

## Agenda Item 1-A

### IAASB Future Strategy Survey

*This Agenda Item presents the Stakeholder Survey for the development of the IAASB's Strategy for 2020–2023 in a Word format. Once the IAASB has agreed the wording, the survey will be published in a survey tool, which will provide a more interactive survey. Accordingly, text that will appear as 'hover' boxes has been shown as comment boxes, and further explanatory notes, as necessary, have been presented in [italics] in this version.*

#### Purpose of the Survey and Why It Is Important?

The International Auditing and Assurance Standards Board's (IAASB) strategy consultation process for the period 2020–2023 starts with this stakeholder survey<sup>1</sup> in order to help identify key issues for consideration in developing its future strategy. The IAASB is approaching the development of its future strategy and work plans, including how it undertakes its activities, with a very open mind. Therefore input that is insightful or influential in shaping the direction of its future strategy, or which may help identify emerging developments or trends that are likely to be important in the public interest in the future, is particularly welcome.

The input from this survey, as well as direct engagement with a wide range of stakeholders through outreach efforts, including focus groups, will inform the development of the IAASB's Consultation Paper on its future Strategy and Work Plans, expected to be released at the end of 2018. The Consultation Paper will contain a more robust description of the matters addressed by the survey, and will solicit comments in the form of written responses from stakeholders.

#### Background

##### *What does the IAASB Do, and What Are Its Standards?*

The objective of the IAASB is to serve the public interest by setting, independently and under its own authority, high-quality auditing, assurance, and other related standards (described further below). The IAASB also seeks to facilitate the convergence of international and national standards. These objectives contribute to enhancing quality and consistency of practice throughout the world, and strengthening public confidence in the global auditing and assurance profession. The IAASB sets its international standards under the oversight of the Public Interest Oversight Board, and with the advice of its Consultative Advisory Group, which provides public interest input into the development of the standards.

##### The IAASB's Standards and Other Pronouncements

The international standards developed by the IAASB cover a broad range of engagements, including:

- **Audits and reviews** of historical financial information.

<sup>1</sup> The IAASB follows with great interest the consultation currently underway by the Monitoring Group (MG) on the IAASB's structure, governance and oversight, with changes that will likely impact the 2020–2023 strategy period. The IAASB still believes it is important to continue with the strategy development process in light of the importance of the smooth continuation of the IAASB's activities until and during any changes resulting from the MG consultation.

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The **auditing standards** address an audit of an entity's financial statements by an independent auditor. The applicable IAASB standards are the International Standards on Auditing (ISAs).  
**Review standards** address the review of an entity's financial statements by a professional accountant in public practice, and the review of interim financial information by the independent auditor of the entity. The applicable IAASB standards are the International Standards on Review Engagements (ISREs).

- **Other Assurance** engagements (other than audits or reviews of historical financial information), including engagements related to Emerging Forms of External Reporting (EER).
- **Related Services** engagements.

The IAASB also establishes **Quality Control** standards to be applied by firms for all services falling under the IAASB's engagement standards. In addition, the IAASB may issue **guidance** in the form of non-authoritative material.

#### *What Has Influenced the IAASB's Activities over the Last Ten Years?*

In March 2009, the IAASB completed its Clarity Project that involved a comprehensive review of all the ISAs to improve their clarity and thereby facilitate their consistent application. Approximately half of the clarified ISAs included substantive changes aimed at improving practice in a variety of respects. In this process, the IAASB's way of drafting standards was reformed, and standards continue to be revised or developed using these clarity formats and drafting protocols.

After 2009, the IAASB shifted its focus to enhancing the role, relevance and quality of assurance and related services in an evolving world, and revised a number of its assurance, review and other services standards. At the same time, key stakeholders were calling for the IAASB to focus on supporting global financial stability. As the auditor's report is a key deliverable addressing the output of the audit process for users of the financial statements, and in 2012–2014 the IAASB's top priority was a project to revise the auditor's report.

