

IAASB Work Plan for 2022–2023

[date]

*International Auditing and Assurance Standards
Board*

The IAASB's [Draft] Work Plan for 2022–2023: A Public Interest Focus in Uncertain Times

IAASB

International Auditing
and Assurance
Standards Board

About the IAASB

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the Public Interest Oversight Board (PIOB), which oversees the activities of the IAASB, and the IAASB Consultative Advisory Group, which provides public interest input into the development of the standards and guidance. The structures and processes that support the operations of the IAASB are facilitated by the International Federation of Accountants (IFAC).

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Introduction

This Work Plan for the period 2022–2023 ('Work Plan') sets out our specific projects and activities to support our [goal](#), strategic objectives and actions described in our [Strategy for 2020–2023](#) ('Strategy').

~~Our activities in the Work Plan focus on a number of substantial projects already underway at the start of 2022, which should be largely completed by the end of 2023. The Work Plan continues our Work Plan for 2020–2021 and embodies our goal, strategic drivers and strategic objectives included in our Strategy. We will select any new projects and initiatives that are started in the Work Plan period using the criteria and processes as set out in our Framework for Activities ('Framework'),⁴ which is focused on orderly and thoughtful selection, prioritization and scoping of our forward work.~~

~~Our stakeholders consistently supported the position that we should complete the projects underway at the start of 2022. A number of substantial projects underway at the start of 2022 should complete by the end of 2023. As capacity opens upon completion of these projects (at both the Board and Staff level), we will consider start new projects. We will determine our commencing new project(s) using the criteria and processes as set out in our Framework for Activities (the 'Framework'),² which is focused on orderly and thoughtful selection, prioritization and scoping of our forward work.~~

The Work Plan assumes full utilization of our current resources and capacity (e.g., people, plenary time and operating budget), and balances the current needs of different stakeholders. As the Work Plan period progresses, timing and resources may be changed to accommodate:

- Capacity to address urgent or unexpected issues that arise and are not known at the time of approval of the Work Plan, enabling us to remain agile should such need arise.
- The ongoing pandemic and the need to continue to operate in a hybrid or virtual environment.³
- ~~Changes~~ Changes that may come from the transition to the Monitoring Group proposals, the implementation period of which starts in 2022.

Any ~~changes~~ adjustments arising from a change in circumstances may impact the targeted milestones of our projects set out in this Work Plan, as well as our [Detailed Quarterly Forward Work Plan](#) presented on our website.

Our Strategy

In developing our Strategy and Work Plan for 2020–2021, we undertook extensive public consultation to improve our understanding of our stakeholders' needs. Based on that public consultation, we identified three strategic objectives to guide our work. These strategic objectives remain relevant in the current environment and our planned Work Plan activities continue to operate within the framework of these objectives:

⁴ ~~The Framework is aimed at articulating how we organize our efforts to identify and deliver on our committed actions.~~

² ~~The Framework is aimed at articulating how we organize our efforts to identify and deliver on our committed actions.~~

³ The Work Plan has been developed on the assumption that the Board will go back to its former model of quarterly, in person meetings. If there is the need to operate in a virtual environment or an environment where not all Board members are able to join in person during 2022 or 2023, this will impact the amount of Board plenary time available and may result in further prioritization of some projects, which may result in the slow-down of other projects or initiatives ongoing at the time. Any decisions related to such determination will be made based on the ongoing circumstances in 2022 and 2023, and in coordination with the PIOB.

- (i) Increase the Emphasis on Emerging Issues to Ensure that Our International Standards Provide a Foundation for High-Quality Audit, Assurance and Related Services Engagements
- (ii) Innovate Our Ways of Working to Strengthen and Broaden Our Agility, Capabilities, and Capacity to Do the Right Work at the Right Time
- (iii) Maintain and Deepen Our Relationships with Our Stakeholders to Achieve Globally Relevant, Progressive and Operable Standards

Planned Actions for 2022–2023

Progression and Completion of Projects Underway at the Start of 2022

We plan to complete the projects underway at the start of 2022. The great majority of feedback received in our Work Plan consultation supported this approach, [but we acknowledge that some stakeholders called for differing – with some differences on the levels of priority for some of the projects.](#)

Table A below sets out the substantial standard-setting projects that we will focus on progressing or completing in [2022–2023the Work Plan period](#). **Appendix 1** sets out a high-level description of the activities within each of these projects and our [Detailed Quarterly Forward Work Plan](#) illustrates the targeted progress for each project [in 2022 and 2023](#).

