

IAASB Future Strategy Survey

Introduction

The objective of the International Auditing and Assurance Standards Board (IAASB) is to serve the public interest by setting, independently and under its own authority, high-quality auditing, assurance, and other related standards. The IAASB also seeks to facilitate the convergence of international and national standards. These objectives contribute to enhanced quality and consistency of practice throughout the world, and strengthened public confidence in the global auditing and assurance profession. The IAASB sets its international standards under the oversight of the Public Interest Oversight Board, and with the advice of the IAASB's Consultative Advisory Group, which provides public interest input into the development of the standards.

2012 was the first year of implementation of the [IAASB Strategy and Work Program, 2012—2014](#). Developed after extensive consultation, it has provided a framework for the IAASB's focus in its standard-setting and related adoption and implementation initiatives.

The IAASB is now undertaking consultations relating to the development of its strategy for the period 2015—2019, in order to ensure the Board's strategy and related work program are in place by the beginning of that period.

The IAASB is considering a five-year period (2015—2019) for purposes of its future strategy, instead of a three-year period as it has done in the past. The IAASB believes that extending the IAASB's strategy period will enable a better understanding by stakeholders of its medium- to- longer term priorities, and provide a suitable context for purposes of the IAASB's decisions on specific initiatives. Based on its experience and feedback received on past strategy consultations, there is also the view that three years may be too short for purposes of setting the IAASB's strategy, taking into account the time necessary to develop standards with due process and the frequency with which the IAASB undertakes strategy consultations with stakeholders.

In considering a longer strategy period, the IAASB also notes that it plans to establish a working group in 2013, referred to as the Innovation, Needs, and Future Opportunities (INFO) Working Group, to identify and research issues and actively monitor relevant developments that may provide input to specific work streams for the IAASB to pursue.¹ This, in conjunction with input from the IAASB Consultative Advisory Group and from the IAASB's ongoing outreach activities, will serve to keep the IAASB informed of strategic and emerging issues of relevance throughout the period of its strategy.

The IAASB's strategy consultation process for the period 2015—2019 commences with this stakeholder survey. Through this survey the IAASB is seeking views to help identify key issues for consideration by the IAASB in developing its future strategy. Input that is insightful or influential in shaping the direction of its future strategy, or which may help identify emerging developments or trends that are likely to be important in the public interest in the future, is particularly welcome.

Using information gained from this survey, the IAASB plans to release at the end of 2013 a proposed future Strategy and Work Program for public consultation. The intention is that the IAASB's Work Program

¹ The objectives and activities envisioned for the INFO Working Group are further described in **Section II** of this survey.

would then cover a two-year period (2015—2016), updated annually based on input from, among others, the IAASB Consultative Advisory Group, the IAASB INFO Working Group, and monitoring of relevant developments. This two-year cycle will enable the IAASB to better forecast its shorter-term deliverables and to be more responsive to emerging needs, within the context of its longer-term strategy. The findings from the IAASB's ISA Implementation Monitoring project also will be an important input to the IAASB's selection and prioritization of proposed future projects relating to individual ISAs in its Work Program starting 2015.²

We would be grateful if you could complete the following brief questionnaire by **May 7, 2013**.

Section I of the questionnaire requests respondents to provide an indication of the capacity in which they are responding to the questionnaire. To assist respondents in understanding the context in which the IAASB will begin its 2015—2019 strategy period, **Section II** describes the anticipated stage of completion of current IAASB projects by the beginning of 2015. **Section III** includes the specific questions asked of respondents.

Respondents to the public consultation on the proposed future Strategy and Work Program planned for December 2013 will have further opportunity to comment on specific proposed projects at that time.

Individual responses to the questionnaire will not be on public record. They will be summarized for discussion purposes. The summary may be made public. If you have questions, please contact James Gunn, IAASB Technical Director, at jamesgunn@iaasb.org.

² The aims of the ISA Implementation Monitoring project are further described in **Section II** of this survey.

