

Supplement A.3 to Agenda Item 2

ED-600 Question 13(a) – Translations

Question 13.

The IAASB is also seeking comments on the matters set out below:

(a) Translations—Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED-600.

(b) Effective Date—Recognizing that ED-600 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.

Q13(a) – Comments

4. National Auditing Standard Setters

CAASB

We have not completed a fatal-flaw review of the French translation of ED-600 at this time. However, no matters were brought to our attention regarding the French translation during the exposure period. We plan to complete a fatal-flaw review of the French translation of the final standard during our final approval process.

CNCC-CSOEC

The only recommendation to the IAASB is to allow sufficient time to firms, especially smaller firms, to implement the ED-600.

IDW

We have not identified any issues with respect to translations. However, generally such issues are identified upon translation – not prior to translation.

NBA

The new concepts are not clear. We recommend to add more guidance on how to effectively make use of the commonality of controls (e.g. by whom this needs to be tested and how). The same is applicable for centralized activities.

We are of the opinion that it is confusing that the term component is used for components of the group as well as for components of internal control and for entities under common control (this might be a translation issue).

5. Accounting Firms

BDO

Translations: We have long supported IFAC efforts to make ISAs and other IFAC pronouncements accessible to users through effective and timely translation. Many of the auditing terms and concepts

contained in ED-600 are present in other ISAs or defined in the ED, so at this stage, we do not foresee any immediate issues in respect of translation. ED-600 is quite a lengthy standard which may limit the ability of some auditors to fully comprehend how the standard is intended to work, the interconnected nature of many of the requirements and links back to foundational ISAs such as ISA 315 and ISA 330. To aid accessibility, we would continue to ask the IAASB to consider making their package of professional standards as navigable as possible (borrowing from some of the technology and functionality used in the IESBA eCode and IFAC Accountancy Education eTool).

MGN

Translations: Given that translation can be an issue at the best of times, it is not unlikely that any ordinary translation challenges (e.g. over timescale) could be amplified by the Covid pandemic. This is another argument for deferring the implementation date of any final revisions

7. Member Bodies and Other Professional Organizations

AE

For the success of the implementation of the new standard, it will be important to give enough time for firms to digest it, and in particular to smaller firms which rely on off-the-shelf audit tool methodologies. This is particularly relevant considering the recently approved quality management standards that will need to be translated in the near future and then adapted.

ECA

Comments:

24. a. The nature and extent of the measures used internally and externally to assess the entities or business units' financial performance-Internally and Externally may be interpreted differently (outside of the country or domestically, inside/outside the engagement team).

We believe it may be beneficial to explicitly state what is the underlying meaning of this phrase.

Para 28. Communicate with component auditors any events or conditions identified by the component auditor that may cast significant doubt on the group entity's ability to continue as a going concern.

This is unclear as it may be interpreted that we are informing component auditor about his own findings.

In addition, due to the introduction of several new concepts and terms into the proposed ISA 600, the experts suggested updating the Glossary of the Key Terms

The terms Component and Group performance materiality would benefit from defining further to avoid ambiguities in translation into Russian language

INCP

Answer: Translations into other languages, especially Spanish translations, must be quicker in other for them to be applied by non-English speaking countries in a timelier manner.

SRO AAS

For the purposes of translating certain terms into Russian, the meaning of the wording “internally and externally” should be clarified in para 24.1.ii of Draft 600 (i.e. “The nature and extent of the measures used internally and externally to assess the entities’ or business units’ financial performance”).

9. Individuals and Others

VERA

a) Not applicable as it is of no sense to use translations on such a stage. But definition of a component may appear difficult to translate and adopt correctly to Russian legislation.

Q13(a) – No Comment

1. Monitoring Group

BCBS

No comment.

IAIS

no comments on translation.

IFIAR

No comment

IOSCO

No Comment

2. Investors and Analysts

CRUF

No Comment

3. Regulators and Audit Oversight Authorities

CEAOB

No Comment

CPAB

No Comment

CSA

No Comment

IAASA

No Comment

IRBA

No comment.

MAOB

No Comment

NASBA

We have no comment on the potential translation issues for ED-600.

UKFRC

We have no comments regarding translation issues.

4. National Auditing Standard Setters

AICPA

No comment

AUASB

The AUASB has no comment to make.

HKICPA

No Comment

ICAI

No Comment

JICPA

No comment

KSW

No comment

MIA

Not applicable.

NZAuASB

No comment

5. Accounting Firms

BT

We have no comments on translation.

CG

We have no particular comments about translation issues.

CR

As we are a US-based firm operating substantially completely in English, we do not have visibility into the needs of other jurisdictions regarding translation.

DTT

DTTL has not presently identified any translation issues.

ETY

No significant issue identified.

EYG

No comment.

GT

We did not identify any specific translation issues.

KPMG

No comment

MAZ

No comment.

MAZUSA

Response: No comment as this will not be an issue in the United States.

MNP

No comment

NEXIA

United Kingdom 2

United Kingdom 1

No comment.

United States 2

13 a. See comments above on application in the UK in particular in relation to the changes to the UK audit market e.g. joint audits.

As we are a US-based firm operating substantially completely in English, we do not have visibility into the needs of other jurisdictions regarding translation.

PKF

Translations – we have not identified any potential translation issues.

PwC

No comment

RSM

We do not see any particular issues with translation of the final ISA.

6. Public Sector Organizations

AGA

Please see the Canadian AASB response for any translation concerns.

AGC

No translation issues noted.

AGM

N/A

AGO

We have no comments on possible translation issues.

AGSA

No issues on the translation is anticipated as we also use the English language in our environment.

GAO

We are not providing a response to this question regarding potential translation issues.

PAS

Translation is not applicable to our Office

7. Member Bodies and Other Professional Organizations

BICA

No comment on the potential translation issues for ED-600.

CAANZ-ACCA

No comment

CaICPA

We have nothing to add.

CAQ

No Comment

CPAA

We have no comment on the potential translation issues for ED-600.

CPAI

No comment

EFAA

We have no comments. We trust the Board will ensure the final text can be unambiguously translated.

FAR

In general, FAR supports the response submitted by the Nordic Federation of Public Accountants and FAR therefore refers to this response.

IBRACON

Nothing identified at this stage.

ICAEW

No comment

ICAS

No comment

ICPAS

No comment

IIA

No comment

IMCP

There is no apparent issue to discuss. Mexico will take the translation of the official body responsible for this activity.

IPA

We have no comments in relation to translation matters.

ISCA

No Comment

KICPA

No Comment

MICPA

This is not applicable to us.

NRF

No Comment

NYSSCPA

We have no comments on translations.

SAICA

No further comments in this regard.

SMPAG

No comments

TFAC

Comment Letter on ED/2020/1

WPK

No comment.

8. Academics

AFAANZ

No comment

GRAHAM

No Comment

HUNTER

We have no comment on the potential translation issues after reviewing the ED-600.

LI

No Comment

9. Individuals and Others

PITT

No Comment