Table A	
Completion of Current Standard-Setting Projects	Targeted Milestones
AUDIT	
Audit Evidence (Revision of ISA 500) ⁴	Exposure Draft: 2022 Completion: 2024
Fraud (Revision of ISA 240) ⁵	Project Proposal: 2021 ⁶ Exposure Draft: 2023 Completion: 2024

⁴ International Standard on Auditing (ISA) 500, *Audit Evidence*

⁵ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

⁶ These projects are still in the information gathering and research stage [at the time of development of this Work Plan](#). The nature and extent of possible changes to be made, and other activities (as necessary), still have to be agreed by the Board. Depending on the agreed project scope for each of these projects, the targeted milestones may change. The estimated targeted milestone in this Work Plan have been determined based on the expected scope for each project, with the scope of the project impacting the time that will be needed to develop revised pronouncements. Our Detailed Quarterly Forward Work Plan will be updated as necessary once the project scoping for each of these projects has been agreed.

Table A

Completion of Current Standard-Setting Projects

Targeted Milestones

Going Concern (Revision of ISA 570 (Revised)) ⁷	Project Proposal: 2022 ⁶⁵ Exposure Draft: 2022 Completion: 2023
Implications for IAASB Standards of International Ethics Standards Board for Accountants' (IESBA) Project, <i>Definitions of Listed Entity and Public Interest Entity</i>	Project Proposal: 2022 ⁶⁶ Exposure Draft: 2022 Completion: 2023
REDUCING COMPLEXITY AND IMPROVING UNDERSTANDABILITY	
Audits of Less Complex Entities – Developing a Separate Standard for Audits of Less Complex Entities	Completion: 2023
Addressing Complexity, Understandability, Scalability and Proportionality – Developing Drafting Principles & Guidelines	Completion: 2022

Other Initiatives and Ongoing Activities

In addition to our standard-setting projects, the following ~~are continuing and~~ initiatives and activities –will also continue in the Work Plan period with require–dedicated Staff resources and Board plenary time as needed during 2022 and 2023:

- Technology, including our focused efforts on disruptive technologies.^{8, 9}
- Professional skepticism.^{78, 89}
- Auditor Reporting.^{78, 89}
- Implementation support activities for recently completed standard-setting projects, including ~~on for~~ our group audit standard.⁷⁸
- Developing or revising non-authoritative support materials as needed.
- Coordination with IESBA, and other international global standard-setting boards as necessary, including monitoring the work that they undertake in 2022 and 2023 and how any changes may impact our standards (see below).⁷⁸ ~~and~~

⁷ ISA 570 (Revised), *Going Concern*

⁸ **Appendix 1** describes the IAASB's ongoing work in these areas.

⁹ We have reconstituted our Working Groups for technology, professional skepticism, ~~technology~~ and auditor reporting implementation to "Consultation Groups." The main function of our Consultation Groups is to provide input and support to other Task Forces or Working Groups, or to Staff, as needed, in terms of the effect of these particular topics, i.e., technology, professional skepticism or auditor reporting, on other projects or activities.

We will also dedicate time to the development of the Strategy for 2024–2027 and the Work Plan for 2024–2027:¹⁰ during this period.

