

Audit Evidence – Question 12.(b)

12.(b) Effective Date—Recognizing that ED-500 is a substantive revision, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning approximately 18 months after approval of a final ISA. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA.

Q12.(b) - Agree**2. Regulators and Audit Oversight Authorities****Botswana Accountancy Oversight Authority (BAOA)**

b) We agree with the proposed 18 months as it is sufficient to support the implementation of the standard.

Financial Reporting Council (FRC)

We are supportive of the proposed effective date.

3. National Audit Standard Setters**Australian Auditing and Assurance Standards Board (AUASB)**

The AUASB supports the proposed appropriate effective date for the standard to be for the financial reporting periods beginning approximately eighteen months after approval of the final ISA, with early adoption permitted.

Canadian Auditing and Assurance Standards Board (AASB)

We agree that an appropriate effective date for the standard would be for financial reporting periods beginning at least 18 months after the approval of a final standard. An implementation period of at least 18 months assists those jurisdictions, such as ours, where translations of the standard and any related implementation guidance is required.

Compagnie Nationale des Commissaires aux Comptes and Conseil National de l'Ordre des Experts-Comptables (CNCC & CNOEC)

We support the proposal that the amendments to ISA 500 (Revised) become effective for financial reporting periods beginning approximately 18 months after approval of the final ISA.

Federación Argentina de Consejos Profesionales de Cs. Económicas (FACPCE)

b) Regarding the effective date, financial reporting periods beginning 18 months after the approval of this revised ISA seems to be sufficient for its implementation, having an early translation of the pronouncement. Early application of this revised ISA should be permitted and encouraged.

Japanese Institute of Certified Public Accountants (JICPA)

We support the proposal that the timeframe between approval of the final standard and its application is approximately 18 months.

New Zealand Auditing and Assurance Standards Board (NZAuASB)

We agree with the proposed effective date.

Public Accountants and Auditors Board Zimbabwe (PAAB)

18 months is appropriate since earlier adoption is applicable.

Royal Dutch Institute of Chartered Accountants (NBA)

We consider this a sufficient period for translating and implementing the ISA.

4. Accounting Firms

BDO International (BDO)

Effective Date: We would support an Effective Date which has a minimum of 18 months from the point at which the final ISA is published. Although many firms may choose to adopt the new standard earlier, this timeframe would allow sufficient time for many audit firms' methodologies, tools, guidance and training materials to be updated.

Crowe Global (CROWE)

We agree that having an eighteen-month period between the approval of the standard and its effective date is right in the public interest.

Deloitte Touche Tohmatsu Limited (DTTL)

DTTL believes the effective date proposed is reasonable.

KPMG International Limited (KPMG)

We consider this timeframe to be reasonable and appropriate.

Mazars (MZ)

Yes, we believe that this is an appropriate period for implementation.

Mo Chartered Accountants (MCA)

18 months from 1 July 2023 to 31 December 2024 for full adoption and implementation of the standard is reasonable.

PKF International Limited (PKF)

We agree that the proposed timeline provides a sufficient period to support effective implementation of the revised standard.

5. Public Sector Organizations

Office of the Auditor General of Canada (OAG)

(b) The 18 months after approval should provide a sufficient period to support effective implementation of the ISA.

Provincial Auditor of Saskatchewan (PAS)

The effective date of 18 months after the approval of a final ISA is sufficient.

Swedish National Audit Office (SNAO)

Agree.

6. Member Bodies and Other Professional Organizations

Accountancy Europe (AE)

We support suggested time frame as many of the new and revised requirements are already part of current procedures performed by auditors.

Chamber of Auditors of the Czech Republic (CA CR)

The provided period is sufficient.

Chartered Accountants Australia and New Zealand and the Association of Chartered Certified Accountants (CA ANZ & ACCA)

We support the IAASB's view that an appropriate effective date for the standard should be 18 months after the approval of the final ISA.

Chartered Accountants Ireland (CAI)

We have no comments to make on the translation issues and we are in agreement with the proposed effective date.

Consiglio Nazionale dei Dottori Commercialisti e Degli Esperti Contabili (CNDCEC)

12, b) We agree with the time frame as indicated.

CPA Australia (CPAA)

We agree with the proposed effective date.

European Federation of Accountants and Auditors for SMEs (EFEAA)

We support the proposed effective date.

Federation of Accounting Professions of Thailand (FAPT)

The 18-month period after the approval should be sufficient.

Institute of Chartered Accountants in England and Wales (ICAEW)

Yes, the proposed effective date will give a sufficient period to implement the new ISA.

Institute of Chartered Accountants of Nigeria (ICAN)

We consider the period proposed by the Board as sufficient period to support effective implementation of the ISA 500.

