

## **International Auditing and Assurance Standards Board**

*Online submission*

11 April 2023

Dear Mr Seidenstein,

### **Proposed Strategy and Work Plan for 2024–2027**

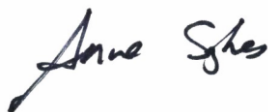
Chartered Accountants Ireland welcomes the opportunity to comment on the IAASB Proposed Strategy and Work Plan for 2024–2027.

**We have the following overall comments and our responses to the questions in the consultation are attached.**

- There is a trade-off between having a stable platform and keeping the standards fit-for-purpose.
- There have been significant recent changes (e.g., ISA 315, 540 and 600) therefore the IAASB should assess the impact via post implementation reviews before starting to revise other ISAs.
- Sustainability related matters will require considerable time and energy from all parties including IAASB, PAOs and the firms.
- To address some of resource constraints, the IAASB could consider more narrow scope amendments. Tools such as Frequently Asked Questions and other non-authoritative material may be a solution.
- We are supportive of the need to revise ISRE 2410 and a narrow scope amendment on the ISA 500 series once ISA 500 is revised.
- There needs to be a project on a standard for XBRL tagging, perhaps similar to the ISA 501 scope standard on a specific matter.
- ISA 720 should be higher up the list as it is not a very helpful standard in its current form and given the increased focus on this area with disclosure of climate matters, the standard needs to be updated to make sure it is fit for purpose.

If you have any questions on any of the comments in this response, please do not hesitate to contact me at [anne.sykes@charteredaccountants.ie](mailto:anne.sykes@charteredaccountants.ie) or on + 353 1 6377313.

Yours sincerely



Anne Sykes  
Secretary  
Assurance and Audit Technical Committee  
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## Responses to questions

1. Do you agree with Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition?

We support the IAASB's overall goals for 204-27 to develop leading high-quality standards. The proposed goal refers to performance of high-quality engagements. With the ISQMs, the focus is now on quality management at firm level which underpins performing high-quality engagements. Hence, we believe that IAASB's goal should include a reference to quality management.

In finalizing its work plan, the IAASB needs to consider capacity-related and practical issues standard-setters, professional bodies and firms face in adopting and implementing revised or new standards. Implementation requires considerable amount of time and resources for integrating into current methodologies, training, etc. See also our response to question 3 below.

2. 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?

We have no comments on this question.

3. Do you agree with Our Proposed Strategic Objectives and Our Proposed Strategic Actions?

Overall, we agree with proposed strategic objectives and actions. The focus should be where the impact of the enhanced standards is most effective.

Priority needs to be given to the ISSA 5000 standard. Issuing a new standard is time consuming and requires considerable resources and the workload to implement the standards into practice requires even more resources on the part of audit firms and networks.

Once the current big-ticket items have been addressed (fraud, going concern and ISSA 5000) the IAASB should aim for a stable platform for a period of time to allow the profession sufficient time to implement and embed into practice the new/revised standards. An environment of constant changes to auditing standards creates a significant risk to audit quality, as such, part of the strategic objectives should be to plan for periods of stability in auditing and assurance standards as part of the standard setting process.

4. Do you support the identified possible new standard-setting projects as set out in Table B within the area of audits and reviews (numbered A. to K.)? Please share your views on the individual topics, including, if relevant, why certain topics may be relatively more important to you, your organization or within your jurisdiction.

Post implementation reviews must be conducted prior to revising other standards due to recent significant revisions of ISA 540 and ISA 315 as well as ISQM.

Based on the outcome of these post implementation reviews, the need for revising other standards should be reconsidered; however, this must include cost benefit considerations.

We believe that there is a need to update ISA 501 regarding the requirement to attend at a physical stock-take. This includes application guidance allowing to attend remote or to perform other procedures addressing the risk of material misstatement in respect to relevant assertions in existence and/or completeness, i.e., a true risk-based approach. This could be a narrow scope project.

In regard to ISSA 5000, using the work of an auditor's experts should be a focus, since recourse to subject-matter experts will be needed in assurance of sustainability information. This includes both focus on ISSA 5000 and other sustainability assurance that will trickle down to SME/LCE as part of supply chain reporting involving smaller audit firms.

ISA 720 should be higher up the list for amendment as it is not a very helpful standard in its current form and given the increased focus on this area with disclosure of climate matters, the standard should be more fit for purpose.

5. Do you support the identified possible new standard-setting projects as set out in Table B within the area of sustainability and other assurance engagements (numbered L. and M.)? Topic L., Further Standards for Assurance on Sustainability Reporting, would involve addressing multiple topics (as part of possible multiple projects). Please provide your views about likely candidate topics for further standards?

There is a need for more focus on sustainability. Both for sustainability reporting (i.e., CSRD in Europe), and also for sustainability data reported from suppliers to those reporting on "full sustainability requirements".

We note the timeline for the ED of ISSA 5000 reflects this urgency.

6. Are there other topics that we should consider as new standard-setting projects? If so, please indicate whether any such topics are more important than the topics identified in Table B, and the needs and interests that would be served by undertaking work on such topic(s).

We believe that the impact of technology, including disruptive technologies, is not properly addressed in the ISAs. Technologies used by auditors in gathering and reporting financial information evolve rapidly and audit firms are adapting their methodologies and tools in this regard. There is a need to assess the appropriateness of the ISAs as a whole with regards to technology and modernise relevant ISAs as necessary. The non-authoritative materials issued by the IAASB could be a suitable starting point in this respect.

There needs to be a project on an Auditing Standard for XBRL tagging, similar to the ISA 501 scope standard on a specific matter.

7. Our proposed Strategy and Work Plan emphasizes the importance of close coordination with our sister-Board, IESBA. What are your views about whether and, if so, how coordination could be enhanced in terms of opportunities for joint or complementary actions that would better serve the public interest? Suggestions could entail standard-setting work, engagement with stakeholder groups, and improved ways of working, among others?

The boards should aim for joint definitions of critical terms and where possible align timelines for overlapping projects.

Collaboration between the boards would be particularly useful in the development of assurance and ethics (including independence) standards for assurance on sustainability information.

8. Are there any other matters that we should consider in finalizing our Strategy and Work Plan?

Post implementation reviews should include evaluation of the extent to which the recent revisions to standards achieved the behaviour changes aimed for by the revisions.

Many responses to recent consultations, (in particular the responses to the LCE consultation) have commented the standards are becoming increasingly long and complex. IAASB needs to continue to focus on the CUSP principles and also on scalability in future revisions of its standards.