In order to understand the effectiveness of the changes made in the clarity project, i.e., whether further changes were needed, the IAASB undertook a post-implementation review of the clarified ISAs that was completed in 2013. The [Findings from the Post-Implementation Review](#) have largely informed the projects undertaken since 2015, including influencing their relative prioritization.

The environment has also changed significantly in the last ten years, which has necessitated the IAASB to respond:

- Stakeholder needs are continually evolving, including:
  - An increasing call for transparency about the audit (with a significant project to revise the auditor's report,<sup>2</sup> as described above, completed in late 2014).
  - An increasing focus on non-financial and forward-looking information, and other types of environmental reporting, with the IAASB establishing its **Innovation, Needs, and Future Opportunities (INFO) Working Group** (now called the **Innovation Working Group**) in 2014 to monitor evolving developments potentially affecting the IAASB's standards.
- The regulatory community has become organized, in particular organizations of international audit oversight bodies have become structured and are seeking to enhance consistency of the reviews of audits that are performed jurisdictionally, with global findings being made public on an annual basis.

<sup>2</sup> The new and revised Auditor Reporting Standards comprise ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*; New ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*; ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*; ISA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*; ISA 570 (Revised), *Going Concern*; ISA 260 (Revised), *Communication with Those Charged with Governance*; and conforming amendments to other ISAs.

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**Commented [BB4]:** Pop-up box - For example, compilation engagements, engagements to apply agreed-upon procedures to information, and other related services engagements as specified by the IAASB. The applicable IAASB standards are the International Standards on Related Services (ISRSs).

**Commented [BB5]:** Pop-up box - The applicable IAASB standards are the International Standards on Quality Control (ISQCs).

**Commented [BB6]:** Pop-up box - This material includes Practice Notes such as the IAASB's International Auditing Practice Notes (IAPNs), and Staff publications.

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Revisions: ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*; ISRS 4410 (Revised), *Compilation Engagements*; ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* New: ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*; ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*

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Section II describes the IAASB's specific projects and initiatives undertaken since 2015 and that are currently underway.

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This working group was established with the mandate to identify the need for development, or revision, of an International Standard or other guidance for auditors and practitioners.

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In undertaking its activities, the Innovation Working Group identified two emerging areas that the IAASB agreed necessitated separate workstreams, and for which separate Working Groups / Task Forces have been established: (1) the Emerging Forms of External Reporting (EER) Task Force (formerly the Integrated Reporting Working Group) and (2) the Data Analytics Working Group. The related activities and projects of these groups are further described in Section II.

- There are different, competing, and ever increasing calls from important stakeholder groups for more to be done to address their specific challenges, some of which also vary from stakeholder to another. In addition to calls from regulators for more robust requirements, those providing services to small- and medium-entities (SME's) are calling for simpler standards with more help needed to support the effective implementation of the standards.
- Financial reporting frameworks have also changed to address changes in the environment, with increasing emphasis being placed on robust disclosures. For example, International Financial Reporting Standard (IFRS) 9, *Financial Instruments*, resulted in a call, in particular from banking regulators, for changes in the auditing standards to address issues arising from the impending adoption of IFRS 9, especially for financial institutions. This resulted in an accelerated project to revise ISA 540<sup>3</sup> relating to the audit of accounting estimates and fair values.
- Technology is evolving at an increasingly rapid pace and affecting the way that entities and audit firms operate, and how audits and other engagements are being undertaken.
- Audits of public sector authorities or entities are increasingly being undertaken using the ISAs. There have been increasing calls for more help with the implementation of the standards for this sector.
- The IAASB's coordination efforts with the International Ethics Standards Board for Accountants (IESBA) and the International Accounting Education Standards Board (IAESB) have also become increasingly important as changes made in the IESBA and IAESB standards sometimes directly impact the IAASB's standards, as well as increasing stakeholder expectation that the standards are not inconsistent with each other.

In summary, to respond to the changing environment and in fulfilling its overall objective, the IAASB's areas of broad strategic focus over the past 10 years have been:

- (a) The **development or revision** of standards;
- (b) **Monitoring the adoption** of those standards; and
- (c) Responding to concerns about the **implementation** of the standards by activities designed to improve the consistency and effectiveness of their application.

