Agenda Item
I.3

Please note: This Agenda item includes the IAASB's Feedback and Issues Paper (September 2023) that will be discussed by the Board at the September 2023 IAASB quarterly meeting (Agenda Item 5). This Agenda Item includes references to papers for the September 2023 IAASB meeting. For easy reference, the table below shows which Board paper is which paper for the IAASB CAG September 2023 meeting:

Agenda Item	Board Reference	CAG Reference
Issues Paper	Agenda Item 5	Agenda Item I.3
Summary of Respondents' Comments	Agenda Item 5-A	Agenda Item I.4
Draft Strategy and Work Plan	Agenda Item 5-B	Agenda Item I.2
Excel Summary of Comments by Category and Themes	Agenda Item 5-C.1–C.8	Not provided for the IAASB CAG meeting
NVivo Word Reports by Themes (Question 1 – 8)	Agenda Item 5D.1–D.8	Not provided for the IAASB CAG meeting

IAASB Proposed Strategy and Work Plan for 2024–2027—Feedback and Issues

Objectives

The objectives of this session are to:

I. Provide an overview of respondents' comments to the Consultation Paper (CP), *The IAASB's Proposed Strategy and Work Plan for 2024–2027* (the Strategy and Work Plan) [1]

II. Discuss and obtain the Board's input on the initial views and recommendations of the Planning Committee for updating the Strategy.

III. Discuss and obtain the Board's direction on possible programming decisions for finalizing the Work Plan.

A. Introduction

1. The Planning Committee of the Board acts as the Task Force for the development and finalization of the Strategy and Work Plan.

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[1] The Strategy and Work Plan document comprises two main parts, Strategy for 2024–2027 and Work Plan for 2024–2027. The phrases "the Strategy/ proposed Strategy" or "the Work Plan/ proposed Work Plan", respectively, are used in this Agenda Item when these parts are separately referred to or discussed. Also, "strategy period" and/or "work plan period" refers to the period 2024–2027.

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2. Following the IAASB's due process as it applies to the Board's strategy and work plan, the IAASB approved a complete draft of its proposed Strategy and Work Plan in December 2022, which was issued as a CP in January 2023 to obtain stakeholders' feedback on the proposals. The consultation period was 90 days[2] and closed on April 11, 2023.

3. Appendix 1 of the CP provided a summary of the activities that informed the development of the proposed Strategy and Work Plan (see CP, page 24). In addition, several changes were made in finalizing the CP which resulted from a joint meeting of the planning committees of the IAASB and the International Ethics Standards Board for Accountants (IESBA) in October 2022. [3]

4. The September 2023 IAASB meeting is the first opportunity, post-public consultation, for the Board to discuss stakeholders' feedback on the proposed Strategy and Work Plan and the Planning Committee's initial views and recommendations for enhancing the Strategy and Work Plan based on the feedback received.

5. The development of the Strategy and Work Plan will further be informed by a joint session of the IAASB and IESBA at their September 2023 Board meetings, as well as feedback from the IAASB Consultative Advisory Group (CAG) in September 2023.

6. The remainder of this paper is set out in the following sections:

   B.   Overview of respondents and presentation of feedback

   C.   Strategy – feedback and recommendations

   D.   Work Plan – feedback and possible programming decisions

   E.   Way forward

Materials Presented—Appendices and Other Agenda Items Accompanying This Paper

7. This Agenda Item includes the following appendices:

Appendix 1	Planning Committee Members and Activities, Including Outreach Since the December 2022 IAASB Meeting
Appendix 2	List of Respondents to the Consultation Paper on the IAASB's Proposed Strategy and Work Plan for 2024–2027
Appendix 3	Overview of the Consideration of Candidate Topics in the Area of Audits and Reviews

8. The following agenda items and supplements are also presented:

Agenda Item 5-A	Summary of Respondents' Comments to the Consultation Paper on the IAASB's Proposed Strategy and Work Plan for 2024–2027

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2   The IAASB's Due Process and Working Procedures requires, as part of the development of its strategy and work plan, the issue of a consultation paper for public comment for ordinarily no less than 60 days.

3   See Agenda Item 2 of the December 2022 IAASB meeting for additional information.

Agenda Item 5–B	Revised Draft of the IAASB's Proposed Strategy and Work Plan for 2024–2027 – Marked from the Consultation Paper
Agenda Item 5–C.1 to 5–C.8 (Supplemental)	Excel Summary of Comments by Category and Themes (*the eight sheets in the Excel workbook correspondent to questions 1-8 in the CP*)
Agenda Item 5–D.1 to 5–D.8 (Supplemental)	NVivo Word Reports by Themes (*the eight Nvivo reports correspondent to questions 1-8 in the CP*)

B. Overview of Respondents and Presentation of Feedback

9. The IAASB received sixty-one comment letters, compared to forty-five comment letters received for the previous CP issued in 2019.[4] A breakdown of respondents by stakeholder type and by region is provided below (see **Appendix 2** for a detailed list of respondents): [5]

Stakeholder Type	No.
Monitoring Group	3
Investors and Analysts	2
Regulators and Audit Oversight Authorities	6
National Auditing Standard Setters	11
Accounting Firms	11
Public Sector Organizations	1
Member Bodies and Other Professional Organizations	21
Academics	1
Individuals and Others	5
Total	**61**

Region	No.
Global	15
Asia Pacific	11
Europe	20
Middle East and Africa	7
North America	7
South America	1
Total	**61**

10. Overall, the table above demonstrates a good diversity of respondents. The comments letters received include responses from three Monitoring Group members (International Forum of Independent Audit Regulators (IFIAR), International Association of Insurance Supervisors (IAIS), and International Organization of Securities Commissions (IOSCO)). In total, 48% of the comment letters were from respondents other than accounting firms, or member bodies and other professional organizations.

11. In the Planning Committee's view this is an appropriate basis for further developing and finalizing the Strategy and Work Plan, also considering:

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4   See Agenda Item 10 of the September 2019 IAASB meeting for additional information.

5   The individual comment letters submitted are available on the CP webpage.

- The activities that informed the CP;

- Ongoing outreach as part of the IAASB's general outreach program in 2023; and

- Meetings with the CAG and the IESBA in September 2023.

12. A summary of respondents' comments to **Questions 1 to 8** in the CP is included in **Agenda Item 5-A**.

Questions 7 and 8

13. The Planning Committee noted that **Questions 7 and 8** in the CP were of a pervasive nature. Having considered the nature and extent of the comments to these questions, the Planning Committee recommends the following actions:

(a) **Question 7** focused on the importance of close coordination with the IAASB's sister-Board, IESBA and stakeholders' views about the enhancement of such coordination (see **Agenda Item 5-A**, paragraphs 135–139 for a summary of respondents' comments to Question 7).

50 (82%) of respondents, including three Monitoring Group members, provided comments on Question 7. All respondents who provided comments were supportive and agreed with the importance of maintaining and enhancing coordination between the two Boards. The Planning Committee identified the following key themes for suggesting changes to the Strategy and Work Plan:

(i) The IAASB and IESBA should adopt a systematic approach to their coordination efforts. The Planning Committee recommends that this be emphasized as part of the strategic actions to Strategic Objective 3 (see **section C.3** below).

(ii) Respondents made various suggestions about focusing on certain specific matters that could enhance coordination between the two Boards in delivering on their work plans. The Planning Committee recommends that these suggestions be accommodated under "Coordination with Other Standard-Setting Boards" in the Work Plan section of the Strategy and Work Plan (see **Agenda 5-B,** "*IESBA*" on page 24)

(b) **Question 8** asked stakeholders to share their views on any other matters that the IAASB should consider in finalizing the Strategy and Work Plan (see **Agenda Item 5-A**, paragraphs 140–142 for a summary of respondents' comments to Question 8).

