

## Due Process

### Objective of Agenda Item

The objective of this Agenda Item is to advise the IAASB of the status of due process for final conforming and consequential amendments to the IAASB's Other Standards<sup>1</sup> as a result of the new and revised quality management standards.<sup>2</sup>

### Background

1. The IAASB Technical Director is responsible for advising the IAASB as to whether due process has been followed effectively and with proper regard for the public interest before a proposed Standard, or changes to a Standard, are approved.
2. The following outlines the Technical Director's conclusion and basis thereof with respect to actions up to the October 2021 IAASB meeting for the above project. Before approval of final conforming and consequential amendments, the IAASB Technical Director will advise on whether due process has been followed during the course of the October 2021 meeting.

### Due Process Up to the Date of the October 2021 IAASB Meeting

3. The Technical Director confirms to the IAASB that, up to the October 2021 IAASB meeting, the conforming and consequential amendments have been developed in accordance with the IAASB's due process.
4. In summary, for the conforming and consequential amendments, the IAASB:
  - Approved the [project proposal](#) for commencement of work and consulted with the IAASB Consultative Advisory Group (CAG) on the proposal.
  - Consulted with the IAASB CAG on significant issues during the development of the conforming and consequential amendments.

Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Staff has reported back to the IAASB CAG the results of the IAASB's deliberations.

- Considered whether it is necessary to hold a public forum or roundtables, or to issue a consultation paper or conduct field testing, in order to solicit views on a matter under consideration. No consultation paper, public forums, or further field testing were deemed necessary.

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<sup>1</sup> The IAASB's Other Standards comprise the International Standards on Review Engagements (ISREs), the International Standards on Assurance Engagements (ISAEs) and the International Standards on Related Services (ISRSs).

<sup>2</sup> International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; ISQM 2, *Engagement Quality Reviews*; and ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

*Exposure Draft*

- Approved and issued an [exposure draft](#) for public comment, together with an explanatory memorandum highlighting, amongst other matters, the significant proposals of the IAASB.
- Considered analysis of the significant issues raised by respondents on the exposure draft, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters, the IAASB members:
  - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Task Force, that they considered should be discussed; and
  - Amended the proposed conforming and consequential amendments accordingly.
- Consulted with the IAASB CAG on significant issues raised in comment letters on the exposure draft of the proposed conforming and consequential amendments and the IAASB's related responses. Significant comments received to date through the consultation with the IAASB CAG have been brought to the IAASB's attention. The Staff will report back to the IAASB CAG the results of the IAASB's deliberations at the CAG's March 2022 meeting, and the Staff has reported back to the IAASB CAG the results of the IAASB's earlier deliberations.