

**Meeting:** IAASB  
**Meeting Location:** New York, USA  
**Meeting Dates:** June 21–24, 2016

## Agenda Item 4

### Consultation on the IAASB’s Work Plan for 2017–2018, Including Consideration of Current Priorities and Feedback on the ITC

#### Objectives of Agenda Item

1. The objectives of this agenda item are to:
  - Consider feedback from the Invitation to Comment on other actions that may need to be prioritized to enhance audit quality;
  - Consider the IAASB’s views on current priorities and anticipated milestones, and how these should be described in the Survey on the Work Plan for 2017–2018 (Survey); and
  - Finalize the survey for issuance, with a comment period to September 30, 2016.

#### Task Force

2. The Steering Committee operates as the Task Force for this initiative and comprises:
  - Prof. Arnold Schilder, Chairman
  - Chuck Landes, Deputy Chair
  - Merran Kelsall, IAASB Member
  - Brendan Murtagh, IAASB Member
  - Rich Sharko, IAASB Member
  - Megan Zietsman, IAASB Member
  - Ex-officio: James Gunn, Managing Director, Professional Standards, and Kathleen Healy, IAASB Technical Director

#### Task Force Activities

3. The Task Force met via teleconference to discuss the matters included in **Agenda Item 4-A**, as well as the components of the draft Survey in **Agenda Items 4-B and 4-C**.

#### Background

4. The IAASB and CAG discussed the plans for the upcoming consultation on the Work Plan for 2017 – 2018. Draft minutes from the March 2016 IAASB meeting are presented for reference as an Appendix to this paper.

5. Both the Board and CAG have acknowledged that there is no capacity for new initiatives. In addition, the Board's resources continue to be strained in light of the complex topics under consideration and the interrelationship between projects, an increased expectation related to stakeholder engagement at an individual project level, and the need for new forms of communications to build awareness of the IAASB's activities. **Agenda Item 4-A** has been developed to help the IAASB more holistically consider how the Board's agenda should be managed going forward and includes the proposed overview of the future timetable that would accompany the Survey.

#### **Action Requested**

6. The IAASB is asked to share its views on the matters included in **Agenda Item 4-A** and provide feedback on the Survey in **Agenda Items 4-B and 4-C**.

#### **Material Presented**

Agenda Item 4-A	Consultation on the IAASB's Work Plan for 2017–2018 and Consideration of Current Priorities and Resources
Agenda Item 4-B	Survey Consultation—The IAASB's Work Plan for 2017–2018 and Continuing Relevance of Its Strategic Objectives
Agenda Item 4-C	Supplement to the IAASB's Consultation on Its Strategic Objectives and Work Plan for 2017–2018

## Appendix

### Draft Minutes from the IAASB March 2016 Meeting

Ms. Healy introduced the topic, highlighting that the IAASB already had a very full agenda, but recognizing that changes in the environment may lead to the need for the IAASB to consider whether changes may be to the rolling work plan. She explained that the purpose of the consultation would be to solicit views from stakeholders on whether the IAASB's priorities continue to be appropriate or whether changes were needed in light of the environment.

Ms. Healy explained that the Steering Committee, which serves as the task force for the strategy and work plan consultation, is of the view that no new projects could commence in the 2017–2018 period based on the Board's current agenda. Notwithstanding the full agenda, Ms. Healy highlighted that the Steering Committee had also considered that the following may be particularly relevant during 2017–2018:

- Further consideration about what can be done to assist with small and medium practices (SMP) issues, particularly in light of developments in this area globally; and
- More focused monitoring and coordination with the International Ethical Standards Board for Accountants (IESBA).