In the context of the above areas of broad strategic focus, and the changing environment, the IAASB is consulting its stakeholders for input on matters relating to the IAASB's future strategy and project priorities. For example, it may be the appropriate time to consider whether another reform of the IAASB's standards and activities, including the way that the activities are undertaken, is needed. This input assists the IAASB in identifying strategic themes to be addressed, and in identifying and prioritizing specific projects and initiatives, such that the IAASB's activities are in the public interest.

#### What the IAASB is Asking in this Survey

We are requesting input from all interested stakeholders and request that survey respondents complete and submit Sections I and III by **July X, 2018**.

- **Section I** —Information about the capacity in which respondents are completing the survey.

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Public sector auditing standards, the International Standards of Supreme Audit Institutions (ISSAI's), incorporate the extant ISAs, with a Practice Note developed by the International Organization of Supreme Audit Institutions (INTOSAI) for each ISSAI to provide guidance on the application of the ISAs in a public sector environment

**Commented [BB12]:** In this section we will have more detailed instructions depending on the structure of the survey tool we use - for example – click here to access the survey, complete the questions and hit submit to send your responses etc.

**Commented [BB13]:** Link to section I

<sup>3</sup> ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

IAASB Future Strategy Survey  
IAASB Teleconference—April 18, 2018

- **Section II** —Describes the current Strategy and IAASB projects and initiatives, including the expected timing for completion for the projects currently underway. This will assist respondents understand which projects continue into 2020, (thereby providing context about how the IAASB will begin its 2020—2023 strategy period).
- **Section III** —Specific questions for respondents.

Individual responses to the questionnaire will be on public record.

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## SECTION I: ABOUT THE RESPONDENT

### 1. From which perspective are you providing this feedback:

- (a) A personal view.
- (b) The view of an organization.

*[If (a) is selected]*

**Name**

**Organization (if applicable):**

*[If (b) is selected – the following options (the “full bullet points”) will appear. For those where there are hollow bullet points, these will only appear as options if the category to which they are attached is selected]*

**Name**

**Organization:**

Select from the following options that describe your organization:

- Academia
- Accounting Firm
  - Global accounting firm
  - Large national or regional accounting firm
  - Small- or medium-sized accounting firm
  - Sole practitioner
- IFAC Member Body or Other Professional Organization
  - IFAC Member Body, Affiliate or Regional Organization
  - Other professional organization
- Investor or Analyst
- National Standard Setter
  - National auditing standards same as, or based on, the IAASB's current International Standards on Auditing  
[Yes/No]
  - Other national standards same as, or based on, IAASB's other standards (i.e., assurance, related services and reviews)  
[Yes/No] *[if no]* Please specify which standards are used \_\_\_\_\_.
- Preparer of Financial Statements
  - Listed entity
  - Non-listed entity
    - Small- or medium-sized entity [Yes/No]
- Public Sector
  - Do you apply International Standards of Supreme Audit Institutions (ISSAIs) for financial audits  
[Yes/No]

- Regulator or Audit Oversight Body
  - Those Charged with Governance
    - Private sector
      - Listed entity
      - Non-listed entity
    - Public sector
  - Other – Please specify
- 2. Are you any of the following?** *[this option will only appear if the respondent is an individual]*
- IAASB Consultative Advisory Group Representative
  - IAASB Observer
  - IAASB Member
  - Former IAASB Member
  - Former Consultative Advisory Group Representative
  - Member, Technical Advisor or Observer of Other Public Interest Activity Committee, IFAC Board or Other IFAC Committee

**3. Geographical Region**

Please select the geographical region where you are based:

- Africa-Middle East
- Asia Pacific
- Europe
- South America
- North America
- Global Organization *[this will not come up as an option if the respondent's view is a personal view]*

Please indicate whether you wish to be notified by e-mail when the Consultation Paper on the IAASB's draft Future Strategy (2020–2023) and Work Plans is issued for public comment, together with a link where the paper can be downloaded.