31 (51%) of respondents, including one Monitoring Group member, provided comments on Question 8. Apart from the two themes highlighted below, matters raised varied widely and were one-off in nature, and in the Planning Committee's view does not warrant further revisions to the Strategy and Work Plan.

(i) Six respondents (member bodies and other professional organizations, and national auditing standard setters) emphasized the need for the IAASB to stay focused on developing principle-based standards, expressing concern about the increased level of specificity and the length of some recently issued standards. The Planning Committee recommends that this matter be accommodated as part of the strategic actions to Strategic Objective 1 (see **section C.3** below).

(ii) Six respondents, including one Monitoring Group member and three regulators and audit oversight authorities, advised that the IAASB be more detailed in relation to work plan matters such as project priorities, project objectives, targeted outputs, project timelines, and allocation of resources. The Planning Committee recommends enhancing transparency in this regard by more prominently indicating in the Work Plan, the details that are available, where these may be found and that project details are updated on a quarterly basis, as appropriate (see **Agenda 5-B,** pages 16-17)

C.   Proposed Strategy – Feedback and Recommendations

14.   The Strategy section of the Strategy and Work Plan document addresses the following key elements for which specific questions were included in the CP:

- "Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition" – see **Question 1** and pages 5-6 of the CP.

- "Our Proposed Strategic Drivers" – see **Question 2** and pages 7–9 of the CP.

- "Our Proposed Strategic Objectives and Our Proposed Strategic Actions" – see **Question 3** and pages 10–14 of the CP.

The feedback from respondents and recommendations relating to the above elements of the Strategy are discussed in **sections C.1–C.3** below.

C.1   Goal, Keys to Success and Stakeholder Value Proposition

15.   **Question 1** in the CP asked respondents: *Do you agree with Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition?*

See **Agenda Item 5-A**, paragraphs 4–14 for a summary of respondents' comments to Question 1.

16.   53 (87%) respondents provided comments on Question 1. There were no respondents who outright disagreed with the Proposed Goal, Keys to Success and Stakeholder Value Proposition. However, 37 respondents provided comments on these sections, while the other 16 respondents outright agreed (i.e., without providing additional comments).

17.   Two Monitoring Group members provided comments on Question 1 (included as part of the 37 respondents, above).

18.   Overall, there is broad support for the IAASB's proposed Goal, Keys to Success and Stakeholder Value Proposition, with some suggestions to further enhance or clarify the Board's intent or key messages in this regard.

Our Proposed Goal

19.   Both Monitoring Group members who responded to Question 1, supported the proposed Goal. One Monitoring Group member suggested to consider a "quick response" process for updating affected standards resulting from changes to the standards of other International Standard-Setting Boards (e.g., the IESBA and the International Accounting Standards Board (IASB)).The Planning Committee recognized the need in this regard but noted that such process already exists through Narrow Scope Maintenance of Standards as contemplated in Component III of the Framework for Activities.

However, a revision to emphasize the consideration of 'narrow scope' projects was incorporated for the strategic actions to Strategic Objective 1 (see **Agenda Item 5-B**, page 12).

20. Other respondents supported the proposed Goal but had various suggestions to further enhance the Goal in terms of encapsulating all the IAASB standards, enhancing certain key messages, and clarifying through additional or different wording certain matters addressed as part of the proposed Goal.

21. Respondents also suggested adding review and quality management standards to the first part of the goal (i.e., Developing the globally accepted and leading audit, review, other assurance, and related services, and quality management standards).

22. The updated goal is included in **Agenda Item 5-B** (see page 4). The Planning Committee proposed the following changes:

- To remove "related services", because the intention is for the goal to emphasize the IAASB's focus for the 2024–2027 strategy and work plan period. However, the Planning Committee also added additional text in the "Goal"-section to clarify this focus within the context of the IAASB's suite of standards.

- Other wording changes that reflect suggestions from respondents to align with wording already used in IAASB literature and to clarify the overall message.

Our Proposed Keys to Success

23. Respondents, including one Monitoring Group member, supported the proposed Keys to Success. There were various suggestions to add specificity or more detailed descriptions. On balance the Planning Committee was of the view that the Keys to Success are formulated at the appropriate level for a strategy document and that no revisions were required.

Our Proposed Stakeholder Value Proposition

24. No Monitoring Group members provided comments on the proposed Stakeholder Value Proposition. Although broadly supportive, 24 other respondents, mostly from national auditing standard setters accounting firms and member bodies and other professional organizations, provided further suggestions regarding certain aspects of the proposed Stakeholder Value Proposition.

25. The Planning Committee addressed respondents' suggestion to emphasize coordination with the International Federation of Accountants (IFAC) as a key mechanism through which the IAASB engages with stakeholders, by adding text to the second bullet point, *"Our engagement with our stakeholders"* (see **Agenda Item 5-B**, page 6).

26. Various respondents (predominantly from the stakeholder groups mentioned above) commenting on Questions 1, 2 and 3 in the CP, addressed the notion of a stable platform for standards over time and the possible unintended consequences for the quality of engagements of successive fundamental changes to standards. Related comments about challenges to keep pace with changes and the time and resources needed for implementation of new or revised standards were also raised.

27. In the Planning Committee's view, the basic statement about our work plan in terms of *"Our Stakeholder Value Proposition"* remains appropriate. The comments highlighted in paragraph 26 are relevant to the programming decisions for the Work Plan (see **section D**). The possible negative

impact on the public interest that was also raised, has been recognized as part of the strategic driver, *Increasingly tight timelines to meet heightened expectations* (see **section C.2**).

C.2   Strategic Drivers

28.   **Question 2** in the CP asked respondents: *Do you agree with Our Proposed Strategic Drivers as the key environmental factors that drive the opportunities and challenges impacting our ability to achieve our goal?*

See **Agenda Item 5-A**, paragraphs 15–30 for a summary of respondents' comments to Question 2.

29.   Overall, the responses received across stakeholder groups (including two Monitoring Group members) indicate strong support for the proposed strategic drivers. No other strategic drivers were identified. Therefore, the Planning Committee believes that these drivers appropriately represent the IAASB's consideration of the environmental factors that drive the opportunities and challenges impacting the Board's ability to achieve its goal and should drive the choices the Board makes for the 2024–2027 strategy and work plan period.

30.   The table below sets out, per strategic driver, an explanation of the Planning Committee's proposed changes to the Strategy (see **Agenda Item 5-B,** pages 7-9). In addition, respondents variously provided comments that elaborated on or provided suggestions in relation to how the IAASB may respond to certain strategic drivers. This feedback has been carried forward to be considered with other feedback on the strategic objectives and strategic actions in **section C.3**.

Strategic Drivers	Explanation of Proposed Changes
Increased and More Diverse Demands for Our Standards	
Heightened supervisory scrutiny	Moved this strategic driver after the strategic driver 'Diverse demands across the spectrum of stakeholders reflecting the breadth of the global economy' as these strategic drivers are related. This was evidenced by the fact that respondents had similar observations for both strategic drivers. Also, the last sentence was updated to clarify the messaging in line with respondents' comments.
Impact of technology	Based on respondents' comments, several changes were made to this strategic driver. The strategic driver now highlights that entities are increasingly operating in a digital environment and use technology in various ways. Also, artificial intelligence was specifically highlighted as a disruptive technology and a sentence was added that stakeholders are expecting standard setters to take action.