SECTION I: RESPONDENT'S BACKGROUND

Please select from the following which best describes the capacity in which you are responding to this questionnaire:

- Academia
- Accounting Firm
 - Large accounting firm
 - Small or medium sized practice
 - Sole practitioner
- IFAC Member Body or Other Professional Organization
 - IFAC Member Body, Affiliate or Regional Organization
 - Other professional organization
- Investor or Analyst
- National Standard Setter
 - National standards same as, or based on, clarified International Standards on Auditing [Yes/No]
- Preparer of Financial Statements
 - Listed entity
 - Non-listed entity
 - Small or medium sized entity [Yes/No]
- Public Sector
 - Preparer
 - Auditor
 - Public sector organization
 - Do you apply International Standards of Supreme Audit Institutions (ISSAIs) for financial audits [Yes/No]
- Regulator or Audit Oversight Body
 - Regulator
 - Audit Oversight Body
- Those Charged with Governance
 - Private sector
 - Listed entity
 - Non-listed entity
 - Public sector
- Other – Please specify

Are you any of the following?

- IAASB Consultative Advisory Group Member Organization / Representative
- IAASB Observer
- IAASB Member (current or former)
- Member, Technical Advisor or Observer of Other Public Interest Activity Committee, IFAC Board or Other IFAC Committee
- Member of Forum of Firms
- Not applicable

Geographical Region

Please select the geographical region which best describes where you are based:

- Africa-Middle East
- Asia Pacific
- Europe
- South America
- North America
- Global Organization

Name or Organization:

(Note: Individual responses to the survey will not be on public record. They will be summarized for discussion purposes).

Please indicate whether you wish to receive an electronic copy of the proposed IAASB future Strategy and Work Program when it is issued for public comment.

Yes

Email address:

No

SECTION II—CONTEXT FOR THE IAASB'S 2015—2019 STRATEGY

The international standards developed by the IAASB cover a broad range of engagements, including:

- **Audits** of historical financial information – For example, the audit of an entity's financial statements by an independent auditor. The applicable IAASB standards are the International Standards on Auditing (ISAs).
- **Reviews** of historical financial information – For example, the review of an entity's financial statements by a professional accountant in public practice, and the review of interim financial information by the independent auditor of the entity. The applicable IAASB standards are the International Standards on Review Engagements (ISREs).
- **Other Assurance** engagements (other than audits or reviews of historical financial information) – For example, reasonable or limited assurance engagements on a greenhouse gas statement, assurance engagements to report on controls at a service organization, and assurance engagements to report on the compilation of pro forma financial information included in a prospectus. The applicable IAASB standards are the International Standards on Assurance Engagements (ISAEs).
- **Related Services** engagements – For example, compilation engagements, engagements to apply agreed-upon procedures to information, and other related services engagements as specified by the IAASB. The applicable IAASB standards are the International Standards on Related Services (ISRSs).

The IAASB also establishes **Quality Control** standards to be applied for all services falling under the IAASB's engagement standards above. The applicable IAASB standards are the International Standards on Quality Control (ISQCs).

In addition, the IAASB promulgates **guidance** in the form of non-authoritative material. This material includes Practice Notes such as the IAASB's International Auditing Practice Notes (IAPNs), and staff publications.

In fulfilling its objective, the IAASB's areas of broad strategic focus are the following:

- (a) Development of standards;
- (b) Monitoring and facilitating adoption of those standards; and
- (c) Responding to concerns about the implementation of the standards by activities designed to improve the consistency and effectiveness of their application.

In the context of the above areas of broad strategic focus, the IAASB periodically consults stakeholders for input on matters of IAASB strategy and project priorities. This input assists the IAASB in identifying strategic themes to be addressed in the public interest and in identifying and prioritizing specific projects and initiatives. Going into the 2012—2014 period, the IAASB identified the following relevant themes:

- Supporting global financial stability;
- Enhancing the role, relevance and quality of assurance and related services in an evolving world; and
- Facilitating the adoption and implementation of the standards.

These themes, and the IAASB's related projects and initiatives, are noted in the IAASB's [2012—2014 Strategy and Work Program](#).

Recently, the IAASB completed work on and released ISA 610 (Revised), *Using the Work of Internal Auditors*; ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*; ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*, ISRS 4410 (Revised), *Compilation Engagements*, and staff publications on Professional Skepticism and ISQC 1 Proportionality.

