

Survey Consultation—The IAASB’s Work Plan for 2017–2018 and Continuing Relevance of Its Strategic Objectives

Objective of the Consultation

The objective of this consultation is to:

- Confirm that the IAASB’s **strategic objectives** developed for its [Strategy for 2015–2019](#) continue to be appropriate (**Section I** of this consultation).
- Obtain input on the IAASB’s views on its **Work Plan for 2017–2018** (**Section II** of this consultation).

The IAASB undertook a survey and an extensive public consultation to develop its [Work Plan for 2015–2016](#) (the current work plan). Respondents to that consultation agreed that the IAASB was focused on the right topics, recognizing that many were quite complex and revised standards were not likely to be completed within the two-year period.

The IAASB’s extensive outreach in 2015 and 2016 indicates broad support for the Board’s current actions and a desire for the IAASB to progress standard-setting topics as quickly as possible. Accordingly, the IAASB and its Consultative Advisory Group (CAG) generally believe that, absent a change in the external environment or a strong stakeholder view otherwise, the Board’s initiatives should continue, albeit they may need to be re-prioritized.

Feedback to this consultation will assist the Board in evaluating its priorities and allocating its resources in the best way possible, given the volunteer nature of the Board and staff complement. The accompanying *Supplement to the IAASB Strategy and Work Plan Consultation* provides background information for those respondents who may not be familiar with the IAASB’s structure and processes and how it develops its work plans.

Respondent Information

[See information at Appendix A, which will be inserted here]

I. IAASB’s Strategic Objectives for 2015–2019

In developing its [Strategy for 2015–2019](#), the IAASB articulated its strategic vision and what it is intending to achieve through three strategic objectives:

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|-------|--|
| (i) | Ensuring that 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 |
| (ii) | Ensuring the IAASB’s Standards Evolve as Necessary to Adequately Address the Emerging Needs of Stakeholders for Services Other than Audits of Financial Statements |
| (iii) | Strengthening Outreach and Collaboration with Key Stakeholders in the Reporting Supply Chain on Public Interest Issues Relevant to Audit, Assurance and Related Services |

These strategic objectives drive the IAASB's decisions about what to include on its future work plans. The IAASB is giving priority attention to the first strategic objective, as stakeholders have broadly agreed that it is essential that the IAASB take action to improve audit quality.

In moving to a five-year strategy, the IAASB agreed with the Public Interest Oversight Board that it would undertake a mid-period reevaluation of its strategic objectives. Both the IAASB and its CAG believe these strategic objectives remain relevant and should be retained as the basis for developing the Board's next work plan.

Question for Respondents:

1. Do you agree that the strategic objectives for the strategy period 2015–2019 continue to remain relevant?

Yes / No

[If yes is selected, respondents will be able to add additional commentary but will not be required to.]

[If no is selected, respondents will need to answer a follow-up question to explain why not.]

II. IAASB Work Plan for 2017–2018

Context for the IAASB's Work Plan for 2017–2018

During 2015–2016, the IAASB commenced work on a number of projects as set out in the Work Plan for 2015–2016. The Board is investing significant effort to respond to some of the key implementation issues identified from its [ISA Implementation Monitoring project](#) and address auditing issues of importance to supporting global financial stability, including in relation to financial institutions. At the same time, while standard setting remains a priority for the IAASB, it also recognized the importance of preparing for the future, both in supporting the effective implementation of its new and revised Auditor Reporting standards and undertaking outreach and other activities to lay the foundation for important initiatives to be undertaken in the future.

A. Projects and Initiatives Underway in 2015–2016

As set out in the Work Plan for 2015–2016, the IAASB has commenced work on the following in 2015 and 2016, which are described in more detail on the [IAASB's project page](#). The projects below set out the IAASB's priorities currently underway, in particular the standard-setting activities that have, or are expected to have, commenced by the end of 2016. The IAASB intends to continue with these priorities during 2017–2018, unless stakeholders are of the view that other topics should have a higher priority (which is explored further in the next session).