Respondents also commented about the use of technology by entities and by auditors and how the IAASB should approach addressing technology in its standards. Respondents raised similar comments in responding to |

Strategic Drivers	Explanation of Proposed Changes
	Questions 4 and 6 in the CP. These comments have been considered together, as part of *focus on the impact of technology* for the Work Plan – see **section D.1** below.
Sustainability reporting and other evolving areas for assurance engagements	Deleted 'could' in the last sentence as respondents noted that the broader focus on non-financial information is already prompting the need for assurance engagements on various and diverse topics.
Diverse demands across the spectrum of stakeholders reflecting the breadth of the global economy	Changed the second sentence given respondent's comments that our standards should be principle based, scalable to entities of all sizes and should not be getting lengthy, detailed and complex. In addition, a sentence was added given respondents' comments that detailed standards will drive compliance-based, prescriptive approaches to audit that will not attract people and that the attractiveness of the profession has become one of the top challenges with issues concerning both recruiting and retaining staff.
Supporting the implementation of our standards	Deleted the first sentence as it was noted that the IAASB's activities has nothing to do with the strategic driver. The Planning Committee has recommended revisions to the description "Implementation Support Activities" in the Work Plan to accommodate other suggestions related to the IAASB's role and commitment to developing or facilitating the development of implementation and other non-authoritative guidance (see **Agenda Item 5-B,** pages 17-18)
Confronting 'Headwinds' to Adoption of Standards	
Value of cooperation across independent standard-setting bodies	Clarified what is meant with fragmentation in the last sentence based on a suggestion from a respondent.
Evolving expectations around sustainability assurance	The description of "profession agnostic" was enhanced to be consistent with the Explanatory Memorandum to the recently released ED-5000. [6]

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[6] Exposure Draft of Proposed International Standard on Sustainability Assurance Engagements (ISSA)[TM] 5000, *General Requirements for Sustainability Assurance Engagements* (ED-5000)

Strategic Drivers	Explanation of Proposed Changes
	Based on respondents' comments, added that there is a need to develop sustainability standards in a timely manner and not doing so, may lead to fragmentation.
Impact of and reasons for jurisdictions developing their own audit and assurance standards	Respondents noted that the relationship between this strategic driver and the overarching theme was not clear. Therefore, clarified how this strategic driver links to the overarching theme "Confronting 'Headwinds' to Adoption of Standards" as the practice of jurisdictions developing their own standards may not be a "headwind" in all cases. Respondents also suggested to emphasize the symbiotic, rather than adversarial, nature of the relationship between national and international standards. This was also clarified.
Changing Demands to Our Ways of Working	
Attract top talent at the Board and Staff levels	Respondents had various comments on the reference about a significant reduction of practitioner members in the composition of the Board. Deleted this reference as it is detracting from the key message that the composition of the Board will change and that projects will be Staff led in so far as content development. Therefore, we need to attract top talent at the Board and Staff levels.
Increasingly tight timelines to meet heightened expectations.	Changed the last sentence given respondents' comments that the last part of this sentence was deemed unclear and added the potential negative impact on the public interest arising from stakeholders not being given sufficient time to implement standards and absorb changes.

C.3   Strategic Objectives and Strategic Actions

31.   **Question 3** in the CP: *Do you agree with Our Proposed Strategic Objectives and Our Proposed Strategic Actions?*

See **Agenda Item 5-A**, paragraphs 31–49 for a summary of respondents' comments to Question 3.

32.   There were no respondents who outright disagreed with the Proposed Strategic Objectives and Proposed Strategic Actions. In total, 54 (89%) respondents across stakeholder groups were supportive – 44% expressing outright agreement and the balance (56%) providing further views and suggestions for the IAASB's consideration in finalizing the Strategy. Three Monitoring Group members responded to Question 3 (included in the 54 responses, above).

33. The table below sets out, per strategic objective and themes identified in **Agenda Item 5-A**, the Planning Committee's proposed response to address the comments, including an explanation of proposed changes to the Strategy (see **Agenda Item 5-B**, pages 10-14).

Themes from Comments Received (see Agenda Item 5-A)	Proposed Response, Including Explanation of Proposed Changes to the Strategy section
Strategic Objective 1: Support the Consistent Performance of Quality Audit Engagements by Enhancing Our Auditing Standards in Areas Where There Is the Greatest Public Interest Need	
Post-Implementation Reviews	No changes proposed as respondents agreed with this strategic action. Specific suggestions for post-implementation reviews of certain standards have been carried forward as part of considering programming decisions for the Work Plan (see **section D.1** below, in relation to "Audits and Reviews").
First-Time Implementation Support	Added a reference to IFAC and jurisdictional/ national auditing standard setters (NSS) given respondents' suggestion to collaborate with them on implementation support activities. Suggestions for specific projects on which first-time implementation support materials would be useful, have been noted, and will be considered as described under "Implementation Support Activities" in the Work Plan (see **Agenda Item 5-B**, page 17-18).
Time to Implement Standards	Respondents' comments about challenges to keep pace with changes and the time and resources needed for implementation of new or revised standards are relevant to the programming decisions for the Work Plan (see **section D**).
Complexity, Understandability, Scalability and Proportionality (CUSP)	No changes proposed as the strategic actions include a commitment to apply the CUSP drafting principles and guidelines, which were developed to be applied on a prospective basis. In the Planning Committee's view, the suggestion to undertake a (comprehensive) project to revise the IAASB's standards based on the CUSP drafting principles and guidelines should not be pursued.
ISA for Less Complex Entities (LCE)	Added a sub bullet to the sixth strategic action highlighting that the IAASB's outreach should also be focused on the adoption of the ISA for LCE.

Themes from Comments Received (see Agenda Item 5-A)	Proposed Response, Including Explanation of Proposed Changes to the Strategy section
	No change proposed on how the ISA for LCE will be maintained as that is an operational matter that is agreed by the Board as part of finalizing the project.
Prioritization of Projects	No change proposed as the second strategic action highlights that the IAASB will determine and initiate new projects for audits (or reviews) of financial statements in accordance with the criteria as set out in the IAASB Framework for Activities. The Framework for Activities takes into account the public interest.
Work Plan	Respondents' comments about the completion of projects underway at the start of 2024 were taken into account in updating the Work Plan (see **Agenda Item 5-B**, pages 16-17).
Stay focused on developing principle-based standards (also highlighted in the context of principle-based versus rule-based standards) (from comments to **Questions 2 and 8** in the CP)	Addressed by adding "principle-based" in the last strategic action related to strategic objectives 1 and 2. In addition, the strategic actions to these strategic objectives include a commitment to apply the CUSP drafting principles and guidelines.
Strategic Objective 2: Establish Globally Accepted Standard(s) for Assurance on Sustainability Reporting	
Allocating sufficient resources	No change proposed as the first strategic action includes a commitment to complete this project in a timely manner.
Topic specific standards to complement ISSA 5000[7]	Most respondents noted that there is a need for topic specific standards, so no change proposed. Added that the IAASB will develop a view on how the overarching standard will work with topic specific standards.
Sustainability standards should be flexible, principle-based, scalable and proportionate standards	Added an action to draft principle-based standards in line with the CUSP drafting principles and guidelines (see similar strategic action for strategic objective 1).
Strategic Objective 3: Enhance Coordination with IESBA and Other Leading Standard Setters and Regulators to Leverage Better Collective Actions in the Public Interest	
Coordination with IESBA	

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[7]   ISSA 5000, *General Requirements for Sustainability Assurance Engagements*