- ☐ **Yes**
- Email address:
- ☐ **No**

## SECTION II—CONTEXT FOR THE IAASB's 2020–2023 STRATEGY

### The IAASB's Strategy for 2015–2019

The IAASB's current strategy runs from [2015–2019](#), and was developed in the context of various influences on the Board's activities as described in the Background section. The strategy sets out the Board's medium-term vision for its activities during this period by describing three identified strategic objectives. These three strategic objectives (set out below) provide further context for the IAASB's mandate and outputs, and illustrate how the IAASB has, and continues to, focus its activities. A mid-period [review](#) of the continuing relevance of the three strategic objectives was undertaken in 2016, and our stakeholders confirmed that the three strategic objectives remained relevant for the rest of the strategy period.

The strategic objectives for 2015–2019 identified were to:

- (i) Ensure that ISAs Continue to Form the Basis for High-Quality, Valuable and Relevant Audits Conducted Worldwide by Responding on a Timely Basis to Issues Noted in Practice and Emerging Developments
- (ii) Ensure the IAASB's Standards Evolve as Necessary to Adequately Address the Emerging Needs of Stakeholders for Services Other than Audits of Financial Statements
- (iii) Strengthen Outreach and Collaboration with Key Stakeholders in the Reporting Supply Chain on Public Interest Issues Relevant to Audit, Assurance and Related Services

In this context, in the period 2015–2019, the IAASB has worked (and continues to work) towards:

- Enhancing the quality and robustness of the audit to support financial stability, recognizing that the work of the auditor plays a key role in the credibility of audited financial statements for stakeholders.
- Developing international standards and other guidance to address services other than audits of financial statements. The IAASB heeded calls from users, practitioners and others for new and evolving services that were seen to be most relevant in the current environment.

In support of its efforts, the IAASB has increased its focus on broad-based [outreach](#), and on enhancing relationships with international and national regulatory bodies, auditor oversight and inspection authorities, investors, national standard setters, organizations representing small- and medium-practices (SMPs) and practitioners. Through this outreach the IAASB has continued its emphasis on encouraging and facilitating adoption and effective implementation of the ISAs and other IAASB standards.

The specific projects currently underway are described below, including the expected timing for completion of these projects.

### The IAASB's Activities in the Period 2015–2019

The IAASB's two-year work plans set out the specific initiatives and projects, as well as their relative priorities, in context of the broader strategy. Public consultations on the [Work Plan for 2015–2016](#) and the [Work Plan for 2017–2018](#) were undertaken to help the IAASB understand stakeholders' expectations about the specific projects and priorities of the IAASB. The IAASB approved work plans for 2015–2016 and 2017–2018 have been developed in light of input received.

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Since the start of 2015, IAASB members, and others related to the IAASB's work, have undertaken 430 outreach events and presentations about the IAASB's work.

The projects currently underway in 2018 will mostly continue into 2019 (and some beyond). Accordingly, and as described in more detail below, work in 2019 will focus on completing those projects already underway.

*What Did the IAASB Do in 2015–2016?*

In 2015–2016, the IAASB completed its projects to revise ISA 720,<sup>4</sup> to make revisions to the ISAs addressing the auditing of financial statement disclosures, and to amend the ISA 800 series.<sup>5</sup> The IAASB also undertook efforts to promote awareness and understanding and support effective implementation of the new and revised Auditor Reporting standards. The IAASB commenced work on a number of significant new projects, largely driven by the findings from the IAASB's ISA Implementation Monitoring Project and ongoing outreach and engagement with stakeholders, including regulators.

In light of the findings from the IAASB's post-implementation review of the clarified ISAs, and from global outreach to further understand the challenges and issues with implementing the ISAs, the IAASB undertook a global consultation on a number of interrelated topics, to obtain further insight to the challenges and issues that had been identified. The IAASB's Invitation to Comment, [\*Enhancing Audit Quality in the Public Interest – A Focus on Professional Skepticism, Quality Control and Group Audits\*](#), sets out issues related to quality control (at the firm and engagement level), professional skepticism and group audits, as well as possible actions to address the issues. The input from this consultation has helped inform the standard-setting activities of the projects to revise ISQC 1,<sup>6</sup> ISA 220,<sup>7</sup> and ISA 600.<sup>8</sup>

In addition, significant new changes to the International Financial Reporting Standards,<sup>9</sup> and consequential calls from audit, banking and insurance regulators, propelled a project to consider changes to ISA 540 related to auditing fair values and accounting estimates.