Selecting Our Next Project(s)

~~Based on Board capacity, Staff resources for 2022–2023 and the projections of the progression and completion of work underway at the start of 2022, it is expected that one or two new projects will commence in this Work Plan period. Planned activities on the new project(s) includes information gathering and research activities¹¹ to scope any new projects, and includes Board plenary time as needed.~~

~~Any~~The IAASB will determine new project(s) or initiative(s) commenced during this Work Plan period ~~will be determined~~ in accordance with the ~~processes criteria~~ as set out in ~~our the~~ Framework. ~~The criteria to be considered include, taking into account:~~

- ~~A known public interest need or benefit for pursuing a project.~~
- ~~Alignment with o~~Our goal, strategic drivers and strategic objectives.
- ~~The other~~ criteria for the selection of new projects or actions as set out in the Framework (i.e., the ~~topic is in the public interest; alignment with the Board's remit;~~ prevalence of the issue globally; Board action necessary to maintain or enhance quality of engagements; and urgency).
- ~~Our stakeholders' views from the Work Plan consultation and from outreach activities will also help inform how the criteria for selection of new projects or actions as set out in the Framework are applied.~~
- ~~The available resources, including Board capacity and Staff resources.~~

~~Our stakeholders' views from the Work Plan consultation and from outreach activities will also help inform how the criteria for selection of new projects or actions as set out in the Framework are applied.~~

In planning our detailed forward actions, the Board will always balance information gathering and research efforts with the need for timely action to address topics of significant and urgent public interest.

~~Based on Board capacity, Staff resources for 2022–2023 and the projections of the progression and completion of work underway at the start of 2022, it is expected that one or two new projects will commence in this Work Plan period.~~

Maintaining the Balance Between Audit and Other International Standards

One of the most significant strategic issues that we are facing is ensuring the continued credibility and confidence in our work as a global standard setter, both in terms of our ability to identify the most pertinent public interest issues and to respond appropriately to them in a timely manner.

The evolving reporting environment influences our priorities and work. Since 2012 we have primarily focused on enhancing the utility and robustness of the audit of financial statements to support the financial

¹⁰ Moving into the next strategy period it is intended that the work plan period will be changed to align with the strategy period (i.e., a four-year work plan).

¹¹ Staff commence information gathering and research activities well in advance of the first Board plenary discussion.

reporting ecosystem,¹² recognizing that the work of the auditor plays a key role in the credibility of the financial statements on which they are reporting.

~~However, our work is highly influenced by the environment in which we operate. In the current environment we also recognize that there~~Currently, we are witnessing ~~is a growing, urgent need call to also consider our international standards that address services other than audits of financial statements, in particular in relation to the fast-evolving developments related to non-financial information. The growth of Environmental Social and Governance (ESG) investing and demands for more reliable externally reported information, the creation of the International Sustainability Standards Board (ISSB), and rapidly evolving reporting and assurance requirements on sustainability in the European Union and elsewhere, has necessitated more immediate action in this area. (including sustainability / environmental, social and governance (ESG) reporting).~~

~~Working to ensure that our international standards address current public interest needs, our aim in the Work Plan period is to signal our intent to dedicate capacity and provide resources to focus on this emerging area, while still maintaining a focus on progressing and completing projects to revise key ISAs.~~

~~Our actions to consider our other international standards will initially involve working with others to identify priority actions, as well as other information gathering and research activities. Our future actions will likely then include future project(s) to revise our existing international standards or guidance, or develop new standards or guidance, and maintain and support them, as sustainability / ESG and other non-financial reporting inevitably evolves over time.~~

Possible Our New Projects in the Work Plan Period

Based upon the urgency described above, the availability of resources following the completion of ISA 600 (Revised), and an initial evaluation against the criteria in the Framework, we have decided to dedicate capacity and resources to the assurance of sustainability / ESG reporting. Information gathering and research activities, using dedicated Staff resources, to determine future IAASB action will commence in January 2022. This initial work will also determine the precise scope and timing of the IAASB efforts in this area. Appendix 1 sets out a high-level description of the initial information gathering and research activities on possible assurance of non-financial information topics, including sustainability / ESG reporting.

¹² In 2012 the IAASB commenced a series of projects focusing on audit quality, starting with the revisions of the IAASB's Auditor Reporting Standards: ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, ISA 260 (Revised), *Communication with Those Charged with Governance*, ISA 570 (Revised), *Going Concern*, 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 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*, ISA 800 (Revised), *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*, and ISA 805 (Revised), *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*, ISA 810 (Revised), *Engagements to Report on Summary Financial Statements*). Other projects focusing on Audit Quality that ensued in the period between 2012 to date included an omnibus pronouncement affecting a number of ISAs, *Addressing Disclosures in the Audit of Financial Statements*, and the following revised ISAs: ISA 220 (Revised), *Quality Management for An Audit of Financial Statements*, ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*, ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*, ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*, ISA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* and In addition, the IAASB developed International Standard on Quality Management (ISQM) 1, *Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and ISQM 2, *Engagement Quality Reviews which also impact Audit Quality*.