Themes from Comments Received (see Agenda Item 5-A)	Proposed Response, Including Explanation of Proposed Changes to the Strategy section
• Aligning projects and relating timetables • Including, in the IAASB's Strategy and Work Plan, more specifics around the planned topics for coordination with the IESBA	• Point addressed by adding timing to the first strategic action under strategic objective 3. • The Planning Committee has considered this theme as part of possible proposed revisions to the Work Plan (see **Agenda 5-B**, page 24)
Coordination with other stakeholders. Suggestion to add: NSS, IFAC and Professional Accountancy Organizations (PAOs), regulators, Small and Medium Practitioners (SMP), academics, and other stakeholders that normally do not respond	No additional stakeholder groups have been included, since this strategic objective is specifically focused on coordination with IESBA, other leading standard setters and regulators.
Adopt a systematic approach to coordination efforts of the IAASB and IESBA (from comments to **Question 7** in the CP)	The first strategic action has been updated to emphasize the systematic nature of the two Boards' coordination activities.
Strategic Objective 4: Create more Agile, Innovative Ways of Working in Line with the Monitoring Group's Reform Vision	
Quick Response Mechanism / Narrow Scope Amendments	The point about considering narrow scope amendments, including to address specific findings of regulators, was more broadly addressed by revising the second strategic action for strategic objective 1.
Allocating sufficient resources to the important projects underway	No change proposed, because of the commitment in the Work Plan to complete the projects underway in a timely matter.
Transparency about how the quality of standards will be maintained when implementing the Monitoring Group recommendations.	No change proposed as quality is central to the IAASB's work and is included in "Our Goal". In the Planning Committee's view, it is too operational to add in the Strategy how the Board will maintain quality when implementing the Monitoring Group recommendations.

Themes from Comments Received (see Agenda Item 5-A)	Proposed Response, Including Explanation of Proposed Changes to the Strategy section
The IAASB should take into account the considerable learning curve when onboarding new staff	Onboarding is an operational matter and is part of the normal staff development process.
The IAASB should focus on the need to obtain or maintain sufficient and appropriate talent relevant skills and knowledge to keep pace with the developments of the profession and the business environment, as well as expected technical proficiency in auditing and assurance.	Point addressed by adding a sub bullet under the fourth strategic action that is about enhancing our technical Staff capacity and competencies.

D.   Work Plan – Feedback and Possible Programming Decisions

34.   The Work Plan section of the Strategy and Work Plan document addresses the following key elements for which specific questions were included in the CP:

- Possible new standard setting projects in the area of audits and reviews of financial statements – see **Question 4** and Table B in the CP. [8] See **Agenda Item 5-A**, paragraphs 50–112 for a summary of respondents' comments to Question 4.

- Possible new standard setting projects in the area of sustainability and other assurance engagements – see **Question 5** and Table B in the CP. [7] See **Agenda Item 5-A**, paragraphs 113–128 for a summary of respondents' comments to Question 5.

35.   In addition, **Question 6** asked for stakeholders input regarding other topics that the IAASB should consider as new standard-setting projects (i.e., other than the topics that were included in Table B in the CP). See **Agenda Item 5-A**, paragraphs 129–134 for a summary of respondents' comments to Question 6.

Distribution of Responses – Question 4 (Audits and Reviews)

36.   Six respondents did not comment on Question 4 and three respondents indicated their support in general for the topics (possible new standard-setting projects) in Table B in the CP as being appropriately reflective of the present audit environment. One respondent was not supportive (see next paragraph) and the remaining 51 (84%) respondents (including three Monitoring Group members) variously commented on one or more of the relevant topics listed in Table B in the CP (Topics A to K).

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[8]   Table B in the CP included a proposed list of possible new standard-setting project for commencement during the work plan period, distinguished between the focus areas of "Audit and Reviews" (Topics A to K) and "Sustainability and Other Assurance Engagements" (Topics L and M). Refer to **Agenda Item 5-B**, pages 21-23, for Table B as it was included in the CP (this table will be updated or replaced, as appropriate, based on the Board's feedback during the September 2023 IAASB meeting).

37. One respondent (from member bodies and other professional organizations) did 'not support' the Board commencing new standard-setting projects during the upcoming work plan period, except for assurance on sustainability reporting. This respondent highlighted that many of their stakeholders "raised a common desire for the Board to take a step back and reconsider the balance between standard-setting and supporting global implementation of the standards through the provision of various implementation supports. For many developing economies/jurisdictions, it is challenging to keep up with many (and fast) changes especially when organisations do not have dedicated resources to support adoption and implementation."

Distribution of Responses – Question 5 (Sustainability and Other Assurance Engagements)

38. Three respondents did not comment on Question 5 and three respondents indicated their support in general for Topics L and M in Table B in the CP (with no additional comments). The remaining 55 (90%) respondents (including three Monitoring Group members) provided additional comments on one or both topics.

39. In addition to commenting on Topic L (further standards for assurance on sustainability reporting), many respondents across stakeholder groups provided comments on the IAASB's current project to develop ISSA 5000. Respondents expressed overwhelming support for the IAASB's work to establish an overarching standard as a global baseline for sustainability assurance engagements, with encouragement for the IAASB to continue with outreach activities to understand stakeholder needs and challenges in this evolving area and monitoring developments in sustainability reporting and assurance (at a global and jurisdictional level). Stakeholders also highlighted the following matters, including some cautions, as the IAASB proceeds with its current and possible future work in this area:

- Sufficiency of resources to maintain work on sustainability assurance, as well as the ISAs.

- Certain questions about possible unintended consequences of a profession-agnostic standard, and challenges that may need to be addressed.

- Scalability and proportionality of current and future standards.

- The need for implementation support materials.

- The importance of undertaking a post-implementation review of ISSA 5000.

Responses to Question 6 (Other Topics to Consider)

40. Nineteen (19, 31%) respondents, including one Monitoring Group member, provided suggestions for other topics as possible new standard-setting projects.

41. Only one topic included in the Question 6-responses was raised and supported by three or more respondents. However, this is not a new topic, but certain respondents (excluding the one Monitoring Group member) used Question 6 to further emphasize the need for the IAASB to have a more strategic approach to address the impact of technology in the ISAs, including a focus on the entity's use of technology, the auditor's responsibilities in an audit of financial statements, and ensuring that relevant IT topics are considered in developing new or revising existing ISAs (some IT topics mentioned include cybersecurity, artificial intelligence, distributed ledger technologies, different automated tools and techniques). This feedback has been carried forward to be considered with other feedback as part of *focus on the impact of technology* for the Work Plan – see **section D.1**.

42. One Monitoring Group member suggested the following additional topics:

- Revising ISA 402, Audit Considerations Relating to An Entity Using a Service Organization.

- Revising ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures, for certain key matters not addressed in the original project to revise the current standard.

- Undertaking a project focused on internal controls in an audit of financial statements, addressing both risk assessment procedures and testing of the operating effectiveness of internal controls.

The Planning Committee noted the broad support across stakeholder groups for most of the topics already included in Table B of the CP and, recognizing the number of new topics that could potentially be accommodated in the 2024–2027 work plan period, recommends that the above topics not be further pursued at this time.

Balance Between Audits and Reviews, and Sustainability and Other Assurance Engagements

43. The Planning Committee noted that the notion of maintaining a balance in terms of the IAASB's focus on both the traditional area of audits and reviews of financial statements and the evolving area of sustainability and other assurance engagements (see CP, page 15), resonated with stakeholders.

44. One Monitoring Group member expressed some caution with respect to 'the balance' in the previous paragraph, by indicating: "Whilst we acknowledge the importance of sustainability standards, we are concerned about the sufficiency of resources and the risk that work by the IAASB on sustainability standards could hinder progress in improving the ISAs" and "that the development of these important standards should not lead to a diversion of resources needed for the setting and revising of auditing standards, since the importance and the public interest attached for further improvement of auditing standard has not changed."

45. The Planning Committee acknowledges the caution from the above Monitoring Group member but believes that the relative balance between auditing and other standards is reflected in the Strategy section (see Strategic Objective 1 and related strategic actions), as well as in the Work Plan section of the proposed Strategy and Work Plan.