Therefore, the significant new projects that commenced during the 2015–2016 period included:

- Revisions to ISA 540 to drive more robust procedures in relation to accounting estimates and related disclosures.
- Revisions to ISQC 1<sup>10</sup> to strengthen and improve a firm's management of quality for all engagements performed under the IAASB's International Standards by more explicitly incorporating a quality management approach.
- Revisions to ISA 220 to strengthen aspects of quality management for individual audit engagements.

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<sup>4</sup> ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*

<sup>5</sup> The ISA 800 series includes ISA 800, *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*, ISA 805, *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* and ISA 810, *Engagements to Report on Summary Financial Statement*

<sup>6</sup> International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements*

<sup>7</sup> ISA 220, *Quality Control for an Audit of Financial Statements*

<sup>8</sup> ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

<sup>9</sup> In particular International Financial Reporting Standard (IFRS) 9, *Fair Value*

<sup>10</sup> In progressing changes to ISQC 1, the IAASB agreed to bifurcate the requirements and guidance relating to Engagement Quality Control Reviews (new standard ISQC 2).



- Revisions to ISA 600 to strengthen the auditor's approach to planning and performance of a group audit and clarify the interaction of ISA 600 with other ISAs.
- Revisions to ISA 315 (Revised)<sup>11</sup> to establish more robust requirements and appropriately detailed guidance to drive auditors to perform appropriate risk assessment procedures in a manner commensurate with the size and nature of the entity.
- Exploring recommendations on how to more effectively respond to issues related to professional skepticism throughout the IAASB's standards.

In addition, the IAASB formed working groups to explore:

- Emerging developments in the need for assurance for integrated reporting and other emerging external reporting.
- Emerging developments in the effective and appropriate use of technology, including data analytics, and how changes relating to data analytics could be made in the ISAs currently being revised.
- Current use and practice relating to agreed-upon procedures engagements, including whether there was a need to revise ISRS 4400.<sup>12</sup>

The IAASB also commenced more formalized coordination efforts with the IESBA in light of changes it was making related to non-compliance with laws and regulations, and the direct impact on the ISAs, in particular ISA 250.<sup>13</sup>

#### 2017–2018

The IAASB's focus on the priority projects that commenced in 2015–2016 extended to the Work Plan for 2017–2018. Other work on initiatives that had started in the 2015–2016 period also continued, with a project to revise ISRS 4400 commencing. During this period stakeholders have continually emphasized the importance of the IAASB completing its work on the key ISAs where work was underway, and the IAASB focused its resources and efforts on the projects that had commenced at the start of the 2017.

In addition to progressing the projects started in 2015–2016, other areas, existing and emerging, also necessitated the IAASB's attention, and work also started on:

- The development of non-authoritative guidance to enable more consistent and appropriate application of ISAE 3000 (Revised)<sup>14</sup> to emerging forms of external reporting (EER).
- Initial activities to explore what more can be done for SMPs and in relation to audits of SMEs (or non-complex entities). As the IAASB has progressed changes to the key ISAs being revised, scalability has been a strategic focus in each of the projects, but the IAASB is considering what, if anything, further can be done.

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As described previously, the formation of the Integrated Reporting Working Group had been prompted by the work of the Innovation Working Group

**Commented [BB18]:** Pop-up box:

As described previously, the formation of the Data Analytics Working Group had been prompted by the work of the Innovation Working Group

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A project to revise ISRS 4400 was planned for the 2012–2014 Work Plan, but was postponed due to the reallocation of resources to focus on the Auditor Reporting project.

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The exploratory work by the Integrated Reporting Working Group indicated that the assurance needs were broader than only integrated reporting, but rather spanned a range of emerging types of external reporting. Accordingly, the Integrated Reporting Working Group was renamed the EER Working Group to denote its broader remit.

