

Meeting: IAASB Consultative Advisory Group (CAG)

Meeting Location: Virtual Zoom Meeting

Meeting Dates: September 8-9, 2021

Agenda Item

H

Complexity, Understandability, Scalability and Proportionality (CUSP) – Drafting Principles and Guidelines — Cover

Objective of Agenda Item

1. The objective of this agenda item is to obtain Representatives' views on aspects of the proposed Drafting Principles and Guidelines developed by the CUSP Working Group.

Project Status

2. In April 2021, the IAASB discussed the CUSP Working Group proposed actions to address complexity, understandability, scalability, and proportionality of the International Standards on Auditing (ISAs), including the [Drafting Principles and Guidelines](#) as its proposed primary action to improve the quality of the drafting of standards and respond to the concerns related thereto. The Board strongly supported the drafting principles and guidelines and noted that they will be useful in enhancing the consistency and effective application of future ISAs and in this manner serve the public interest benefit of making the IAASB's expectations clear to all users of its standards
3. The drafting principles and guidelines outline a drafting framework that aims to:
 - Provide a common understanding to Staff, Task Forces and the IAASB about how the ISAs are drafted.
 - Establish a set of drafting principles and guidelines to promote consistency, clarity and uniformity while drafting ISAs.
 - Encourage a reflective mindset while drafting with respect to CUSP.
 - Enable a more consistent and effective application of the ISAs through a focus on how the ISAs are written and presented.
4. The drafting principles and guidelines have been developed for the use of the IAASB Staff, operating under the direction of the Board and Task Forces. They are intended to guide IAASB Staff while writing new and revising existing standards. They may also be a useful tool for national standard setters who adopt ISAs in their jurisdictions and to ensure consistency when drafting national guidance. The drafting principles and guidelines are also relevant more broadly for other users of ISAs, including those translating standards.
5. The drafting principles and guidelines are non-authoritative. It is intended that they be periodically updated from time to time by revising existing content or adding new content as needed.
6. The CUSP Working Group intends to finalize the drafting principles and guidelines in Q1 2022 following stakeholder inputs received through its targeted outreach undertaken with national standard

setters, regulators and other stakeholders who have experience in drafting standards and rules. These stakeholders will be asked to provide further input, including what other matters in the context of the drafting principles and guidelines, could be helpful to address the issues and challenges with the CUSP of the ISAs more broadly. Broader views from all stakeholders will also be encouraged and information on the drafting principles and guidelines will be shared through the CUSP project webpage.

7. **Appendix A** to this paper provides a history of previous discussions with the IAASB on this topic.

IAASB CAG Discussion in September 2021

8. The IAASB CAG is asked to provide feedback on aspects of the proposed Drafting Principles and Guidelines as set out in the presentation to this agenda item (**Agenda Item H.1**).

Material Presented – IAASB CAG Papers

Agenda Item H.1 CUSP Drafting Principles and Guidelines — Presentation

Appendix A

Project Details and History

Project: CUSP

Link to IAASB Project Page can be found [here](#).

CUSP Working Group Members

- Roger Simnett, Chair
- Isabelle Tracq-Sengeissen
- Eric Turner
- Tania Sergott
- Kohei Yoshimura

Summary

Information Gathering	IAASB CAG Meeting	IAASB Meeting
Proposed actions to address complexity, understandability, scalability, and proportionality of ISAs, including the drafting principles and guidelines	N/A	April 2021