Institute of Chartered Accountants of Scotland (ICAS)

Yes, we are supportive of the proposed effective date.

Institute of Singapore Chartered Accountants (ISCA)

We agree with the proposed effective date.

Instituto Mexicano de Contadores Publicos (IMCP)

We agree with the effective date.

Malaysian Institute of Certified Public Accountants (MICPA)

We agreed with the proposed effective date.

Nordic Federation of Public Accountants (NRF)

We have no issues with these suggestions and support the IAASB's proposals.

South African Institute of Chartered Accountants (SAICA)

17.1 Yes. We are of the view that the proposed effective date is appropriate to be set 18 months after approval of a final ISA.

SRA

We studied the memorandum which provides background to en and an explanation of the Exposure Draft of proposed International Standard on Auditing.

We are glad to confirm that we agree with the proposals, as described in the above mentioned ED.

The Malta Institute of Accountants (TMIA)

Appropriate

Q12.(b) - Agree with comments

2. Regulators and Audit Oversight Authorities

Independent Regulatory Board for Auditors and Institute of Chartered Accountants of Namibia (IRBA & ICAN)

We support the proposed effective date, as it allows for adequate time to undertake training. Implementation guidance is not a substitute for a clear standard; however, we recommend that the IAASB should provide implementation guidance in areas that may be susceptible to misinterpretation, as noted in our comments above.

4. Accounting Firms

Baker Tilly International (BTI)

b) We have no concerns regarding the effective date, assuming the expectation that the final Standard will be completed in June 2024 and so applicable no earlier than December 2025 year ends.

Ernst & Young Global Limited (EY)

Given approval of the final revised ISA 500 is currently targeted for June 2024, we believe that an effective date for audits of financial statements for periods beginning on or after 15 December 2025, which is 18 months after the targeted approval of the final revised standard, would provide a sufficient period to support effective implementation. Should the approval date be later than June 2024, we believe that an effective date of audits of periods beginning on or after 15 December 2026 may be more appropriate.

We also believe the IAASB should consider the effective date of the final revised ISA 500 in context of its other standard-setting projects and the planned effective dates of other new and revised standards. Consideration needs to be given to the required collective amount of time that is appropriate to effectively implement the suite of standards that are planned to be finalized over the next 24 months in determining the appropriate effective dates for each of the respective standards.

Grant Thornton International Limited (GT)

We are of the view that any proposed effective date needs to take into consideration the number of foundational and other standards that have recently been, or are in the process of being, revised. Firms, and others in the financial reporting eco-system are currently devoting extensive resources to the understanding, implementing, and providing training on, ISA 315 (Revised 2019), ISA 220 (Revised), ISQM 1, ISQM 2, and ISA 600 (Revised). To maintain high quality audits, we are of the view that time is needed for the firms to properly embed these standards into their respective methodologies before ED-500 becomes effective. Anticipating finalisation of ED-500 in the first half of 2024, we agree with the proposed 18-month implementation period. This would provide the necessary time for firms to implement all the recently revised standards without the potential detriment to audit quality.

PriceWaterhouseCoopers (PwC)

In principle, we support an effective date of at least eighteen months after the approval of the final standard by the PIOB. However, based on an assumed approval by the Board of the final standard at its June 2024 meeting and a presumed effective date of periods beginning on or after 15 December 2025, we note that publication of a final draft in early July 2024 will result in approximately seventeen months before the effective date. Assuming approval by the PIOB in September 2024 and release of the final publication in October 2024, the perceived implementation period would be reduced to approximately fourteen months.

Our experience with implementation of revised standards is that a sufficient amount of time is needed to properly embed the proposed changes into methodology, supporting tools and technical implementation training. We are also aware that providers of methodology and audit software often do not commence updates until a final standard has been published. Allowing insufficient time for an effective implementation creates a risk to achieving the intended enhancements to audit quality envisaged by the changes, at least in the initial period after the revised standard comes into effect.

Local jurisdictions that adopt ISAs into their national standards will also need time to conduct their due process and issue exposure drafts in their jurisdictions. Our view is that any implementation period that is less than eighteen months may not allow sufficient time for such jurisdictional processes and, consequently, may impact the adoption of the revised standard with a consistent effective date globally.

We encourage the Board to take these matters into account in determining an appropriate effective date.

RSM International Limited (RSM)

We have no significant comments in this area, but we request the IAASB to be mindful of other standards which may become effective at the same time and not place too high a burden on Firms as they implement the new ISAs.

6. Member Bodies and Other Professional Organizations

Instituto de Auditoria Independente do Brasil (IBRACON)

Agree with the 18 months period, however, given the timeline in 2024, with the approval in September and publication in October, the effective date would be 14 months.