	[Note: The Current Status will be shown in a separate box that will hover over the topic]
Standard-Setting Activities (project proposals to be approved in 2016)	
<ul style="list-style-type: none"> Special audit considerations relevant to financial institutions (now Accounting Estimates (ISA 540) project) 	<p>Current Status: In March 2016 the IAASB published a project publication highlighting the audit issues arising from the shift to Expected Credit Loss model when accounting for loan losses. An Exposure Draft on changes to ISA 540¹ is expected December 2016; with the standard expected to be finalized in Dec 2017.</p>
<ul style="list-style-type: none"> Quality control (at both the firm and engagement level) 	<p>Current Status: Included in the IAASB's Invitation to Comment (ITC). A standard-setting project proposal expected in Dec 2016, with plans for an ED in mid-2017. Addressing topics such as tone at the top, engagement partner responsibilities, monitoring and remediation.</p>
<ul style="list-style-type: none"> Group audits / using the work of other auditors 	<p>Current Status: Included in the IAASB's ITC. A standard-setting project proposal expected in Dec 2016, with plans for an ED in late 2017. Addressing topics such as scoping and risk assessment, communications, responsibilities regarding the work of component auditors, and letterbox audits.</p>
<ul style="list-style-type: none"> Further understanding of ISA Implementation Monitoring findings related to ISA 315 (Revised) 	<p>Current Status: The IAASB has had initial discussions related to ISA 315 (Revised). A standard-setting project proposal expected in Sept 2016, with an ED in late 2017. Addressing topics such as scoping and risk assessment, communications, inconsistencies in the identification of significant risks, expectations regarding tests of controls, understanding the entity, and the scalability of the standard.</p>
Other Initiatives	
<ul style="list-style-type: none"> Professional skepticism 	<p>Current Status: Included in the ITC. Discussions about an appropriate way forward expected in Sept and Dec 2016. This work is being explored jointly with the International Ethics Standards Board for Accountants (IESBA) and the International Accounting Education Standards Board (IAESB).</p>
<ul style="list-style-type: none"> Effects of technology on the audit (the Data Analytics project) 	<p>Current Status: The IAASB is currently exploring emerging developments in data analytics, and whether changes to the ISAs are needed in light of the evolving developments. Discussion Paper to be issued later in 2016 with further consideration in 2017 about how best to address this topic within the</p>

¹ ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

	ISAs. Interaction with ISA 315 and quality control standards noted.
<ul style="list-style-type: none"> • Auditor Reporting Implementation 	<p>Current status:</p> <p>The IAASB will continue to monitor implementation of new and revised auditor reporting standards. Consideration of the design of the post-implementation review in late 2016.</p>
<ul style="list-style-type: none"> • Integrated reporting and other emerging developments in external reporting 	<p>Current Status:</p> <p>The IAASB is considering emerging developments in integrated reporting in relation to the need for assurance on such information. A discussion paper to explore developments in external reporting, including integrated reporting, expected to be published in Q3 2016.</p>
<ul style="list-style-type: none"> • Agreed-upon procedures 	<p>Current Status:</p> <p>Revision to ISRS 4400,² and possibly developing new guidance for multi-scope engagements to meet the growing demand for these types of engagements. Incorporates national developments. Discussion Paper is expected to be published in latter 2016, with a decision on standard-setting activities in this area in late 2017.</p>
<ul style="list-style-type: none"> • Innovation Working Group 	<p>Current status:</p> <p>The IAASB monitors developments in emerging areas of audit, assurance and related services and make recommendations to the IAASB on specific topics for the IAASB to pursue, including whether there is a need for a standard-setting response. Current monitoring efforts are focused on corporate governance and cybersecurity.</p>

As a matter of priority in 2017–2018, the IAASB will enhance its focus on the following two areas