Ms. Healy noted that the CAG Representatives and Observers were supportive of continuing with the current priorities, as much work had gone into determining the current work plan. The CAG highlighted that the current priorities should therefore only change if there was a good reason for doing so, a point which Ms. Healy noted would be emphasized in the consultation. The CAG Representatives and Observers also raised the following:

- In light of the current volume of activity, a Representative asked whether the IAASB had considered what the maximum amount of throughput could be. Ms. Healy noted her response at the CAG meeting that the IAASB may in need to alter the timeline of particular projects or deliverables in the future, but that lack of capacity had led the Steering Committee to conclude that no new projects could be undertaken in 2017–2018.
- The importance of the interconnections between the projects was highlighted, and it was noted that this should continue to be carefully monitored, in particular in relation to timing of ISA 540 and other key initiatives, such as those addressed in the Invitation to Comment.
- In light of the International Forum of Independent Audit Regulators' (IFIAR) [2015 Inspection Findings Survey](#), a question was raised whether it is necessary for the IAASB to consider the areas identified in this report that are not in the current or future Work Plans. Ms. Healy noted her response at the CAG meeting that the IAASB actively liaises with IFIAR's Standards Coordination Working Group on a regular basis, and that some aspects identified in their inspection report could potentially be addressed within current projects. However, she added that IFIAR's SCWG had previously supported the prioritization of current projects on the IAASB's agenda.
- Whether a project to consider changes to ISA 320<sup>1</sup> should be included in the future work plan, especially in light of the work of the International Accounting Standards Board's work in this area (e.g. the publication of the Draft Practice Statement, *Application of Materiality to Financial Statements*).

---

<sup>1</sup> ISA 320, *Materiality in Planning and Performing an Audit*

- While there is no capacity for new projects in the future work plan, it was suggested that emerging trends continue to be monitored, such as the needs of SMPs in light of the Nordic Federation of Public Accountants consultation of its *Standard for Audits of Smaller Entities (SASE)*.

Ms. Healy noted the mixed views from the CAG Representatives and Observers relating to the IAASB's priorities, highlighting that some wanted a focus only on audit whereas others continued to have the view that work on other topics (such as agreed-upon procedures and integrated reporting) is important. She also added that CAG Representatives and Observers were supportive of the negative clearance for the appropriateness of the IAASB's strategic objectives in the consultation.

Prof. Schilder reminded the Board that the restraints are not only Board and Staff time, but also that there were limits to the amount of stakeholder input that could be asked for at any given time.

In response to the proposals for a July 2016 consultation on the Work Plan for 2017–2018, Board members supported the consultation as proposed, but suggested that further consideration be given to:

- Providing transparency about why decisions are made on priorities is important, particularly when new projects are not included in the work plan.
- Asking about the prioritization of the projects on the current agenda, but also asking respondents to include an indication of the project that is least important.
- Explaining how the IAASB has adapted the available resources to the Board's current work in light of the comments received to the last consultation, including the pace at which the projects are progressed.
- The importance of assistance with the implementation of new and revised standards.
- Emphasizing that the IAASB has limited resource limits and that these had been reached with the current projects on the agenda.
- Explaining what the Board has achieved in its recent work plans against the planned activities, explaining reasons if these were not met.
- How the topic of audit evidence will be dealt with across projects, as this concept affected all areas under review.

With regard to the strategic objectives, Board members agreed that the three objectives continue to be appropriate.

#### IAASB CAG CHAIRMAN'S REMARKS

Mr. Waldron agreed with Ms. Healy's summary of the comments for the CAG meeting. He added that the consultation needed to be open so that the IAASB could be transparent about its choices.

#### PIOB OBSERVER REMARKS

Prof. van Hulle highlighted that cooperation and coordination between the various Board initiatives was important, as there were many crossover issues. He also emphasized the importance of outreach. Prof. van Hulle noted that concerns had been expressed about the time taken for new standards to be developed or revisions to be made, and encouraged the Board to continue to think about how the process could be streamlined, while continuing to adhere to the required due process. He emphasized the importance of a realistic, achievable work plan, noting that the expectations of stakeholders would need to be managed.

#### WAY FORWARD

Ms. Healy noted that a draft consultation document on the Work Plan for 2017–2018 would be developed for discussion with the Board at the June 2016 IAASB meeting, with a view to approving it and publishing in July. She added that further consideration would be given to how this could be done using technology (for example in a survey format) thus making it less onerous for stakeholders to respond.