

The IAASB's Strategy for 2015–2019: Fulfilling Our Public Interest Mandate in an Evolving World

This summary provides an overview of *The IAASB's Strategy for 2015–2019: Fulfilling Our Public Interest Mandate in an Evolving World*

Objective:

The International Auditing and Assurance Standards Board's (IAASB) Strategy for 2015–2019: Fulfilling Our Public Interest Mandate in an Evolving World (the Strategy) sets out its vision for the next five years.

The IAASB has identified its strategic objectives for its next strategy period through extensive consultation with its stakeholders. These strategic objectives illustrate how the IAASB intends to focus its activities in this period, with a mid-period review planned to determine whether these objectives remain relevant or whether they need to be revised.

Through its Strategy, the IAASB plans to continue to contribute to enhanced quality and consistency of practice throughout the world, with strengthened public confidence in the global auditing and assurance profession.

For More Information: Visit the IAASB's website at: www.iaasb.org and a staff-prepared [Basis for Conclusions](#)

Addressing the Needs of Stakeholders: The Board's Strategic Objectives

Ensure that International Standards on Auditing (ISAs) Continue to Form the Basis for High-Quality, Valuable and Relevant Audits Conducted Worldwide by Responding on a Timely Basis to Issues Noted in Practice and Emerging Developments

The IAASB will give priority attention to this strategic objective, in particular when considering the overall balance and timing of all planned initiatives for 2015–2019. Work efforts on the ISAs and ISQC 1¹ include:

- Addressing the key findings from the IAASB's [ISA Implementation Monitoring](#) project.
- Promoting adoption of new and revised standards, and post-implementation reviews.
- Monitoring by the Innovation Working Group of evolving developments relevant to audits.

Ensure the IAASB's Standards Evolve as Necessary to Adequately Address the Emerging Needs of Stakeholders for Services Other than Audits of Financial Statements

As the global reporting environment continues to evolve, the IAASB will work to ensure that its standards addressing services other than audits appropriately respond to these developments. The IAASB's Innovation Working Group will play a key role in exploring developments (such as the demand for assurance on integrated reports) and make recommendations as to when standard-setting may be appropriate.

Post-implementation reviews of the Board's revised standards addressing reviews and compilations are also a feature of this strategic objective.

Strengthen Outreach and Collaboration with Key Stakeholders in the Reporting Supply Chain on Public Interest Issues Relevant to Audit, Assurance and Related Services

Many stakeholders have an essential role to play to enhance the quality of financial and corporate reporting and related audit, assurance or other services that are provided in support of enhancing users' confidence. Strengthening outreach and collaboration with these stakeholders is an important part of the IAASB's remit as an international standard-setter.

¹ International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

Work Plan for 2015–2016: Enhancing Audit Quality and Preparing for the Future

This summary provides an overview of *The IAASB's Work Plan for 2015–2016: Enhancing Audit Quality and Preparing for the Future* (the Work Plan).

Objective:

The Board's two-year Work Plan has been developed through extensive consultation and takes into account:

- The IAASB's strategic objectives as set out in the Strategy
- Factors guiding the identification of potential priorities and actions as set out in the Appendix 1 of the Strategy.
- Available resources.

The Strategy acknowledges the IAASB's strong commitment to meeting the expectations of stakeholders regarding the application of the ISAs and ISQC 1, both of which serve a fundamental role in underpinning audit quality. As a result, initiatives in the Work Plan are intended to respond to the key findings from the IAASB's ISA Implementation Monitoring project and addressing auditing issues of importance to supporting global financial stability.

The IAASB also intends, in 2015, to complete projects underway, including addressing financial statement disclosures and updating its standards governing audits of special purpose financial statements to incorporate enhancements from its Auditor Reporting project.

For More Information:

Visit the IAASB's [projects page](#) and a staff-prepared [Basis for Conclusions](#)

New Initiatives Commencing in 2014 and Beyond

Commencement of a standard-setting project requires the approval of the Board. The Work Plan incorporates the Board's initial views on the issues that may be addressed by the new initiatives and the manner in which this may be done.

The Work Plan includes time for research activities, education sessions to further inform the IAASB's debates and decisions, outreach and direct interaction with interested stakeholders.

Group Audits

Possible revisions to ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*, or other non-authoritative publications to address issues including:

- The application of ISA 600 in certain circumstances, including “letterbox” audits.
- Auditor performance in accordance with ISA 600, including the extent of the group auditor's involvement in the work of the component auditor.

Quality Control

Possible revisions to ISQC 1 and ISA 220, *Quality Control for an Audit of Financial Statements*, to address issues identified relating to:

- Engagement quality control reviews.
- Aspects of the *Framework for Audit Quality* not addressed in ISQC 1 or ISA 220.
- Firms' systems of quality control relating to significant audit deficiencies identified by external inspections.
- Proportionality of ISQC 1.

Special Audit Considerations Relevant to Financial Institutions

Possible amendments to ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*, other ISAs and non-authoritative guidance, as appropriate, to address:

- Special considerations relevant to the audit of banks;
- Audit issues arising in the insurance industry; and
- Other issues relevant to ISA 540, including whether any of the issues relating to financial institutions are more broadly applicable.

Agreed-Upon Procedures

Redrafting of ISRS 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, in the Clarity format and possible further revision in light of increased demand for such engagements and developments in various jurisdictions.

This project will also explore the need for further consideration of standard-setting activities for evolving types of engagements, such as “hybrid” engagements (which use a combination of procedures derived from review, compilation and agreed-upon procedures engagements).

Information-Gathering Activities to Inform Future Work and Other Activities

The Initiatives specified for 2015–2016 represent the IAASB's current best thinking of how to deliver on its strategic objectives. The IAASB recognizes the need to remain flexible, and will continue to monitor developments both nationally and internationally. As necessary, the IAASB will reallocate resources, or prioritize one or more projects to commence sooner if considered necessary.

Professional Skepticism

Initial work will focus on exploring the nature of the issues that have been identified relating to the level and consistency of professional skepticism and professional judgment being applied in audits.

There is also linkage to the projects on Quality Control, Group Audits and Financial Institutions, and, as such, this topic may also be embedded in work done on those projects.

Innovation Working Group

The Innovation Working Group will continue to monitor emerging developments and make recommendations to the IAASB about how they may need to be addressed, including whether there is a need for a standard-setting response. The Innovation Working Group has initially set up two separate working groups to specifically monitor:

- The demand for assurance on integrated reports.
- The various applications of data analytics and the relationship to the audit, such as the effect on risk assessments, testing approaches, analytical procedures and other audit evidence.

Further Understanding of ISA Implementation Monitoring Findings Related to ISA 315 (Revised)

More information is needed to further inform the IAASB about possible amendments to ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*, and other ISAs as necessary, to address issues identified by the ISA Implementation Monitoring project and other environmental developments.

Work Plan Consultation and Other Activities

- Consultation on the Work Plan for 2017–2018, including projects for inclusion and their prioritization, in 2016.
- Development of a process for post-implementation reviews of the IAASB's assurance and related services standards.
- Continued dialogue and liaison with stakeholders and other independent standard-setting boards.
- Monitoring International Accounting Standards Board pronouncements for auditability and verifiability issues.
- Supporting use of the IAASB's *Framework for Audit Quality*.