In 2023 (subject to the targeted completion of the projects underway at the start of 2022), we anticipate the ability to commence information gathering and research activities on a new project(s)¹³ in addition to assurance for sustainability / ESG reporting. The topic(s) to be pursued is still to be determined, and is subject to Board consideration of the criteria for selecting new projects later in 2022.

Table B below sets out the list of possible projects, ~~as determined~~ at this time, that will be ~~subject to further consideration as the one or two new projects expected to commence in this Work Plan period~~ considered.

Appendix 1 sets out a high-level description of the potential activities within each of these possible projects.

~~In our Work Plan consultation, we identified eight leading candidate topics on which to undertake more focused information gathering and research activities to determine what action, if any, is needed (the eight topics identified by us have been highlighted with a *). Our stakeholders broadly agreed with these eight topics identified, however, variations in the relative ranking of the topics were noted across stakeholder groups. Additional topics have also been added to Table B where they were suggested by our stakeholders and may possibly meet the criteria within the Framework for progression to more active information gathering (i.e., similar to the original eight topics identified).¹⁴~~

~~For this Work Plan period, w~~We have organized the possible projects into distinct focus areas for Audit and Review (recognizing that our focus on assurance of non-financial information has been elaborated above). ~~We have done so because we anticipate allocating resources and expertise (as needed) in most or all of these focus areas simultaneously. We view active efforts in each of the categories as consistent with our mission, strategy, and commitment to the public interest.~~ The list of possible topics within each focus area have been listed in ~~an~~priority order ~~that has been~~ informed by ~~our Work Plan~~the stakeholder consultation, ~~but will still be considered further by the IAASB when determining our next project(s). Additional t~~Topics highlighted by stakeholders as candidates for narrow scope maintenance of standards projects have been included at the end of each focus area.

The eight topics relating to Audit and Review identified by us in the survey consultation have been highlighted with an asterix (*) in Table B below.

¹³ It has not been determined whether resources will be dedicated to a full scope project to revise or develop a standard, or one or two narrow scope maintenance on standards projects.

¹⁴ The original eight topics identified and the topics that have been added based on feedback from our work plan consultation are currently in Category A of Component I of the Framework, together with various other possible topics for IAASB consideration. Based on our monitoring of Category A topics, including our recent work plan consultation, the topics presented in Table B are the likely candidates at this time to meet the criteria in the Framework to move into Category B during the Work Plan period (i.e., for more focused information gathering and research activities to identify and understand the relevant public interest issues and related standard-setting or other needs of stakeholders), and progress further through the Framework, as appropriate.

Table B**Possible New Standard-Setting Project(s) that May Commence in 2022–2023**

In addition to new work commencing on assurance of non-financial information, including sustainability / ESG reporting, the other new possible~~The one or two new project(s) expected to commence during the Work Plan period will be considered from the following~~likely be one or two topics from the following:

AUDIT

*Responding to Assessed Risks of Material Misstatement (Revision of ISA 330¹⁵)

*Analytical Procedures (Revision of ISA 520¹⁶)

*Audit Sampling (Revision of ISA 530¹⁷)

*Using the Work of an Auditor's Expert (Revision of ISA 620)¹⁸

Materiality (Revision of ISA 320)¹⁹

*Joint Audits

Narrow Scope Maintenance Projects (in numerical order of standards that may be affected):

- Omnibus project to update ISAs for impact of technology.²⁰
- ISA 260 (Revised), clarifying requirements in the context of when management and those charged with governance are the same.
- Updating ISA 501²¹ for virtual inventory counts to reflect current methods for inventory counts.
- Updating ISA 505²² for technology (i.e., modernization for increased use of technology-based processes).
- Updating ISA 720 (Revised) for challenges arising from the implementation of the standard.²³