- (i) *Coordination with the International Ethics Standards Board for Accountants*—In addition to interactions that occur through active IAASB projects, such as NOCLAR, Quality Control, and Group Audits, the IAASB and IESBA are considering the implications of other aspects of each Board’s relevant work on their respective work plans. Although both Boards develop their work plans separately in consultation with their stakeholders, there are growing expectations from various stakeholders that the IAASB and IESBA will be well-coordinated due to the linkages between the ISAs and the IESBA *Code of Ethics for Professional Accountants*.
- (ii) *Consideration of matters related to small and medium practices (SMPs)*—As part of each project and initiative, the IAASB will continue to focus on understanding the issues and implementation needs of SMPs, including consideration of the ability of the IAASB’s International Standards to be applied in a manner proportionate with the nature and size of the firm or engagement. Through outreach and engagement, the IAASB hopes to determine how better to respond to the challenges and opportunities relating to this stakeholder group.

² International Standard on Related Services (ISRS) 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*

Question for Respondents:

2. Do you agree with the IAASB’s prioritization of these topics, including the emphasis on interactions with IESBA and a focus on SMPs? [YES/NO – must answer]

[If no selected, respondents will be asked to please explain which project(s) or initiative(s) should not be prioritized, providing reasons therefore – required response].

[If yes, selected, respondents will be able to give views on these initiatives but will not be required to do so.]

B. Other Topics Highlighted for Consideration for the 2017–2018 Work Plan

All of the projects and initiatives described above had been prioritized by the IAASB in finalizing the Work Plan for 2015–2016, recognizing that there was a need to establish a work plan that was both realistic and specific in terms of timing of deliverables. In agreeing to the number of projects and initiatives to commence, as well as the challenging nature and extent of issues to be explored in these topics, the IAASB accepted that none of the projects would be completed in an accelerated timeframe and would therefore extend over more than one work plan.

Work on all of these topics is expected to continue in the 2017–2018 period. Based on available current capacity and resources, it is unlikely that any significant new projects or initiatives can commence until at least 2018 without modifying the IAASB’s current work agenda.

Other topics have been raised for the IAASB’s consideration in developing the Work Plan for 2017–2018, either through the previous consultation or in discussions on other projects. They are described below to solicit views from respondents about the importance of the topic to respondents and whether these or other topics need to be prioritized over one or more of the IAASB’s current topics listed above (and why they believe this to be the case). The IAASB will consider these views in developing the final work plan for 2017-2018.

In the table below, please indicate the relative importance of the topic to yourself or your organization, and answer the questions that follow:

[Note to IAASB: The five middle columns will be open circles to be checked by respondents.]

	Not at all important	Slightly important	Moderately important	Extremely important	Highest priority	[Note: The descriptions below will be shown in a separate box that will hover over the topic]
Topics that have linkages to current projects or recently completed projects where it has been identified that revision of a specific standard may be needed (in no specific order)						
Materiality and evaluating misstatements, including revisions to ISA 320, <i>Materiality in Planning and Performing an Audit</i> , and ISA 450,	○	○	○	○	○	The IAASB continues to monitor the progress of the IASB on its work on materiality. Once the outcomes from this work provides further insights into the topic, the IAASB may consider a more holistic exploration of issues