In addition to the finalization of other current projects,³ assuming the IAASB continues to progress its work in accordance with the 2012—2014 Work Program, it is anticipated that by the beginning of 2015:

- The IAASB will have completed its work to enhance the ISAs addressing auditor reporting. This initiative is expected to have important and wide-reaching implications in the public interest on the reporting responsibilities of the auditor. The IAASB anticipates that an important activity that will follow from the release of these enhanced ISAs will be the need to support their timely adoption and effective implementation. The IAASB will be considering in 2015 how best to do this.
- The IAASB's Audit Quality Framework⁴ will have been in the public domain in its final form for approximately a year. The IAASB would expect in 2015 to be continuing to learn about how the Framework is contributing to international debates on audit quality and how it is being used at national and firm levels.
- The IAASB will have made substantial progress in its work on new or revised standards, or new guidance, on auditing financial statement disclosures.
- The IAASB will be continuing its efforts to explore guidance on the relationship between banking supervisors and banks' external auditors, revised standards or new guidance in relation to auditing accounting estimates and fair value accounting estimates, and at the initial phase of efforts on auditor involvement with preliminary announcements (commencement of these projects in the 2013—2014 period is subject to IAASB approval of project proposals).
- The IAASB will be in process of revising the standard dealing with agreed-upon procedures (AUP) engagements (commencement of this project is subject to approval of the project proposal).
- The IAASB's revised ISAE 3000,⁵ which provides an enhanced platform for assurance engagements, will be coming into effect. At the same time, the IAASB will have further insight into the audit or assurance implications of Integrated Reporting based on its monitoring efforts, along with the benefit of recommendations from its Innovation, Needs, and Future Opportunities (INFO) Working Group, both of which may stimulate consideration of further subject matter-specific assurance standards.

Recognizing that the environment surrounding assurance services remains dynamic and fluid, the activities of the IAASB's INFO Working Group are anticipated to be an important input to the IAASB's work in 2015 and beyond. The INFO Working Group is expected to report periodically to the IAASB, and may include recommendations for specific work streams for the IAASB to pursue, avenues of cooperation

³ Current projects not mentioned in the text above but which are nearing completion include proposed ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon*. Further information about these and other [IAASB projects](#) and initiatives, including [IAASB's current project timetable](#), is available on the IAASB website.

⁴ Currently out for consultation until May 15, 2013

⁵ ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

with interested stakeholders, how best to gather input at earlier stages of any potential project to develop topic-specific assurance standards, and whether to develop discussion papers or thought pieces with a view to stimulate debate and collaboration.

It is also anticipated that the IAASB's ISA Monitoring project will influence the IAASB's selection and prioritization of proposed future projects relating to individual ISAs in its Work Program starting 2015. This project is currently focused on gathering information from a wide range of stakeholders about the implementation of the clarified ISAs to determine whether changes to the ISAs, or the development of new guidance, are needed.⁶

In 2015 and beyond, the IAASB will continue to consider in its work the needs of small- and medium-sized entities (SMEs) and -practices (SMPs), and continue its emphasis on monitoring and facilitating adoption and effective implementation of the ISAs and other IAASB standards. It will also continue its ongoing program of outreach and communication activities. There are now [88](#) jurisdictions using or committed to using IAASB's Clarified ISAs.

The IAASB also expects to continue its important liaison and collaboration efforts with the International Accounting Standards Board (IASB), regulatory and audit oversight and inspection bodies, national standard setters and firms, and others.

⁶ The final findings from the project will be presented to the IAASB in June 2013.

SECTION III—QUESTIONS FOR RESPONDENTS

The IAASB is committed to the goal of developing a set of international standards which are generally accepted worldwide. The standards which the IAASB develops cover a broad range of engagements, including: audits of financial statements of both public and private entities, irrespective of size; engagements to review financial statements; assurance engagements other than audits or reviews of historical financial information; and engagements to compile historical financial information and other related services engagement. The IAASB also develops international standards on quality control for such engagements.

The IAASB is seeking views to help identify key issues for consideration in developing its future strategy. Input that is insightful or influential in shaping the direction of its future strategy is particularly welcome.

In this regard, the IAASB understands the importance of the international context in which it operates and its standards are used, and the importance of addressing matters of global and long-term relevance across the broad range of services covered by its standards. Accordingly, it is seeking views on emerging developments and trends that are likely to be important in the public interest.

The IAASB also recognizes the need to strike a balance between developing new and revised standards to further enhance practice, and take steps to support further global implementation of existing standards, including by SMPs. Accordingly, the IAASB is also seeking views on areas of focus across the range of its standards, as well as the appropriate balance between setting new and revised standards and facilitating their adoption and effective implementation.