46. The Planning Committee recommends that the distinction between the two broad focus areas of Audits and Reviews and Sustainability and Other Assurance Engagements be retained. In addition, the Planning Committee recommends that the Work Plan be updated to indicate an estimated split of 70 percent of resources and time allocated to Audit and Review-specific work relative to Sustainability and Other Assurance projects in the upcoming work plan period. This is based on:

- The possible new projects (candidate topics) that were presented in the CP;

- The anticipated capacity to accommodate around five to seven parallel standard-setting projects during the work plan period (see CP, page 18); and

- The Planning Committee's consideration of the candidate topics, based on respondents' feedback.

Possible Programming Decisions

47. The programming decisions for finalizing the Work Plan relate to which topics qualify to move into Category B as contemplated in Component I of the Framework for Activities (the Framework),

determining the order of priority to commence work during the 2024–2027 work plan period, and when the time is right to move a topic(s) into Category B (including considering the timing for completion of projects underway at the start of 2024 and the anticipated capacity to accommodate around five to seven parallel standard-setting projects).

48.   The topics that were presented in Table B in the CP are currently in **Category A** of Component I of the Framework, together with various other possible topics for consideration. These topics were presented as the most likely candidates at this time to meet the criteria in the Framework to move into Category B during the work plan period. When a topic moves into **Category B** it becomes a 'current project' for which staff and related resources are allocated to progress the work. The criteria as set out in the Framework provides an appropriate basis for the Board's programming decisions (discussed on page 17 of the CP).

49.   As highlighted in **section C**, various respondents, in commenting on the proposed Strategy, raised matters that allude to maintaining an appropriate balance in taking on new projects to revise or develop standards and the possible cumulative effect of successive fundamental changes to standards (e.g., the potential negative impact on the public interest, including the quality of engagements, arising from stakeholders not being given sufficient time to absorb changes). It is appropriate to also reflect on these matters when making programming decisions about the nature and extent, as well as timing of new standard-setting projects.

50.   **Sections D.1 and D.2** below, discuss the Planning Committee's consideration of the candidate topics to assist with programming decisions in finalizing the Work Plan.

D.1   Audits and Reviews

51.   **Agenda Item 5-A** provides a summary of respondents' comments to Question 4 which addressed candidate topics in the area of Audits and Reviews. **Appendix 3** provides an overview of the Planning Committee's consideration of these topics (Topics A to K in Table B in the CP) based on respondents' feedback.

Focus on the Impact of Technology

52.   A key matter to note from the feedback received, is the prominence across stakeholder groups of the need to focus on the impact of technology, particularly in relation to the ISAs. Many respondents variously highlighted the need for a more strategic, broadly considered approach and the immediate need to address and embed technology in the ISAs. Some also highlighting that the IAASB needs a long-term strategy for addressing technology as part of its standard-setting activities.

53.   In commenting on technology various stakeholders mentioned Topics B to G in Table B in the CP, as follows:

- That ISA 330[9] (Topic B) should be revised together with a project(s) addressing standards in the ISA 500-series and that a significant part of any update to ISA 330 would involve addressing technology-related matters.

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9   International Standard on Auditing (ISA) 330, *The Auditor's Responses to Assessed Risks*

- There was broad recognition that revisions to ISAs 501,[10] 505,[11] 520[12] and 530[13] (Topics C to F) will have a particular technology focus. Although some stakeholders (including two Monitoring Group members) pointed out that revising these standards should not only be about addressing technology but there also are other additional or specific matters to be addressed in each of these standards.

- Broad support was expressed for a technology targeted or omnibus project (Topic G) as opposed to addressing technology as individual standards are opened as part of specific projects (i.e., applying a holistic approach rather than addressing technology on a 'piecemeal' basis). Stakeholders recognized that this work could mostly be targeted at the identified standards in the ISA 500-series (and ISA 330, as indicated in the first bullet above).

54. In addition, respondents referred to the IAASB's current project on revising ISA 500, *Audit Evidence.* Stakeholders questioned whether the proposed revisions in ED-500 [14] were sufficiently ambitious. This feedback was consistent with comments received on ED-500. The Planning Committee specifically noted the following challenges from ED-500 respondents:

- The revisions to ISA 500 alone are not sufficient to address all audit evidence-related matters across the ISAs (i.e., the effectiveness of the proposals in ED-500, subject to further enhancements as proposed by respondents, is dependent on also revising other relevant ISAs). Respondents expressed a sense of urgency in this regard and often referred to the proposed projects for ISA 330 and targeted standards in the ISA 500-series as set out in the Strategy and Work Plan Consultation, including in relation to the technology aspects of revisions to these standards.

- Whether the objective of modernization, especially in relation to the impact of technology, was achieved, including calls that technology-related matters should be more broadly addressed in ED-500 as well as other standards in the ISA-500 series. This would also mitigate against the need for subsequent revisions to ED-500 in short succession.

The Audit Evidence Task Force has addressed the feedback received on ED-500 in **Agenda Item 4**.

55. The Planning Committee proposes that the Board considers the following directional points for programming decisions related to Topics B to G in **Appendix 3** (i.e., possible projects to include in the Work Plan that would address these topics):

- All these topics qualify to move into Category B as contemplated in the Framework during the work plan period.

- It is appropriate to also consider how the feedback received from the public consultation on ED-500 (in general, as well as in relation to technology more specifically) may need to factor into any programming decisions.

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[10]   ISA 501, *Audit Evidence – Specific Considerations for Selected Items*

[11]   ISA 505, *External Confirmations*

[12]   ISA 520, *Analytical Procedures*

[13]   ISA 530, *Audit Sampling*

[14]   Exposure Draft of Proposed ISA 500 (Revised), *Audit Evidence* (ED-500)

- The following are two options in relation to projects to include in the Work Plan that would address Topics B to G (and factoring in the current Audit Evidence project):

<u>Option (I) – More traditional, linear approach</u>

Separate ISA 330 project and a technology project focused on standards in the ISA 500-series (i.e., revisions for the impact of technology and other modernizations):

- o ED-500 (complete the current Audit Evidence project within the planned project timeline)

- o ISA 330 (including addressing the impact of technology)

- o Technology focused modernization of targeted standards in the ISA 500-series (i.e., ISAs 501 (inventory section), 505, 520 and 530)

> Under this option, ED-500 is finalized under the existing approved project proposal and the timeline as indicated in Table A in **Agenda Item 5-B** (see pages 16-17). This would include developing robust proposals to address respondents to ED-500's feedback with respect to technology commensurate with the nature and role of ED-500 within the suite of ISAs as a 'reference framework' for the auditor when making judgments about audit evidence throughout the audit. The benefit is that ISA 500 (Revised) could be completed on time. However, compared to the next option below, certain matters raised in respondents' feedback to ED-500 cannot be addressed without identifying and addressing the necessary linkages with other standards.
>
> A project to revise ISA 330 would be the first new project in the Work Plan, a major component of which would involve addressing technology-related matters of the auditor's risk responses, as well as addressing the 'performance' aspects of the audit evidence reference framework established in ED-500.
>
> An additional project, *technology focused modernization of targeted standards in the ISA 500-series*, would be included in the Work Plan. The appropriate time to commence such a project would be determined based on its priority compared to the priority of other potential projects being considered in this **section D.1**, Audits and Reviews.

<u>Option (II) – More integrated approach</u>

An expanded audit evidence and risk response project, and a technology project focused on other targeted standards:

- o Revising ISA 500, ISA 330, and ISA 520 [15] as a package (the current Audit Evidence project will become part of this expanded project). Addressing the impact of technology will be a significant part of the standard-setting action.

- o Technology focused modernization of ISAs 530, 505 and 501 (inventory section) (revisions for the impact of technology and other modernizations).

