Chairman’s Opening Remarks

Prof. Arnold Schilder, IAASB Chairman

IAASB Meeting
New York, USA
June 21-24, 2016
• Exploring the Future of Reporting, Audit and Assurance

• Interconnected Global and National Public Interest
Extended Auditor Reporting

- Impressive progress around the globe
- Interactions with various stakeholders: investors, audit committees, regulators
- Emerging questions regarding further development: materiality, no KAMs,…
- Often beyond listed entities, such as PIEs
- Importance of ongoing dialogue
Emerging External and Other Reporting

• Beyond financial reporting but often linked: management, systems, controls, users

• “Overwhelming”: many impressive developments

• Integrated reporting; viability statement; management reports; governance, risk and compliance engagements; direct engagements
Four factors contributing to credibility and trust:

• Sound reporting framework

• Strong governance, internal control – reporting process

• Consistent wider information

• ‘External assurance’
New Technologies

- Cybersecurity: CEO issue, key risk
- Data analytics
- Impact on audit and new ways of assurance: under development
- Risks and vulnerability
- Rewards and deeper insights
Future of Audit

• Professional skepticism revisited

• Fresh and comprehensive look at risk assessment

• Scalability and technology

• How to respond to ITC Comments?
  – Impact of work plan 2017-2018
Addressing Fundamental Elements Of The Audit …

High-Quality Audits in a Changing Business Environment – Influenced by Technology, Complexity, and Demands for Continued Relevance

- Quality Control at the Engagement Level (ISA 220)
- Risk Identification and Assessment (ISA 315)
- Auditing Accounting Estimates, Including Fair Values (ISA 540)
- Group Audits / Other Auditors (ISA 600)

Strengthening the Application of Professional Skepticism

Enhancing Firms’ Systems of Quality Control (ISQC 1)
SMP / SME Needs

• Warm support for taking this up with an open mind

• Compartments of SMPs:
  – Midtier – IAASB/NSS
  – Really small – through NSS

• “Ask the question”: different audit standards?

• Tools, webinars, practical help

• Paris working conference coming
Future Work Plan

• Broad support

• Balancing demands and efforts

• What is best way to push things forward?
  – Short term versus long term issues
  – Board pronouncements versus staff and/or NSS guidance
  – Toolkits

• SMP working conference

• Inspection findings: national routes powerful, and regional