<sup>11</sup> ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

<sup>12</sup> International Standard on Related Services (ISRS) 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*

<sup>13</sup> ISA 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*

<sup>14</sup> International Standards on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

The IAASB has also increased and formalized its coordination efforts with the IESBA, through establishing a coordination framework setting out operating principles, criteria and other key considerations for coordination, annual joint meetings of the Boards, as well as working closely on matters of mutual interest.

The IAASB's **Forward Agenda** sets out the IAASB's most current expectations for the progression and completion of the projects currently underway in 2018. As projects complete in 2018 and 2019, and capacity opens up, time and efforts will first be focused on projects commenced but not significantly progressed (such as the project to revise ISA 600), and then on further explorations relating to a possible project on Audit Evidence (this includes consideration of the revision of certain relevant ISAs, but also includes aspects of matters relating to professional skepticism and data analytics). Towards the end of 2018, the Board will likely commence activities relating to the post-implementation review of the Auditor Reporting standards, as well as ongoing exploration of matters related to audits of SME's.

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#### *What About 2019?*

As can be seen by the IAASB's Forward Agenda, there is no capacity for new *unplanned* projects or initiatives in 2019. The Board has noted the input from its stakeholders to continue to focus on completing outstanding projects before turning its attention to new ones. Therefore, the Board's efforts will be focused on completing the significant projects commenced and progressed in 2015–2018. Accordingly, the Board will not be consulting on this one year work plan.

More detailed descriptions about the IAASB's projects and initiatives, including progress to date, can be found on the IAASB's [project pages](#) on the website.

#### *What May Impact the IAASB's Activities in 2020–2023*

In the current Strategy period, it has become clear that there are some overarching challenges arising from the IAASB's work, which will likely continue into the next strategy period, including:

- The prioritization of different and competing calls for IAASB action—this includes the projects that are selected, as well as how the IAASB addresses the issues that have been raised, so that the IAASB is seen to be continuing to act in the public interest in the activities it undertakes.
- Deciding how to heed the call for more efforts to support effective implementation of the IAASB's standards—the IAASB has not traditionally developed detailed implementation guidance but there are ongoing and increasing calls for such guidance from many different stakeholders.
- Continuing to coordinate on a timely basis with IESBA on matters of mutual interest—including addressing the impact on the international auditing and assurance standards of recent, and ongoing, changes being made to IESBA's *International Code of Ethics for Professional Accountants (including International Independence Standards)* (Code of Ethics).
- Keeping the standards 'fit-for-purpose' with the current pace of change in relation to technology and its consequential effect on the environment—this includes how technology is causing audit firms to challenge traditional approaches to auditing and to transform the manner in which audits are being performed, for example:
  - More advanced data analytics are being used to perform audit procedures, especially as IT systems continue to evolve at a rapid pace. Data analytics tools and techniques are being used to perform different, and in some cases more robust procedures, than traditional audit methods,

thereby changing the way that audit evidence is obtained. This may in turn impact how certain extant standards are structured.

- Engagement teams are being structured differently and there is increased use of audit delivery centers to focus on specific aspects or functions, and increasingly technology is leveraged to provide for more virtual collaboration between engagement teams, thereby introducing new quality management challenges at both the firm and engagement level.

In addition to completing the projects still underway at the start of 2020, and the challenges described above, other strategic factors and trends likely to influence the work of the IAASB in 2020–2023 include:

- Whether the quality of audits will improve once the key ISAs recently revised, or currently being revised, are implemented—including whether the revisions will achieve their desired objectives.
- Whether the standards currently being revised or developed are scalable—that includes whether the revised and new standards have been effectively implemented by firms of differing nature and size.
- Continuing evolving stakeholder needs—the need for broader assurance may impact the focus of the IAASB's activities on its suite of standards:
  - There appears to be a continuing shift of focus away from audits of historical financial information towards reporting on non-financial (e.g., environmental) or forward-looking information, and other emerging forms of external reporting.
  - The audit market may continue to change from 2020 onwards. Changing audit thresholds in certain jurisdictions may impact the types of services being performed (for example, increasing numbers of entities may no longer be required to have an audit performed, and these entities may look for other types of engagements delivering assurance or related services).
- The ongoing evolution of the expectations and needs of regulators in relation to regulated entities—including the impact on the standards, for example: public interest entities may require different kinds of standards and guidance versus what is needed by non-public interest entities for effective implementation; financial institutions may require more specific guidance about how the standards should be effectively implemented.