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[15] ISA 520 is included in this proposed 'package' because of the importance of substantive analytical procedure as part of substantive procedures as addressed in ISA 330 (i.e., substantive procedures comprise tests of details and substantive analytical procedures). There also is a link to analytical procedures as risk assessment procedures in ISA 315 (Revised 2019) and the interplay between these two types of analytical procedures.

> Under this option, the first new project in the Work Plan would be *audit evidence and risk response (ISAs 500, 330 and 520)*. The project proposal would encapsulate holistically addressing the 'reference framework' aspects of obtaining sufficient appropriate audit evidence (ISA 500) and the 'performance' aspects of the auditor's responsibility to design and perform audit procedures to obtain sufficient appropriate audit evidence (ISAs 330 and 520). Both the reference framework aspects and the performance aspects would have a strong focus on addressing the impact of technology with the benefit of the feedback that has been received on ED-500.
>
> ISA 500 would retain its nature and role within the suite of ISAs as a reference framework for the auditor when making judgments about audit evidence throughout the audit. In parallel, the risk response component would build on the foundational principles in ISA 500, including relevant technology-focused modernizations. This project may accommodate more than one but parallel workstreams with a single targeted completion date.
>
> Such an approach would allow the IAASB to undertake a more ambitious and integrated effort on audit evidence and technology, while addressing other priority standards. It would delay the completion of ISA 500 (Revised) but would be consistent with a desire for both more time to implement new standards and a more strategic approach.
>
> An additional project, *technology focused modernization of ISAs 530, 505 and 501 (inventory section)*, would be included in the Work Plan, with no immediate commitment to undertake. The appropriate time to commence such a project would be determined based on its priority compared to the priority of other potential projects being considered in this **section D.1**, Audits and Reviews.

- Respondents also mentioned that non-authoritative guidance could be an effective means to provide more immediate guidance to stakeholders relating to the impact of technology. This is relevant, for example, in recognizing that there is a limit to the number and extent of standard-setting that can be undertaken in a given period.

Other Topics – ISA 320,[16] ISA 620,[17] ISA 720 (Revised),[18] ISRE 2410[19] and Joint Audits

56. The Planning Committee proposes that the Board considers the following directional points for programming decisions related to Topics A and H to K in **Appendix 3** (i.e., possible projects to include in the Work Plan that would address these topics):

- All these topics, except for "Joint Audits", qualify to move into Category B as contemplated in the Framework. "Joint Audits" are excluded primarily due to feedback that indicates that the qualifying criteria of global prevalence and urgency are not satisfied.

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[16] ISA 320, *Materiality in Planning and Performing an Audit*

[17] ISA 620, *Using the Work of an Auditor's Expert*

[18] ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

[19] International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

- The revision of ISRE 2410 ranks high as a candidate topic, with strong arguments presented in favor of a project (see **Agenda Item 5-A**, paragraphs 106-107). Support for a project on ISRE 2410 was mixed across stakeholder groups (with around a 75:25 split in favor of a project). Those supporting a project were predominantly national auditing standard setters, accounting firms, and member bodies and other professional organizations. Those who indicated that a project is not a priority or a low priority, mainly due to their assessment of the importance of ISRE 2410 relative to other candidate topics, were a Monitoring Group member and regulators and audit oversight authorities.

- ISA 320 also ranks high and both respondents who supported and those who did support a project presented strong arguments for each case (see **Agenda Item 5-A**, paragraphs 51-52 and 69-71). Again, views were mixed across stakeholder groups (with around a 60:40 split in favor of a project). All Monitoring Group members and regulators and audit oversight authorities who commented on ISA 320, supported a project, while member bodies and other professional organizations predominantly did not view the revision of ISA 320 as a priority project or did not support a project. Respondents from national auditing standard setters and accounting firms were more evenly split in supporting or not supporting a project to revise ISA 320.

- ISA 620 and ISA 720 (Revised) ranks behind potential projects for ISRE 2410 and ISA 320, with very similar support across the qualifying criteria. Respondents supporting an ISA 720 (Revised) projects made strong links to the practical challenges that were highlighted as part of the post-implementation review of the Auditor Reporting standards and the increased focus on other information as external reporting has expanded to include a wide range of financial and non-financial information. Respondents supporting an ISA 620 project highlighted specific technical areas for improvement (quality considerations), the increased use of experts (both in audit and assurance engagements), concerns from regulatory inspections, and the fact that IESBA has an active project in this area.

Post-Implementation Reviews

57.   In addition to addressing the "Audits and Reviews"-topics (Topics A to K) in Table B in the CP, respondents also commented on post-implementation reviews when responding to Question 3 in relation to the strategic action about post-implementation reviews under strategic objective 1 (see **section C.3** above). A total of 22 (36%) respondents across stakeholder groups commented on post-implementation reviews (including two Monitoring Group members). [20]

58.   All except one of the respondents who commented, noted their support for the IAASB undertaking post-implementation reviews for ISA 540 (Revised) and ISA 315 (Revised 2019)[21] (six respondents specifically indicating that they attach a high priority to these post-implementation reviews). Half of the respondents who commented supported a post-implementation review for the Quality Management Standards. A Monitoring Group member and certain regulators and audit oversight authorities suggested that ISA 540 (Revised) and ISA 315 (Revised 2019) could be addressed together in one post-implementation review.

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[20]   Post-implementation review projects were addressed on page 19 of the CP and listed ISA 540 (Revised), ISA 315 (Revised 2019) and the Quality Management Standards as candidate topics.

[21]   ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

59. The Planning Committee noted the Board's position in the CP that post-implementation reviews of new or revised standards are only considered after a significant period of global adoption and implementation of a standard (i.e., 3–5 years). Based on this rationale, the effective dates of the various post-implementation review candidates, respondents' feedback, and the anticipated capacity for new projects during the work plan period, it is unlikely that a post-implementation review for the Quality Management Standards would be commenced during this work plan period.

60. It would be appropriate to consider post-implementation reviews for ISA 540 (Revised) and ISA 315 (Revised 2019), whether individually or combined, during the upcoming work plan period. It should be noted that any post-implementation review project(s) competes with the proposed standard-setting projects discussed in this agenda item to fill available new project 'slots' in the Work Plan.

Matters for IAASB Consideration

1. The IAASB is asked for its views on possible programming decisions in finalizing the Audits and Reviews section of the Work Plan, including with respect to the matters discussed in **Section D.1** above.

D.2 Sustainability and Other Assurance Engagements

61. **Agenda Item 5-A**, paragraphs 113–128 provide a summary of respondents' comments to Question 5 relating to future standards for assurance on sustainability reporting and assurance on XBRL (Topics L and M in Table B in the CP).

Further Standards as Part of a Bespoke Suite of Standards on Sustainability Assurance

62. The three Monitoring Group respondents supported a possible project(s) addressing further standards for assurance on sustainability reporting (Topic L) but did not provide likely candidate topics for further standards.

63. The three Monitoring Group respondents together with respondents across the other stakeholder groups (primarily regulators and audit oversight authorities, national auditing standard setters, accounting firms, and member bodies and other professional organizations) expressed strong support for the Board's phased approach, comprising immediate action to develop ISSA 5000 and to develop further standards as part of a bespoke suite of standards on sustainability assurance.

64. Although supportive of the IAASB's work relating to sustainability assurance engagements, two respondents (a national auditing standard setter and a member body/ professional organization) cautioned that it is premature to determine topics of possible future standards at this time. They encouraged the IAASB to ensure a stable platform for the effective implementation of ISSA 5000 (i.e., it is in the public interest to allow a reasonable period for the adoption and implementation of ISSA 5000 for it to be properly integrated and embedded in practice and for experience and learning to build up).

