

IAASB Strategy Update

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Current Work Plan – Context for Future Work

Project / Initiative	Status
ISA 540 (Revised)	Final standard published October 2018
ISA 315 (Revised)	Final standard expected to be approved June 2019
ISQC 1	Approval of Exposure Draft expected Dec 2018
ISQC 2	Approval of Exposure Draft expected Dec 2018
ISA 220	Approval of Exposure Draft expected Dec 2018
Agreed-Upon Procedures	Final standard expected second half 2019
Emerging Forms of External Reporting	Proposed draft Guidance finalized early 2019
Group audits	Recommences 2019 – priority project (ED Dec 2019)
Audits of less complex entities	Discussion paper expected March 2019
Audit Evidence (incl. professional skepticism, data analytics)	Scoping of project expected to commence 2019

Strategy Survey (76 Responses) – What We Heard

- **Global issues, trends or developments**

- Advances in *technology*
- Changing reporting *needs of stakeholders* (integrated reporting, sustainability reporting)
- Changing environment for *small and medium sized practices* (importance of scalable standards)
- *Future of the profession*, including the perceived value of the audit and the competencies and training of audit personnel

- **Key challenges**

- *MG consultation* and changes therefrom
- *Timeliness* of standard-setting
- Demands from *different stakeholder groups*



Strategy Survey – What We Heard



- **Key opportunities**

- Change how the Board operates (more strategic)
- Improvements or changes to the standard-setting process (balance timely guidance vs. due process)
- Increased use of technology to be more efficient
- Collaboration with other standard-setting boards (in particular IESBA) and others (NSS)

- **How the IAASB should focus its activities in 2020–2023**

- Important to *complete current projects underway*
- *Development of standards* still important, but also need *implementation efforts* on recently completed revised standards / standards currently being revised
- More needs to be done to support specific activities (e.g., standard-setting versus development of guidance, including non-authoritative guidance or other Staff documents)
- Focus on *scalability* of standards

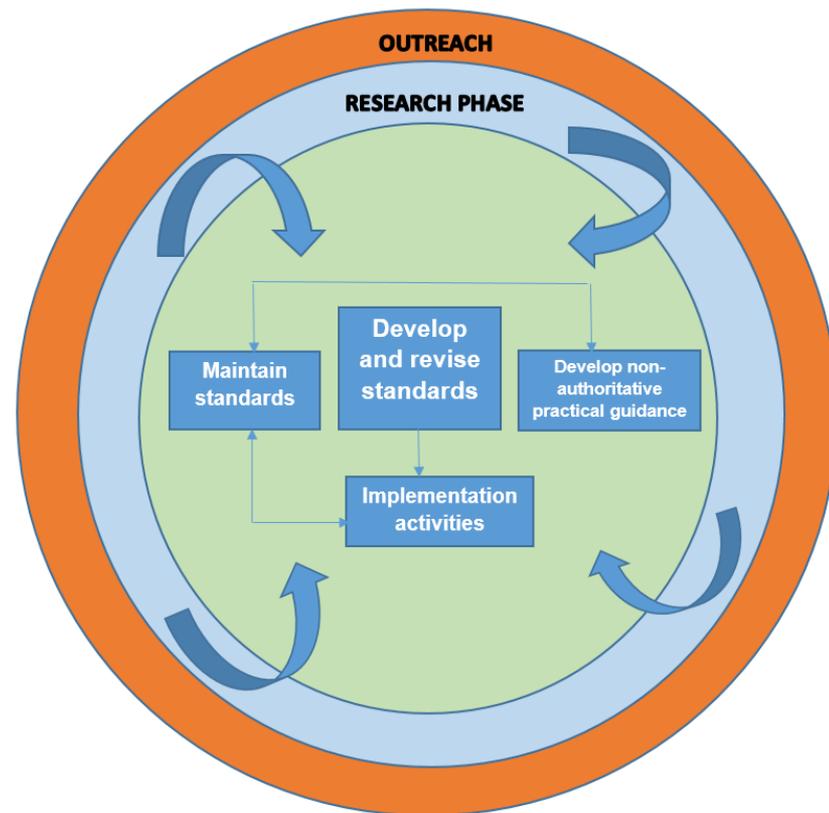
Targeted Outreach – What We Heard (To Date)

- Targeted outreach with stakeholders from which we don't traditionally hear from (investor groups, company director groups, those charged with governance, preparers, smaller firms)
- Ongoing outreach
- Key themes:
 - IAASB focus on '**core activities**'
 - More needs to be done to ensure **effective implementation of standards**
 - **Post-implementation reviews** important
 - **Needs of stakeholders** is key (in changing environment) → continuing **outreach** important
 - Specific areas of focus: technology, assurance on non-financial information / emerging forms of external reporting, skepticism, fraud
 - **Speed of standard-setting** to address issues and challenges, particularly in context of evolving environment
 - Consideration about how the changing environment (e.g., changing business models or skills needed for undertaking the work) affects the standards



Moving Forward on Strategic Direction

- Further consideration will be given to formalizing the Board's policies and procedures in structured activity streams
 - Research phase
 - Developing and revising standards
 - Developing non-authoritative practical guidance
 - Maintenance of standards
 - Implementation activities
 - Ongoing interactions between activity streams
- Outreach to support all phases*



Future Strategy – Supporting Future Proposed Strategic Direction

- Board operations:
 - More **strategic discussion** at Board meetings
 - Detailed drafting done by Staff and comments dealt with offline
 - For some activities, using another mechanism other than discussion and deliberation at a physical Board meeting (e.g., use of more Board teleconferences)
 - **Enhancing the Board’s communication processes** about the progress of its activities
 - Consideration given to whether **measures or other indicators of success** need to (or can effectively be) developed
 - Further consideration **how others (e.g., NSS) can be leveraged**





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