¹⁵ ISA 330, *The Auditor's Responses to Assessed Risks*

¹⁶ ISA 520, *Analytical Procedures*

¹⁷ ISA 530, *Audit Sampling*

¹⁸ ISA 620, *Using the Work of an Auditor's Expert*

¹⁹ ISA 320, *Materiality in Planning and Performing an Audit*

²⁰ Given advancements in technology, we recognize that an omnibus project to update the ISAs for the impact of technology may be needed. Such a project may include revisions to our audit evidence standards (ISA 500 series), including revisions to ISA 520 and ISA 530, and other ISAs, as needed. The scope of such a project depends on the outcome of our current project on Audit Evidence which, among other matters, aims to modernize ISA 500 in relation to technology (see approved [Project Proposal](#)).

²¹ ISA 501, *Audit Evidence – Specific Considerations for Selected Items*

²² ISA 505, *External Confirmations*

²³ This topic has also been identified from the post-implementation review of the IAASB's new and revised auditor reporting standards, which was completed with the Board's consideration of the Working Group's recommendations at the September 2021 IAASB meeting.

REVIEWS

*Review of Interim Financial Information (Revision of ISRE 2410)²⁴

Narrow Scope Maintenance Project:

Review of Interim Financial Information – Going Concern ~~(only)~~

ASSURANCE

~~*Standard-setting or Non-Authoritative Guidance on Climate Change Disclosures (as a separate project or to be expanded to include Sustainability / ESG Reporting more broadly – see next row)²⁵~~

~~Standard-setting or Non-Authoritative Guidance on Sustainability / ESG Reporting~~

~~*Assurance on eXtensible Business Reporting Language (XBRL)~~

In our Work Plan consultation, we identified eight leading candidate topics on which to undertake more focused information gathering and research activities to determine what action, if any, is needed. Our stakeholders broadly agreed with these eight topics identified, however, variations in the relative ranking of the topics were noted across stakeholder groups. Additional topics have also been added to Table B where they were suggested by our stakeholders and may possibly meet the criteria within the Framework for progression to more active information gathering (i.e., similar to the original eight topics identified).^{26,27}

Coordination with ~~IESBA~~Other Standard-Setting Boards

IESBA

As our projects progress in 2022–2023, there may be matters that impact the IESBA's *International Code of Ethics for Professional Accountants (Including International Independence Standards)* (the IESBA Code). Similarly, matters under consideration by the IESBA may have implications for our International Standards. We recognize the importance of ongoing coordination with the IESBA on matters that may impact either the IESBA Code arising from the projects we undertake or our International Standards from the IESBA's activities. We will therefore continue to coordinate with the IESBA in the context of specific topics, through

²⁴ International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

²⁵ ~~Climate change disclosures may be considered as part of a separate assurance engagement or related to circumstances when such disclosures are presented in the entity's annual report or in the notes to the financial statements.~~

²⁶ The original eight topics identified and the topics that have been added based on feedback from our work plan consultation are currently in Category A of Component I of the Framework, together with various other possible topics for IAASB consideration. Based on our monitoring of Category A topics, including our recent work plan consultation, the topics presented in Table B are the likely candidates at this time to meet the criteria in the Framework to move into Category B during the Work Plan period (i.e., for more focused information gathering and research activities to identify and understand the relevant public interest issues and related standard-setting or other needs of stakeholders), and progress further through the Framework, as appropriate.

²⁷ The eight leading candidate topics also included the following topics in the Assurance space: Climate Change Disclosures and eXtensible Business Reporting Language (XBRL). Our focus on assurance of non-financial information has been elaborated at the start of this section and in Appendix 1.

aligning efforts by Staff and the Boards where necessary and appropriate, and through regular leadership interactions and communications.

Other Global Standard-Setting Boards

We will continue to liaise, and coordinate where necessary, with other global standard-setting boards. Active consultations will include, but are not limited to, the International Accounting Standards Board (IASB) on the auditability and verifiability of new and revised international financial reporting standards, and the newly formed ISSB on matters related to sustainability / ESG reporting.