GLOBAL ISSUES, TRENDS OR DEVELOPMENTS

1. Other than Integrated Reporting and developments in International Financial Reporting Standards (which the IAASB has identified as being of global and long-term relevance and is monitoring):
 - (a) What key issues, trends or developments in the current global environment do you believe should significantly influence the IAASB's strategy for the period 2015—2019, and why?
 - (b) Are there specific initiatives within the stakeholder group to which you belong, or of which you are aware, that you believe the IAASB should actively monitor in light of their potential to inform the IAASB's future agenda, and why?

ACHIEVING THE IAASB'S OBJECTIVE

2. Do you agree with IAASB's intention to change the period for its future strategy from three years to five years? Do you agree with the IAASB's setting out a work program that covers a two-year period, updated annually?
3. For the period 2012—2014, the IAASB has focused its efforts on developing i) standards addressing the audit of historical financial information, ii) standards for reviews of historical financial information, iii) standards for other assurance engagements, and iv) standards for related services engagements. Broadly speaking, the IAASB is giving equal attention to each of these areas. (The IAASB has not specifically identified further development of its quality control standards as part of its 2012—2014 Work Plan).

In serving the public interest and achieving its objectives, in your view what proportion of effort should the IAASB allocate in 2015—2019 to developing new or revising existing standards for each of the following?

Audits of historical financial information	(____ indicate %)
Reviews of historical financial information ⁷	(____ indicate %)
Other assurance ⁸	(____ indicate %)
Related services ⁹	(____ indicate %)
Quality control	(____ indicate %)
	(Allocation should total 100%)

Please indicate the rationale for your response and any related comments you may have.

4. In addition to developing new or revising existing standards (as noted above), for the period 2012—2014 the IAASB has also focused its efforts on facilitating adoption, and monitoring and facilitating effective implementation, of its standards. Broadly speaking, the IAASB is giving equal attention to both i) standard setting activities, and ii) facilitating adoption, and monitoring and facilitating effective implementation, of its standards.

For each of the following areas, in your view should the IAASB focus the majority of its efforts on i) developing new or revised standards, ii) facilitating adoption, and monitoring and facilitating effective implementation, of its standards (e.g., through material that assists adoption of the standards or development of guidance such as Practice Notes or staff publications); or iii) apply equal efforts to both?

Audits of historical financial information	-	(indicate (i) develop new or revised standards ; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) equal efforts to both)
Reviews of historical financial information	-	(indicate (i) develop new or revised standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) equal efforts to both)

⁷ At present there are two ISREs: (i) ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*, which was revised in September 2012; and (ii) ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

⁸ The IAASB is currently in process of revising ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and has recently released subject-specific assurance standards on assurance on greenhouse gas statements, controls at a service organization, and the compilation of pro forma financial information included in a prospectus. The IAASB's suite of other assurance standards includes ISAE 3400, *The Examination of Prospective Financial Information*, which has not been recently revised.

⁹ At present there are two ISRSs: ISRS 4410 (Revised), *Compilation Engagements*, which was revised in March 2012; and ISRS 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, the revision of which is scheduled for consideration commencing in the IAASB's 2012—2014 strategy period.

financial information ⁹	implementation, of standards; or iii) equal efforts to both)
Other assurance ¹⁰	- (indicate (i) develop new or revised standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) equal efforts to both)
Related services ¹¹	- (indicate (i) develop new standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) equal efforts to both)
Quality control	- (indicate (i) develop new or revised standards; ii) facilitate adoption, and monitor and facilitate effective implementation, of standards; or iii) equal efforts to both)

Please indicate the rationale for your responses and any related comments you may have.

SPECIFIC AREAS OF POTENTIAL FOCUS

5. If there was a specific topic(s) that, in your view, should be the IAASB's principal focus in either developing new or revised standards or related guidance for the period 2015—2019, what would it be, and why?

Where applicable, kindly indicate whether in your view the topic(s) (you have indicated) has particular relevance mainly for engagements for listed entities, small- and medium-sized entities (SMEs), or for entities of all sizes. Views in relation to matters of relevance to developing nations and the public sector are also encouraged.

OTHER

6. Are there any other topics of interest or matters of relevance that you feel the IAASB should consider when conducting its strategic review?