65. It also is important to note that most respondents who commented on Topic L did not provide views about likely candidate topics for further standards. For those respondents who did comment, the following candidate topics were mentioned/ supported by at least three to six respondents (listed in order of priority based on degree of support):

- Estimates and forward-looking information (including scenario analysis).

- Materiality (double materiality, multiple materiality, the qualitative consideration of materiality, and using materiality in planning the engagement and in evaluating misstatements).

- Using the work of experts.

- Fraud risks (including greenwashing).

- Climate-related sustainability disclosures (also mentioning a new standard or updating ISAE 3410)[22].

66. The Planning Committee noted that the CP (page 20) also indicated that the Board would expect that new projects may be driven by the relative importance and urgency at the time for developing further specific standards within the ISSA suite of standards and acknowledged that there may be a need for ISSA 5000 to first be adopted and implemented, which could be an important source of information about the need for further specific standards for which projects could then be undertaken. In the Planning Committee's view, the Board's commitment to establishing a bespoke suite of standards on sustainability assurance should not be in doubt and, therefore, proposes that the Work Plan includes a placeholder for developing further ISSAs. Also see *Initial Views of the Planning Committee*, after paragraphs 67–73 below.

ISAE 3000 (Revised),[23] ISAE 3410, and the EER Guidance[24]

67. In commenting on Topic L, certain respondents highlighted the need for the Board to turn its attention to ISAE 3000 (Revised), ISAE 3410, and the EER Guidance after completion of the ISSA 5000 project (two national auditing standard setters and some respondents from accounting firms and member bodies and other professional organizations). I.e., either clearly communicating the status and role of these standards and guidance vis-à-vis ISSA 5000 or undertaking a project(s) to update or revise these.

68. Respondents viewed that a focus on the above standards and guidance is important to avoid confusion among practitioners that will be using the ISAEs and ISSA 5000 for different assurance engagements and to remove any inconsistencies among different assurance engagement standards. A national auditing standard setter and two accounting firms also identified the need to update the EER Guidance, since the continued relevance and usefulness of the EER Guidance will be difficult without revision.

69. With specific reference to ISAE 3410, some respondents (mostly accounting firms and member bodies and other professional organizations) encouraged the IAASB to clarify the relationship between ISSA 5000 and ISAE 3410, to consider whether ISAE 3410 may fit better under the ISSA 5000-suite of standards, or whether to develop a new standard in the ISSA 5000-suite to replace ISAE 3410. Clarity on how to proceed in this regard is dependent on the feedback the Board is expected to receive on ED-5000.

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[22] International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*

[23] ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

[24] Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements

Assurance on XBRL

70. One Monitoring Group member commented on Topic M, expressing support for a project to develop an assurance standard on XBRL. 37 other respondents (primarily regulators and audit oversight authorities, national auditing standard setters, accounting firms, and member bodies and other professional organizations) also commented on Topic M.

71. Respondents mostly commented on the merits for the IAASB to include or not to include Assurance on XBRL (or the digital reporting of both financial and non-financial information) in the Work Plan for 2024–2027. Views were mixed, with 63% of respondents supporting a project (including one Monitoring Group member) and 37% of respondents being of the view that a project is not required. Some of the views also related to the IAASB not necessarily undertaking a project to develop a new standard but rather to undertake a research project to first understand stakeholders' needs, or to update ISAE 3000 (Revised) to better accommodate a wide range of subject matters, including XBRL assurance engagements.

72. Respondents who expressed support for a project on Topic M were primarily from jurisdictions with a local standard or guidance on XBRL reporting. Some of these respondents also proposed the development of non-authoritative guidance as an alternative to standard setting.

73. Respondents who did not support or who were not in favor of prioritizing a project on Topic M were mostly from jurisdictions that did not mandate XBRL reporting. These respondents questioned the prevalence of the topic globally (i.e., one of the qualifying criteria in the Framework), the balancing of the IAASB's resources and capacity to focus on high/ higher priority projects at this time and indicating that ISAE 3000 (Revised) provide a baseline for these types of engagements and that local standards or guidance are able to address specific or additional needs.

Initial Views of the Planning Committee

74. The Planning Committee proposes that the Board considers the following directional points for programming decisions about the topics discussed in paragraphs 67 to 73 above:

- It is not appropriate at this time to include in the Work Plan candidate topics for further standards in the ISSA 5000-suite. However, it would be prudent to have a placeholder for further standard-setting should specific public interest issues or urgent matters arise that are not known at the time of approval of the Work Plan.

- A revision of the EER Guidance ranks high in terms of an action that would complement the adoption and implementation of ISSA 5000, once completed.

- Although respondents also presented arguments for revisiting ISAE 3000 (Revised), such views should be balanced in terms of the role and function of ISAE 3000 (Revised) as an umbrella standard for all assurance engagements for which no stand-alone standard exist. The Board's position that was presented in footnote 31 to Table B in the CP still applies. It is unlikely that a project would be commenced during this work plan period.

- The future of ISAE 3410 and in particular the need for any standard-setting action should be informed by the feedback on ED-5000 and implementation experience from ISSA 5000. Additional action to clarify the relationship between ISAE 3410 and ISSA 5000 is possible in the interim.

- Assurance on XBRL broadly satisfies the qualifying criteria as a candidate topic to move into Category B as contemplated in the Framework. However, it ranks as a low priority topic relative to other topics. It is unlikely that a project would be commenced during this work plan period.

E. Way Forward

75. Based on the Board's direction during the September 2023 IAASB meeting, input from the CAG at its September 2023 meeting, and items resulting from the planned joint IAASB-IESBA Board session in September 2023, the Planning Committee will continue to update the Strategy and Work Plan to be responsive to the feedback received from IAASB stakeholders.

76. The Planning Committee will continue to coordinate with the IESBA Planning Committee, as appropriate, as well as with the Audit Evidence Task Force in relation to appropriately feeding insights from that project into any proposed programming decisions about the grouping and prioritization of relevant projects for the Work Plan.

77. The IAASB Chair, senior staff, and other Board members, as appropriate, will continue to highlight the Strategy and Work Plan during outreach events in Q4 2023.

78. The Planning Committee intends to request approval of the Strategy and Work Plan at the December 2023 IAASB meeting.

Appendix 1

Planning Committee Members and Activities, Including Outreach Since the December 2022 IAASB Meeting

1.   The Planning Committee serves as the task force for this project. Members are:

- Tom Seidenstein, IAASB Chair;

- Josephine Jackson, IAASB Vice-Chair;

- Julie Corden;

- Kai Morten Hagen;

- Sachiko Kai; and

- Isabelle Tracq-Sengeissen.

Task Force Activities

2.   Comments to the Strategy and Work Plan were due by April 11, 2023. After staff's initial analysis of comments during Q2 2023, the Planning Committee met once in Q3 2023 by videoconferences to discuss the feedback received and develop proposals for updating the Strategy and Work Plan.

Outreach Activities

3.   The IAASB Chair updated the Public Interest Oversight Board (PIOB) on the planned December 2023 approval of the Final Strategy and Work Plan at the PIOB's July 2023 meeting.