Our Detailed Forward Work Plan for 2022–2023

Our [Detailed Quarterly Forward Work Plan](#) is our best estimate for how we will progress the various projects and workstreams, [including any new projects that may commence during the Work Plan period](#). This Detailed Quarterly Forward Work Plan may change given the nature of the issues, project complexities, stakeholder feedback, and necessary responses to environmental changes, and will be updated when changes are needed. Our Detailed Quarterly Forward Work Plan will also set out when new projects or initiatives will be discussed in Board plenary sessions.²⁸

Allocation of Resources

Our Work Plan will draw on our full capacity to deliver high-quality standards, and undertake our activities in a timely manner. The Work Plan as set out above is expected to be supported by a direct operating budget of approximately \$11 million over the two-year period (excluding operational support received from IFAC).

The work that can be undertaken is also limited to ~~the~~ volunteer hours [of our Board members](#) and Staff capacity available to undertake activities that we have committed to. We will allocate these resources on the basis of information about new initiatives or projects that will need to be started and past experience of the capacity needed to deliver our projects and initiatives. We reserve a limited capacity to respond to unexpected events, as we did in response to the Covid-19 pandemic, and we will be able to reallocate resources if, and when, needed (however, with consequential changes to timelines of projects). The resources needed and capacity for key deliverables illustrated in the Work Plan assumes that nearly all current Staff and Board resources are fully allocated. Notwithstanding that resources are subject to change, particularly as the Monitoring Group reforms are implemented, this Work Plan does not assume [changes to](#) the availability of ~~new~~ resources.

²⁸ It should be noted that information gathering and research activities on a new project or initiative will commence at a Staff level approximately 6-9 months before the first Board plenary discussion on the topic.

Appendix 1

Descriptions of Projects and Initiatives in the Work Plan

More information about our projects can be found on our [project page](#). A direct link to the project page is included in the project title in the table below. The last column illustrates the component within the Framework that the planned action is related to. For new and ongoing activities, these have been grouped to reflect the strategic drivers being addressed by the relevant planned action.

Projects Underway or Committed to at the Start of 2022 (see Table A in main document)

Increase the Emphasis on Emerging Issues to Ensure that Our International Standards Provide a Foundation for High-Quality Audit, Assurance and Related Services Engagements		
Complete Our Major Audit Quality Enhancements		Framework for Activities Component
Audit Evidence (Revision of ISA 500)	We are revising ISA 500, with related conforming and consequential amendments as necessary, to clarify its purpose and relationship to other ISAs, to modernize the standard in relation to technology, to clarify the concept of sufficient appropriate audit evidence and to emphasize the auditor's responsibility to exercise professional skepticism.	Revising and Developing Standards
Fraud (Revision of ISA 240)	We will be revising and enhancing ISA 240, with related conforming and consequential amendments as necessary, to address issues and challenges that have been identified on the auditor's procedures relating to the risk of fraud in an audit of financial statements.	Revising and Developing Standards
Going Concern (Revision of ISA 570 (Revised))	Once the project is scoped, we will be revising and enhancing ISA 570 (Revised), as necessary, to address targeted issues and challenges that have been identified related to the going concern assumption used in preparing financial statements.	Revising and Developing Standards
Implications for IAASB Standards of IESBA Project, Definitions of Listed Entity and Public Interest Entity	We will be developing and finalizing narrow-scope amendments, as needed, for changes made by IESBA in its project to consider the definitions of listed entity and public interest entity to achieve convergence to the greatest extent possible between key concepts in the standards of both Boards.	Revising and Developing Standards