At the same time, there may be opportunities that the IAASB should (or could) be leveraging in what it does or the way it does it, in particular in light of changing technology, for example:

- An interactive handbook may help support the scalability of the standards.
- Technology may be used to facilitate international meetings.
- Consideration could be given to a more strategic review of the extant standards so that they are fit-for-purpose in the evolving environment.

In addition, further consideration may be needed about how the Board operates in order to address concerns about the capacity of the Board to set standards and undertake its activities, including how the Board and the Staff are resourced.

### SECTION III—QUESTIONS FOR RESPONDENTS ABOUT THE IAASB'S STRATEGY FOR 2020-2023

The IAASB is committed to the goal of developing a set of international standards which are generally accepted worldwide. There are now [126](#) jurisdictions using or committed to using IAASB's Clarified ISAs.

The IAASB's current mandate is to set high-quality international standards to serve the public interest. The 2017–2018 Work Plan is reflective of the need to focus on supporting the performance of high-quality audits, with a result that the IAASB is currently revising several significant ISAs and its Quality Control standards (as explained in **Section II**). These projects are expected to start reaching completion in 2018, but some of the more significant projects are expected to continue well into 2020 or beyond. **Section II** also sets out additional opportunities and challenges for the IAASB as it considers its activities for 2020–2023.

As the current projects are completed, it is important for the IAASB to focus on where and how its resources should be deployed to meet its public interest mandate. In doing so, the IAASB is of the view that gathering information to understand the future direction to be embodied in its 2020–2023 Strategy should be embarked on with an open mind, while still taking into account the needs of the IAASB's stakeholders within its mandate.<sup>15</sup> Accordingly, the IAASB is seeking views to help identify key issues for consideration in developing its future strategy. Input that is insightful or influential in shaping the direction of its future strategy is particularly welcome.

#### GLOBAL ISSUES, TRENDS OR DEVELOPMENTS

1. What, in your view, will the strategic environment which impacts the IAASB's activities look like in 2020 onwards (for example, will the audit market change significantly and what impact may this have on the IAASB's standards; will other services dominate stakeholders needs – including what the needs may be for different types of services; how will technology impact the IAASB's environment in which it operates, etc.).
2. In your view, as the IAASB develops its Strategy for 2020–2023, what are the key:
  - (a) Challenges and other factors that may impact the IAASB's activities and focus; and
  - (b) Opportunities for changing the way it undertakes its activities.
3. Are there specific initiatives within the stakeholder group to which you belong, or of which you are aware, that you believe the IAASB should actively monitor in light of their potential to inform the IAASB's future agenda, and why?

#### FOCUSING THE IAASB'S ACTIVITIES IN 2020–2023

4. For the period 2015–2019, the IAASB has focused a significant part of its efforts on developing and revising standards addressing the audit of historical financial information and quality control. As projects are completed, should the IAASB, in your view, first consider projects on new topics (as determined by the consultation on the IAASB's future strategy and priorities), or should consideration rather be given to a strategic review of extant standards (for example, consider how the standards

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<sup>15</sup> As previously noted, the IAASB follows with great interest the consultation currently underway by the Monitoring Group (MG) on the IAASB's structure, governance and oversight, with changes that will likely impact the 2020–2023 strategy period. The IAASB still believes it is important to continue with the strategy development process in light of the importance of the smooth continuation of the IAASB's activities until and during any changes resulting from the MG consultation.

could be better structured or presented in light of evolving technologies, including describing what this could be)?

