

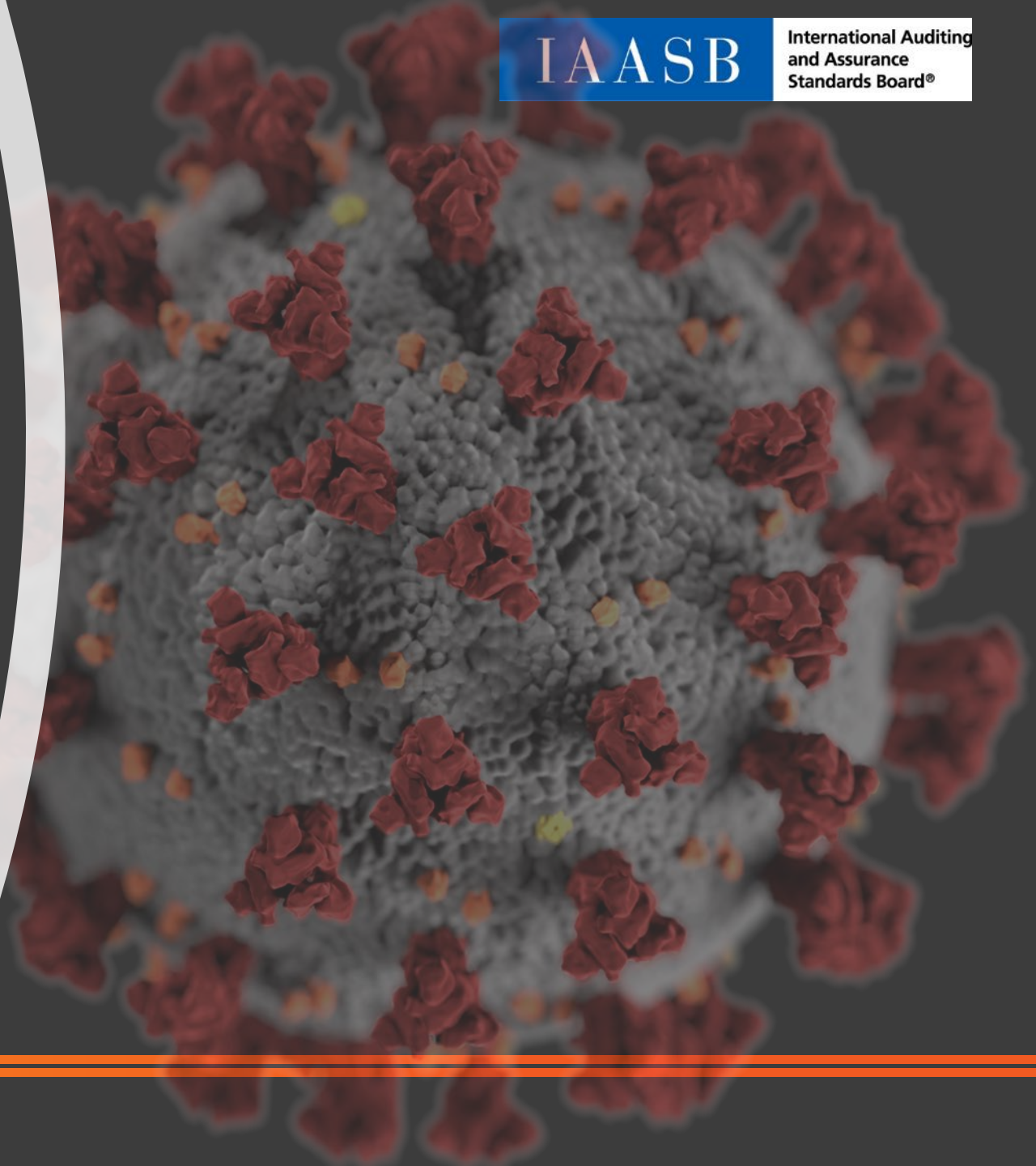
# IAASB's Response to the COVID-19 Pandemic

(Updated 6/15/2020)

Presented by:

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IAASB Virtual Meeting  
June 15, 2020



## COVID-19 Overall Response

- **Assist**
  - Staff Alerts (General, Going Concern; Subsequent Events, Auditor Reporting; Auditing Accounting Estimates; Public Sector; Review of Interim Reports)
- **Adapt**
  - Changes to work plan and consultations
  - Virtual Board meetings
- **Coordinate**
  - Relevant stakeholders (IFAC, NSS, Regulators, GPPC, etc.)