<u>Audits of Less Complex Entities – Developing a Separate Standard for Audits of Less Complex Entities</u>	We are consulting on and finalizing a separate standard for audits of financial statements of Less Complex Entities to address issues and challenges related to complexity, understandability, scalability and proportionality for Less Complex Entities.	Revising and Developing Standards
<i>Activities to Support Implementation of Our Standards</i>		
<u>Addressing Complexity, Understandability, Scalability and Proportionality – Developing Drafting Principles & Guidelines</u>	We will finalize the drafting principles and guidelines to address complexity, understandability, scalability and proportionality in the ISAs, with the intention to apply the drafting principles and guidelines in the future revision and development of the ISAs.	Other Activities Related to Standard-Setting
<u>Technology</u>	<p>Disruptive technology – Ongoing active efforts to explore emerging developments in technology, including consideration of whether action is needed to respond to these emerging developments.</p> <p>The Technology Consultation Group will work with task forces or working groups of other projects, or with Staff, to provide input and support, as needed, on relevant matters relating to technology.</p>	Other Activities Related to Standard-Setting
<u>Professional Skepticism</u>	The Professional Skepticism Consultation Group makes recommendations on how to more effectively respond to issues related to professional skepticism across audit and assurance areas or topics. They will work with task forces or working groups of other projects, or with Staff, to provide input and support, as needed, on relevant matters relating to professional skepticism.	Other Activities Related to Standard-Setting
<u>Auditor Reporting</u>	The Auditor Reporting Consultation Group will work with task forces or working groups of other projects, or with Staff, to provide input and support, as needed, on relevant matters relating to auditor reporting, including implementation of identified recommendations from the auditor reporting post-implementation review.	Other Activities Related to Standard-Setting

<i>Activities to Support the First-Time Implementation of New and Revised Standards</i>		
ISA 600 (Revised)	Activities to support the initial implementation of ISA 600 (Revised).	Activities to Support Implementation of the IAASB's Standards
<i>Activities to Support Some or All Strategic Drivers</i>		
Ongoing Information Gathering and Research (Category A)	Ongoing monitoring and research activities to support future workstreams with activities relevant to the topics within Category A (Component I of our Framework). Category A topics will continue to be updated and may be sourced from, among other, our consultations (including prior consultations), outreach and the work undertaken in developing our strategy and work plans.	Information Gathering and Research Activities
ISA 540 (Revised) Post-Implementation Review	Initial discussions and action, as appropriate, to monitor the implementation of ISA 540 (Revised), with a focus on identifying whether there are practical implementation and other related issues that are causing the revised standard to not achieve its intended purpose. The appropriate time for such review still needs to be determined.	Information Gathering and Research Activities
Innovate Our Ways of Working to Strengthen and Broaden Our Agility, Capabilities and Capacity to Do the Right Work at the Right Time		
Strengthening Collaboration with National Standard Setters (NSS) and IFAC	Continue to explore new ways to expand our collaboration with NSS and IFAC to optimize our activities, for example in relation to implementation support activities.	Strengthening and Broadening Capabilities and Capacity
Maintain and Deepen Our Relationships with Our Stakeholders		
Coordination with IESBA	Coordination activities with IESBA involve proactive collaboration, and transparent and timely communications between Staff and members of the two Boards to determine and address matters of mutual impact.	Outreach
<u>Liaison Activities with the International Accounting Standards Board (IASB)</u>	Continue our two-way coordination with the IASB, including providing input on the auditability and verifiability of new and revised International Financial Reporting Standards, thereby contributing to the quality of financial reporting.	Outreach

Possible New Project(s) in the Work Plan Period (see Table B in main document)

We have committed to a workstream on assurance of non-financial information – the following describes the possible actions in relation to identified topics from our Work Plan consultation and outreach activities.

<u>AssuranceNon-Financial InformationReporting Focus</u>	
<u>Assurance Standard or Guidance on Standard-setting or Development of Non-Authoritative Guidance on Climate Change Disclosures</u>	<u>Information gathering and research activities to identify</u> priority actions related to climate change disclosures (in the context of a separate assurance engagement or related to circumstances when such disclosures are presented in the entity's annual report or in the notes to the financial statements). <u>This Priority actions</u> will likely include revising our existing international standards or guidance, or developing new standards or guidance, and maintain and support them.
<u>Assurance or Guidance Standard-setting or Development of Non-Authoritative Guidance on Sustainability / ESG Reporting</u>	<u>Information gathering and research activities to identify</u> priority actions related to sustainability / sustainability / ESG reporting, including: <ul style="list-style-type: none"> <u>Possible revisions to ISAE 3000 (Revised)²⁹ as necessary;</u> <u>Development of new subject-matter specific standard(s) to address sustainability / ESG reporting (or aspects thereof) (i.e., a subject-matter specific standard that builds on and supplements the application of ISAE 3000 (Revised) in an assurance engagement to report on a particular subject matter); or</u> <u>Other related actions that are necessary in the public interest, for example, revising our existing guidance or developing new guidance.</u> This will likely include revising our existing international standards or guidance, or develop new standards or guidance, and maintain and support them.
<u>Assurance on XBRL</u>	As the focus on digital reporting increases, exploring the need for assurance standards related to XBRL, and developing a pronouncement <u>(likely a subject-matter specific standard that builds on and supplements the application of ISAE 3000 (Revised) in an assurance engagement to report on XBRL)</u> or non-authoritative guidance as necessary.