5. The IAASB recognizes the need to strike a balance between developing new and revising extant standards to further enhance practice, and taking steps to support further global implementation of existing standards, including by SMPs. Accordingly, the IAASB is also seeking views on the appropriate balance between setting new and revising standards, and facilitating their adoption and effective implementation, as well as areas of focus across the range of its standards.

- (a) For new projects, should the IAASB best serve the public interest in the increasingly disruptive environment through solely developing high-quality international standards, or would other supporting activities to facilitate adoption, and monitoring and facilitating effective implementation of standards (e.g., guidance related to implementation or formalized post-implementation reviews) be more beneficial? How, in your view, should the IAASB focus the majority of its efforts:

- (i) Developing new or revised standards; or
- (ii) Facilitating adoption, and monitoring and facilitating effective implementation, of its standards (e.g., through material that assists adoption of the standards or development of guidance such as Practice Notes or staff publications); or
- (iii) Apply efforts to both, and if so, in what proportion (please provide relative %; to total 100%)?

Audits and reviews of historical financial information - (indicate (i) develop new or revised standards ; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) apply efforts to both)

Other assurance – EER and related standards - (indicate (i) develop new or revised standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) apply efforts to both)

Other assurance (other than EER and related standards) and related services - (indicate (i) develop new or revised standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) apply efforts to both)

Quality control - (indicate (i) develop new or revised standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) apply efforts to both)

Please indicate the rationale for your responses and any related comments you may have.

- (b) With respect to new standard-setting projects for the period 2020–2023, in serving the public interest and achieving its objectives, in your view what proportion of effort should the IAASB allocate to developing new or revising existing standards for each of the following? (Allocation should total 100%)

**Commented [BB22]:** For each category below we will add a comment box for further input on what implementation / monitoring activities are needed.

**Commented [BB23]:** Pop-up box:  
At present there are two ISREs: (i) ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*, which was revised in September 2012; and (ii) ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

**Commented [BB24]:** For each of these options in this question an option to select %'s will appear

**Commented [BB25]:** Pop-up box:  
Includes IAASB efforts related to EER; the recently revised ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, as well as subject-specific assurance standard on assurance on greenhouse gas statements (ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*)

**Commented [BB26]:** Pop-up box:  
Standards relating to **other assurance (other than EER and related standards)** include:  
ISAE 3400, *The Examination of Prospective Financial Information*; ISAE 3402, *Assurance Reports on Controls at a Service Organization*; ISAE 3420, *Assurance Engagements to Report on Compilation of Pro Forma Financial Information Included in a Prospectus*.

**Commented [BB27]:** Pop-up box:  
Related services pronouncements include:  
ISRS 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information* (currently being revised); ISRS 4410 (Revised), *Compilation Engagements*

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Audits and reviews of  
historical financial  
information (\_\_\_\_ indicate %)

Other assurance – EER  
and related standards (\_\_\_\_ indicate %)

Other assurance (other  
than EER and related  
standards) and related  
services (\_\_\_\_ indicate %)

Quality control (\_\_\_\_ indicate %)

**Commented [BB28]:** The same pop-up boxes as in (a) above will appear here describing what is included in each category

Please indicate the rationale for your response and any related comments you may have.

**Commented [BB29]:** Will be a comment box next to each to allow for additional comments

6. In your view, should a moratorium on new or revised standards be considered after finalization and during implementation of the current standards under revision (i.e., those standards that currently have a committed project plan in place)? Please provide an explanation for your view.

#### SPECIFIC AREAS OF POTENTIAL FOCUS

7. If there was a specific topic(s) that, in your view, should be the IAASB's priority(ies) when developing new, or revising existing, standards or related guidance for the period 2020—2023, what would it be, and why?

Where applicable, kindly indicate whether in your view the topic(s) (you have indicated) has particular relevance mainly for engagements for listed entities, small- and medium-sized entities (SMEs), or for entities of all sizes. Views in relation to matters of relevance to developing nations and the public sector are also encouraged.

#### OTHER

8. Are there any other topics of interest or matters of relevance that you feel the IAASB should consider when conducting its strategic review, including those related to its modus operandi?

[Submit Response]

Thank you for completing our survey—your response is very important to us.