## Assist – Staff Alerts

- General (complete – March 2020)
- Going Concern (complete – April 2020)
- Auditor Reporting (complete – May 2020)
- Subsequent Events (complete – May 2020)
- Auditing fair values (near final – expected before end June)
- Interim Reporting (near final – expected before end June)
- Audit Considerations for Public Sector Auditors (commenced – expected before end June)

## Adapt – Changes to IAASB's Work

- Adjustments to June and September Board meetings to accommodate virtual nature of these meetings
  - “Lighter” June Board meeting
  - Adjustment of timing of some topics (some brought forward, others moved to December)
  - Intention is not to catch up through Board calls – for now two for each of the remaining quarters (as planned)
- Actively managing Board “load” in Q2
- Managing load on IAASB stakeholders – extended consultation periods
  - ISA 600 Exposure Draft
- Possible changes to implementation dates of recently revised standards (e.g., ISA 315 (Revised 2019) or ISRS 4400)?
- Revised / different timelines for some projects

## Adapt – Changes to IAASB's Work (Cont.)

| Projects / Initiatives  | 2020 |                                  |      |   | 2021  |    |     |      | 2022   |    |    |    | 2023 |    |    |    |
|---|------|----------------------------------|------|---|---|----|-----|------|--|----|----|----|------|----|----|----|
|   | Q1   | Q2                               | Q3   | Q4  | Q1  | Q2 | Q3  | Q4   | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| Priority Projects / Initiatives (to accommodate effect of COVID-19)   |      |                                  |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| Staff Alerts – IAASB COVID-19 Response  |      |                                  |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| • Development of Staff Alerts / other activities related to COVID-19  |      |                                  |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| ED-600 / ISA 600 (Revised)  |      |                                  |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| • ED publication date on April 27   |      | ED                               |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| • ED-600 published, comment period closes on Oct. 2 (158 days comment period)   |      | 158-day comment period to Oct. 2 |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| • Approval targeted Sept 2021   |      |                                  |      |   |   |    | App | PIOB | 18-month implementation - effective date, June 2023 (Note 1) |    |    |    |      |    |    |    |
| ISQM 1 / ISQM 2 / ISA 220 (Revised)   |      |                                  |      |   |   |    |     |      |  |    |    |    |      |    |    |    |
| • Move approval of standards to Sept-20   |      | App                              | PIOB | 27-month implementation period - effective date Dec. 2022 |   |    |     |      |  |    |    |    |      |    |    |    |
| • Effective dates based on: <ul style="list-style-type: none"><li>○ Approval dates (IAASB/PIOB)</li><li>○ Implementation periods (after PIOB approval)</li></ul>  |      |                                  | App  | PIOB  | 24-month implementation period - effective date Dec. 2022 |    |     |      |  |    |    |    |      |    |    |    |
| Note 1 – The Explanatory Memorandum to ED 600 includes an implementation period of approximately 18 months (i.e., based on targeted completion this would be an effective date in June 2023 as presented in the table above). However, this is subject to comments from the IAASB's stakeholders and therefore may change (for example, if a 24-month implementation period is indicated, this would be a December 2023 effective date) |      |                                  |      |   |   |    |     |      |  |    |    |    |      |    |    |    |