²⁹ International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information

The following describes possible actions in relation to other possible new project(s) as set out in **Table B** (in the areas of Audit and Review). Information gathering and research activities will be undertaken to the extent to be able to apply the criteria for determining a new project(s) under the Framework.

Audit	
Responding to Assessed Risks of Material Misstatement (Possible Revision of ISA 330)	Possible revision of ISA 330 to better align the requirements with changes made to the risk identification and assessment standard (ISA 315 (Revised 2019)) and changes <u>expected as a result of the current project to being made</u> teamend ISA 500, which will foster an integrated risk-based approach. Also, <u>may include</u> , possible revisions to modernize ISA 330 as necessary (in particular in relation to technology).
Analytical procedures (Possible Revision of ISA 520)	Possible revision of ISA 520 to better align the requirements with changes made to our audit evidence standard (i.e., ISA 500), which will foster an integrated risk-based approach. Also, possible revisions to modernize ISA 520 as necessary (in particular in relation to technology).
Audit Sampling (Possible Revision of ISA 530)	Possible revision of ISA 530 to better align the requirements with changes made to our audit evidence standard (i.e., ISA 500), which will foster an integrated risk-based approach. Also, possible revisions to modernize ISA 530 as necessary (in particular in relation to technology).
Using the Work of an Auditor's Expert (Possible Revision of ISA 620)	Possible revision of ISA 620 based on issues and challenges identified by our stakeholders, including consideration of the impact of technology .
Materiality (Possible Revision of ISA 320)	Possible revision of ISA 320 to address potential changes to materiality considerations as technology and other environmental influences rapidly evolve <u>and change</u> the way that audit procedures are performed <u>are undertaken</u> , and to promote consistency in materiality determinations.
Joint Audits	Possible standard-setting or guidance to enhance and clarify practice <u>the application of the ISAs to joint audits</u> in jurisdictions where joint audits are undertaken.
Reviews	
Review of Interim Financial Information (Possible Revision of ISRE 2410)	Possible revision of ISRE 2410 to update the standard to the clarity format, other possible changes to address issues and challenges identified, and to modernize the standard. <u>There is also the possibility that a narrow scope maintenance project is undertaken, limited to updating requirements relating to going concern for consistency with requirements in ISA 570 (Revised).</u>

Assurance	
Assurance Standard or Guidance on Climate Change Disclosures	Identify priority actions related to climate change disclosures (in the context of a separate assurance engagement or related to circumstances when such disclosures are presented in the entity's annual report or in the notes to the financial statements). This will likely include revising our existing international standards or guidance, or develop new standards or guidance, and maintain and support them.
Assurance or Guidance on Sustainability / ESG Reporting	Identify priority actions related to sustainability / ESG reporting. This will likely include revising our existing international standards or guidance, or develop new standards or guidance, and maintain and support them.
Assurance on XBRL	As the focus on digital reporting increases, exploring the need for assurance standards related to XBRL, and developing a pronouncement or non-authoritative guidance as necessary.
Narrow Scope Maintenance Projects	
<p>Our Framework allows for narrow scope maintenance of our standards. This is achieved through projects addressing a limited number of targeted changes, to either a single standard or across multiple standards. We will monitor whether there are topics that could be addressed through such a project. For example, when there is an urgent need to address an issue or when a standard-setting response is indicated (rather than non-authoritative material) but does not require a full scope revision on one or more standards.</p>	

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