<i>Evaluating Misstatements Identified during the Audit</i>						related to materiality, including revisions to ISA 320 and ISA 450.
Going concern, including further actions related to auditor reporting	○	○	○	○	○	The IAASB continues to monitor developments in relation to going concern in light of the IASB not including a project on aspects of going concern in its forward agenda. In this regard the IAASB will: prioritize the topic in its post-implementation of its Auditor Reporting Standards, consider the implication of emerging external reporting (including viability disclosures), and monitor developments of the UK FRC, FASB, PCAOB and others on the topic.
Potential revision of ISA 620, <i>Using the Work of an Auditor's Expert</i>	○	○	○	○	○	Although the IAASB does not intend to commence a separate project to revise ISA 620 at this time, consideration will still be given to whether amendments are needed to the standard will be part of the ISA 540 project.
Analytical procedures and audit sampling, and potential revision of ISA 520, <i>Analytical Procedures</i> , and ISA 530, <i>Audit Sampling</i>	○	○	○	○	○	Although the IAASB does not intend to commence a separate project on these topics, consideration will be given in the ISA 315 and Data Analytics projects as to whether amendments are needed to these standards.
Potential revision of ISA 330, <i>The Auditor's Responses to Assessed Risks</i>	○	○	○	○	○	Some stakeholders have questioned whether a revision of the standard will be necessary to respond to inspection findings and as a result of revisions to ISA 315 (Revised). At this time, the IAASB does not believe a full consideration of the standard is necessary, however some conforming changes may be made as a result of revisions made to ISA 315 (Revised).
Exploring issues related to audit evidence, and potential revision of ISA 500, <i>Audit Evidence</i>	○	○	○	○	○	Topics related to audit evidence are being considered in the professional skepticism, ISA 540, and data analytics projects. It is unclear whether a more fundamental look at ISA 500 is needed at this time.
Revision to ISA 250, <i>Consideration of Laws</i>	○	○	○	○	○	The IAASB recently completed revising ISA 250 to resolve actual or

<i>and Regulations in an Audit of Financial Statements</i>						perceived inconsistencies of approach between the ISAs and the IESBA's changes for Non-Compliance with Laws and Regulations (NOCLAR). Some stakeholders have suggested a more fulsome revision of ISA 250 may be needed.
Developing a process for post-implementation reviews of other standards, including ISRE 2400 (Revised) and ISRS 4410 (Revised)	○	○	○	○	○	This topic is included in the Work Plan for 2015–2016 but work has not yet commenced due to a focus on other priorities. Input from these reviews may result in identification of a need for further revisions to these standards.
Topics identified through outreach, inspection findings, previous IAASB consultations or other means.						
Potential revisions to ISA 240, <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	○	○	○	○	○	Inspection findings have specifically been noted in relation to revenue recognition, and some NSS have made further improvements to ISA 240. The linkage to the professional skepticism and ISA 315 projects is also noted.
Potential revision of ISA 505, <i>External Confirmations</i>	○	○	○	○	○	Raised by one or more respondents to the consultation on the Work Plan for 2015–2016, in light of the increasing use of electronic confirmations
Potential further revision of ISA 610 (Revised 2013), <i>Using the Work of Internal Auditors</i>	○	○	○	○	○	Raised by one or more respondents to the consultation on the Work Plan for 2015–2016, specifically noting concerns relating to the use of internal auditors to provide direct assistance
Potential revision of ISAE 3400, <i>The Examination of Prospective Financial Information</i>	○	○	○	○	○	Raised by one or more respondents to the consultation on the Work Plan for 2015–2016, specifically noting the standard is not in the Clarity format
Potential revision of ISRE 2410, <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i>	○	○	○	○	○	Consideration of whether revisions may be needed will be informed by the IAASB's planned post-implementation review of its Auditor Reporting standards. Also the standard is not in the Clarity format.
Auditor association with preliminary announcements	○	○	○	○	○	Previous discussions have highlighted the difficulty of potential standard-setting on an international basis, but the IAASB recognizes the relevance of this information to investors.

Exploring matters related to direct engagements	<input type="radio"/>	The IAASB is monitoring national developments in this area.				
Exploring matters relating to joint audits	<input type="radio"/>	Issues may be considered as part of the quality control and group audit projects.				
Overarching considerations relevant to the <i>International Framework for Assurance Engagements</i>	<input type="radio"/>	The IAASB does not believe it needs to fundamentally revise the Assurance Framework at this time.				
Other – as identified by respondent	<input type="radio"/>	Please describe the topic and your reason for including				

Question for Respondents:

- You are invited to share any further views that you believe may be relevant to the IAASB as it seeks to finalize its Work Plan for 2017–2018.

Respondent Information

Note to IAASB – The following information will be embedded within the survey tool and is consistent with previous surveys. This level of detail will help the IAASB assess the balance of views.

Are you responding:

- On behalf of an organization? If so, please name the organization.
- As an individual providing your personal views?

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/Analyst/User
- 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