Malaysian Institute of Accountants (MIA)

Yes, we agree with the effective date being set at 18 months after approval by PIOB. However, the IAASB should allow for early adoption for firms that are ready to proceed in applying the new standard. It will also

be helpful if the IAASB can also share with the global audience as to the direction of timeline involving the other ISAs in the 500 series.

Q12.(b) - Disagree

3. National Audit Standard Setters

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

National translation, augmentation for local laws and regulations, national exposure periods, and approval can take up to 12 months. This means that at a national level, effectively only 6 months would be available for most entities between an adopted standard and the effective date. For this reason, we are in favor of a 24-month period between approval and effective date.

4. Accounting Firms

Crowe LLP (CROWE LLP)

A: Firms will need sufficient time to update tools, methodology, and guidance to comply with the revised standard. We recommend that the final standard be effective no earlier than 24 months after the approval of the final standard.

MNP LLP (MNP)

We believe the 18-month effective date may be too short, especially considering translation requirements, to develop and release additional methodology, enablement, and training for the revised standard. A 24-month timeline would better benefit practitioners to allow time for effective change management, quality implementation guidance and sufficient training.

We would be pleased to offer assistance to the IAASB in further exploring issues raised in our response or in finding alternative solutions.

5. Public Sector Organizations

U.S. Government Accountability Office (GAO)

In regard to the effective date, the significance of the change in standard needs sufficient time to allow for national standard setters to update their standards and for firms to update related policies and procedures. We believe 18 months will be insufficient time to ensure that everything can be updated.

6. Member Bodies and Other Professional Organizations

Center for Audit Quality (CAQ)

If the final ISA 500(R) is relatively consistent with what is currently reflected in ED-500, audit firms will require more than 18 months after approval to implement the final ISA 500(R). Firm methodologies, related tools, and guidance will need to be updated prior to the beginning of the audit year in which the final ISA 500(R) becomes effective. Considering the feedback we have provided above, if the IAASB approves the final standard during 2024, we strongly recommend that the final standard be effective no earlier than for audits with fiscal years beginning on or after December 15, 2026.

IFAC SMP Advisory Group (SMPAG)

In line with our earlier comments, we are concerned with the pace of change and recommend the Board considers a longer period (perhaps 24 months) after the approval of the final ISA. In some countries,

translating the standard can take a significant amount of time, which substantially reduces the actual implementation period.

Pan-African Federation of Accountants (PAFA)

We are not aware of any potential translation issues, however, as translating the standard can take a significant amount of time in some countries and therefore reduce the actual implementation period, we recommend the Board considers an effective date of no less than 24 months from the approval of the final ISA.

7. Individuals and Others

Altaf Noor Ali (ANA)

12.3 We agree with the time window proposed to be provided by the Board.

12.4 There is no urgency in putting this ISA on the Block. However I would have appreciated some kind of target for the final ISA. I think we are atleast two years away from this date.

12.5 I would surely work to see our national due process (lied by ICAP) to be in harmony with the effective date set by the Board. The cost of the audit has definitely increased and its utility not decreased. I would like to see our audit reports as: “We conducted our audit in accordance with International Standards on Auditing as applicablein Pakistan.”

The effective date of the ISA should be automatic for the National Standard Setter, The Institute of Chartered Accountant of Pakistan. An effort should be made to translate the Standards in the national language.

Q12.(b) - No specific comments

1. Monitoring Group

International Forum of Independent Audit Regulators (IFIAR)

International Organization of Securities Commission (IOSCO)

2. Regulators and Audit Oversight Authorities

Committee of European Auditing Oversight Bodies (CEAOB)

Irish Auditing and Accounting Supervisory Authority (IAASA)

3. National Audit Standard Setters

American Institute of Certified Public Accountants (AICPA)

Austrian Chamber of Tax Advisors and Public Accountants (KSW)

No comments.

Hong Kong Institute of Certified Public Accountants (HKICPA)

5. Public Sector Organizations

Office of the Auditor General of Alberta (OAGA)

We have only answered questions 3, 4 and 8 of Exposure Draft: Proposed International Standard on Auditing 500 (Revised). Our response to questions 3, 4 and 8 of the Exposure Draft is below:

6. Member Bodies and Other Professional Organizations

Accounting and Finance Association of Australia and New Zealand (AFAANZ)

Botswana Institute of Chartered Accountants (BICA)

Institute of Certified Public Accountants of Uganda (ICPAU)

Institute of Internal Auditors (IIA)

Korean Institute of Certified Public Accountants (KICPA)

We have no particular comment.

Wirtschaftsprüferkammer (WPK)

No Comments.

7. Individuals and Others

Shuichiro Tsumagari (ST)

Thomson Reuters (TR)