4.   The proposed Strategy and Work Plan was addressed in meetings and events with various stakeholders from December 2022 to August 2023 as part of the general outreach program, including:

- The International Association for Accounting Education & Research (IAAER) representatives

- The International Association of Insurance Supervisors (IAIS), Accounting and Auditing Working Group

- The Institute of Chartered Accountants in England and Wales (ICAEW) representatives

- The Forum of Firms representatives

- The International Forum of Independent Audit Regulators' (IFIAR) Standards Coordination Working Group

- The Japanese Institute of Certified Public Accountants (JICPA) representatives and representatives from the Japan Business Federation, Keidanren

- INTOSAI Financial Audit and Accounting Subcommittee

Appendix 2

List of Respondents to the Consultation Paper on the IAASB's Proposed Strategy and Work Plan for 2024–2027

No.	Respondent	Region
Monitoring Group		**Total: 3**
1.	International Forum of Independent Audit Regulators (IFIAR)	Global
2.	International Association of Insurance Supervisors (IAIS)	Global
3.	International Organization of Securities Commission (IOSCO)	Global
Investors and Analysts		**Total: 2**
4.	Eumedion (EUM)	Europe
5.	Norges Bank Investment Management (NBIM)	Europe
Regulators and Audit Oversight Authorities		**Total: 6**
6.	Canadian Public Accountability Board (CPAB)	North America
7.	Committee of European Auditing Oversight Bodies (CEAOB)	Europe
8.	Financial Reporting Council – UK (FRC)	Europe
9.	Haut conseil du commissariat aux comptes (H3C)	Europe
10.	Independent Regulatory Board for Auditors (IRBA)	Middle East and Africa
11.	Irish Auditing & Accounting Supervisory Authority (IAASA)	Europe
National Auditing Standard Setters		**Total: 11**
12.	American Institute of Certified Public Accountants (AICPA)	North America
13.	Australian Auditing and Assurance Standards Board (AUASB)	Asia Pacific
14.	Austrian Chamber of Tax Advisors and Public Accountants (KSW)	Europe
15.	Canadian Auditing and Assurance Standards Board (CAASB)	North America
16.	Compagnie Nationale des Commissaires aux Comptes (CNCC) and Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC)	Europe
17.	Hong Kong Institute of Certified Public Accountants (HKICPA)	Asia Pacific
18.	Institut der Wirtschaftspruefer (IDW)	Europe
19.	Japanese Institute of Certified Public Accountants (JICPA)	Asia Pacific
20.	New Zealand Auditing and Assurance Standards Board (NZAuASB)	Asia Pacific
21.	Public Accountants and Auditors Board Zimbabwe (PAAB)	Middle East and Africa

No.	Respondent	Region
22.	Royal Netherlands Institute of Chartered Accountants (NBA)	Europe
Accounting Firms[25]		**Total: 11**
23.	Baker Tilly International* (BT)	Global
24.	BDO International* (BDO)	Global
25.	Deloitte Touche Tohmatsu* (DTT)	Global
26.	Ernst & Young Global* (EYG)	Global
27.	ETY (ETY)	Middle East and Africa
28.	Grand Thornton International* (GT)	Global
29.	KPMG IFRG* (KPMG)	Global
30.	Mazars	Global
31.	MNP	North America
32.	PricewaterhouseCoopers International* (PWC)	Global
33.	RSM International* (RSM)	Global
Public Sector Organizations		**Total: 1**
34.	Office of the Auditor General of Alberta (AGA)	North America
Member Bodies and Other Professional Organizations		**Total: 21**
35.	Accountancy Europe (AE)	Europe
36.	ASEAN Federation of Accountants (AFA)	Asia Pacific
37.	Association of Chartered Certified Accountants (ACCA)	Global
38.	Center for Audit Quality (CAQ)	North America
39.	Chamber of Auditors of the Czech Republic (CACR)	Europe
40.	Chartered Accountants Australia and New Zealand (CAANZ)	Asia Pacific
41.	Chartered Accountants Ireland (CAI)	Europe
42.	CPA Australia (CPAA)	Asia Pacific
43.	European Federation of Accountants and Auditors for SMEs (EFAA)	Europe
44.	Institute of Chartered Accountants in England and Wales (ICAEW)	Europe
45.	Institute of Chartered Accountants of Nigeria (ICAN)	Middle East and Africa
46.	Institute of Chartered Accountants of Scotland (ICAS)	Europe

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[25]   Forum of Firms members are indicated with an asterisk (*). The Forum of Firms is an association of international networks of accounting firms that perform transnational audits.

No.	Respondent	Region
47.	Institute of Management Accountants & XBRL International (IMA-XBRL)	Global
48.	Institute of Singapore Chartered Accountants (ISCA)	Asia Pacific
49.	International Federation of Accountants' Small and Medium Practices Advisory Groups (SMPAG)	Global
50.	Lao Chamber of Professional Accountants and Auditors (LCPAA)	Asia Pacific
51.	Nordic Federation of Public Accountants (NRF)	Europe
52.	Norwegian Institute of Public Accountants (DNR)	Europe
53.	Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso (ONECCA)	Middle East and Africa
54.	Pan-African Federation of Accountants (PAFA)	Middle East and Africa
55.	Wirtschaftsprüferkammer (WPK)	Europe
Academics		**Total: 1**
56.	Deakin University Integrated Reporting Centre (DU)	Asia Pacific
Individuals and Others		**Total: 5**
57.	Anne Ramsay et al. (AR)	North America
58.	Chris Barnard (CB)	Europe
59.	Cristian Munarriz (CM)	South America
60.	Kazuhiro Yoshii (KY)	Asia Pacific
61.	Muhammad Umar (MU)	Middle East and Africa

Appendix 3

Overview of the Consideration of Candidate Topics in the Area of Audits and Reviews

The table below provides an overview of the Planning Committee's consideration of Topics A to K in Table B in the CP based on respondents' feedback.

Note the following:

- "Qualifying criteria" are the criteria in the Framework for including or moving a topic into Category B and, if appropriate, to progress further through the Framework (i.e., if standard-setting results, the key milestones are a project proposal, an exposure draft for public consultation and a final standard).

- Based on the work that informed the development of the CP, the Planning Committee accepted that the topics that had been included in Table B in the CP are aligned with the IAASB's **standard-setting remit**, therefore, this criterion has not been included in the table below. The remaining four qualifying criteria are addressed.

- The far-left column lists indicators identified from respondents' comments relating to each of the qualifying criteria addressed in the table. The color coding reflects the strength of the indicators for each of the qualifying criteria (see degree of shading in the table). This is an overall judgment, based on the balance of respondents' comments in relation to the relevant topics in Table B in the CP (the significance, extent and commonality of reasons or factors raised by respondents from specific or across stakeholder groups).

Qualifying criteria and indicators linked to each	A ISA 320	B ISA 330	C ISA 501	D ISA 505	E ISA 520	F ISA 530	G Techn ology	H ISA 620	I ISA 720	J ISRE 2410	K Joint Audits
Action on the topic is in the public interest											
Respondents supported a possible project and did <u>not</u> raise reservations about the identified need for action on the topic											
Respondents made comments that specifically draw attention to the consistency of practice and behaviors, and/or highlighted the projects or actions already undertaken by others as a prompt for the IAASB to follow suit											

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Qualifying criteria and indicators linked to each	A ISA 320	B ISA 330	C ISA 501	D ISA 505	E ISA 520	F ISA 530	G Technology	H ISA 620	I ISA 720	J ISRE 2410	K Joint Audits
Prevalence of the issue globally											
Although global relevance was implicit in including the topic in Table B in the CP, respondents also did <u>not</u> provide specific reasons refuting global relevance											
Action is needed to maintain or enhance quality of engagements											
Respondents highlighted specific issues or technical areas that need to be addressed, as well as better aligning with the current environment (business or practice) or addressing the link to other standards (in particular, recently revised standards or standards under revision)											
The topic was highlighted in terms of the significance of inspection findings or regulatory concerns, including addressing the expectations of regulators											
Urgency for the issue to be addressed											
The urgency of standard-setting action was explicitly referenced or a need not to delay or postpone, or an indication that this topic should be prioritized over others being considered											
There is a low incidence of respondents arguing that the topic is less important or not as important as the other topics being considered (conversely, if this was argued, urgency is not supported)											