## Adapt – Changes to IAASB's Work (Cont.)

| Projects / Initiatives   | 2020 |     |     |    | 2021 |    |     |      | 2022  |    |    |    | 2023 |    |    |    |
|--|------|-----|-----|----|------|----|-----|------|---|----|----|----|------|----|----|----|
|  | Q1   | Q2  | Q3  | Q4 | Q1   | Q2 | Q3  | Q4   | Q1  | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| <b>Priority Projects / Initiatives (Cont.)</b>                                   |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| <b>QM – Conforming amendments to ISAs (part of above Standards)</b>              |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| • Board call May 7 (IAASB approval June 2020)                                    |      | App |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| • Board call July 22 (IAASB approval Sept. 2020)                                 |      |     | App |    |      |    |     |      |   |    |    |    |      |    |    |    |
| <b>QM – Conforming Amendments to Other Standards (separate project)</b>          |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| • Effective date will align with QM stds   |      |     | PP  | ED |      | X  | App | PIOB | 12-month implementation period - effective date Dec. 2022 |    |    |    |      |    |    |    |
| • Work expected to progress as originally planned                                |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| <b>Audits of LCEs – Separate Standard Workstream</b>                             |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| • Discussion regarding separate standard workstream                              |      | R   | PP  | X  |      |    |     |      |   |    |    |    |      |    |    |    |
|  |      | R   |     | PP |      |    |     |      |   |    |    |    |      |    |    |    |
| <b>Fraud</b>   |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| • Fraud – work to continue as planned; changes in Board discussions only         |      |     | X   | X  |      | PP |     |      |   |    |    |    |      |    |    |    |
| [Note: PP date remains unchanged]  |      |     |     | X  | X    | PP |     |      |   |    |    |    |      |    |    |    |
| <b>Going Concern</b>   |      |     |     |    |      |    |     |      |   |    |    |    |      |    |    |    |
| • Going Concern – work to continue as planned; changes in Board discussions only |      |     | X   |    | X    |    | PP  |      |   |    |    |    |      |    |    |    |
| [Note: PP date remains unchanged]  |      |     |     | X  |      | X  | PP  |      |   |    |    |    |      |    |    |    |

# Adapt – Changes to IAASB's Work (Cont.)

| Projects / Initiatives  | 2020           |    |    |     | 2021 |    |    |    | 2022 |    |    |    | 2023 |    |    |    |
|---|----------------|----|----|-----|------|----|----|----|------|----|----|----|------|----|----|----|
|   | Q1             | Q2 | Q3 | Q4  | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| Other Projects / Initiatives  |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |
| EER Assurance Engagements   |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |
| • Comment period to July 13 <sup>th</sup> (122 days - no change; approval likely to move out)         | Comment period |    |    | App |      |    |    |    |      |    |    |    |      |    |    |    |
|   | Comment period |    |    | X   | App  |    |    |    |      |    |    |    |      |    |    |    |
| Audits of LCEs – ISA Focused Workstream   |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |
| • Workstream focusing on ISAs more broadly  |                | R  |    | X   |      |    |    |    |      |    |    |    |      |    |    |    |
|   |                |    |    | R   |      |    |    |    |      |    |    |    |      |    |    |    |
| Audit Evidence  |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |
| • Discussion about audit evidence related issues as identified by the WG and possible further actions |                | R  | PP | X   |      |    |    |    |      |    |    |    |      |    |    |    |
|   |                | R  |    | PP  |      |    |    |    |      |    |    |    |      |    |    |    |
| Auditor Reporting Post Implementation Review (PIR)  |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |
| • The target is to present findings in Dec-20, including a Feedback Statement                         |                |    |    | X   |      | R  |    |    |      |    |    |    |      |    |    |    |
| Implementation Activities – ISA 315 (Revised 2019) and ISRS 4400 (AUP)                                |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |
| • ISA 315 (Revised 2019) – implementation activities  |                |    | X  |     |      |    |    |    |      |    |    |    |      |    |    |    |
|   |                |    |    | X   |      |    |    |    |      |    |    |    |      |    |    |    |
| • ISRS 4400 (AUP) – implementation: no change   |                |    |    |     |      |    |    |    |      |    |    |    |      |    |    |    |

## Matters for Board Consideration

- Do Board Members have any comments or questions regarding the IAASB's response to COVID-19?
- Are there any other matters that should be considered in relation to the impact of the COVID-19 pandemic?





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