<tr>
<td></td>
<td>Impact of and reasons for jurisdictions developing their own audit and assurance standards</td>
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<tr>
<td></td>
<td>Increasingly complex to manage global engagement with new stakeholders</td>
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<tr>
<td>Q3</td>
<td>Changing Demands to Our Ways of Working</td>
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<td></td>
<td>Attract top talent at the Board and Staff levels</td>
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<td></td>
<td>Increasingly tight timelines to meet heightened expectations</td>
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<td>Implement the Monitoring Group reforms</td>
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<td>Ability to leverage technology</td>
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Support the Consistent Performance of Quality Audit Engagements by Enhancing Our Auditing Standards in Areas Where There Is the Greatest Public Interest Need

Our Goal

Establish Globally Accepted Standard(s) for Assurance on Sustainability Reporting

Create more Agile, Innovative Ways of Working in Line with the Monitoring Group’s Reform Vision

Strengthen Coordination with IESBA and Other Leading Standard Setters and Regulators to Leverage Better Collective Actions in the Public Interest
The IAASB is asked for its views on the Strategic Drivers, Objectives and Actions as presented in Agenda Item 5-B and in view of the matters discussed in Sections C.1 and C.2 in Agenda Item 5
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
  - Estimated split of 70 percent of resources and time allocated to Audit and Review-specific work
- Overarching Considerations
  - Anticipated capacity to accommodate around five to seven parallel standard-setting projects
  - Projects underway at the start of 2024
  - Candidate topics for new projects, including post-implementation reviews
  - Requests for implementation support activities
Possible Programming Decisions

Q1

Which topics qualify; the order of priority; right time to commence

Q2

The criteria in the Framework for Activities provide an appropriate basis for the Board’s programming decisions

Q3

Appropriate to also reflect on the balance between taking on new projects and the possible cumulative effect of successive fundamental changes to standards
Audits and Reviews

Focus on the impact of technology
- More strategic, broader considered 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
Matters for IAASB Consideration

The IAASB is asked for its views on possible programming decisions in finalizing the Audits and Reviews section of the Work Plan, including with respect to the matters discussed in Section D.1 in Agenda Item 5.
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; not 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 Consideration

The IAASB is asked for its views on possible programming decisions in finalizing the Sustainability and Other Assurance Engagements section of the Work Plan, including with respect to the matters discussed in Section D.2 in Agenda Item 5.
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
The IAASB is asked whether there are any other matters that the Planning Committee should consider in updating the Strategy and Work Plan.
Way Forward
Way Forward

Joint IESBA/IAASB meeting on September 21

Coordination with IESBA and Audit Evidence Task Force

Outreach activities

December 2023
Targeted Approval of the SWP