Agenda Item 2-A

Consultation Paper
January 2023
Comments Due by: [XX April 2023]

International Auditing and Assurance Standards Board

The IAASB's Proposed Strategy and Work Plan for 2024–2027

Draft for discussion at the December 2022 IAASB meeting

This draft is marked from the version presented to the Board in September 2022

IAASB International Auditing and Assurance Standards Board

Prepared by: Willie Botha and Jasper van den Hout (November 2022)

About the International Auditing and Assurance Standards Board (IAASB)

We are a global independent standard-setting body that serves the public interest by setting high-quality international standards.

We believe that a single set of robust international standards contributes to enhanced engagement quality and consistency of practice throughout the world and strengthened public confidence in the global auditing and assurance profession. We set our standards in the public interest under the oversight of the Public Interest Oversight Board.

About this Consultation

This consultation invites views from stakeholders on trends, developments or issues that we should consider in developing our Strategy and Work Plan 2024–2027.

This Consultation Paper comprises three sections:

- Section I – Request for Comments;
- Section II – Our Proposed Strategy for 2024–2027 (our~~the~~ proposed Strategy); and
- Section III – Our Proposed Work Plan for 2024–2027 (our~~the~~ proposed Work Plan).

Respondents are asked to provide views or suggestions in response to the questions in the Request for Comments section. If a respondent has no response to a particular question, that question may be skipped. When a respondent agrees with a position or approach or action indicated in this paper, it will be helpful for ~~the~~ us to be made aware of this view as support for proposals cannot always be inferred when not stated.

We anticipate approving the Strategy and Work Plan in Q4 2023.

Chair's Foreword

[**Note:** Chair's Foreword will be added before the Consultation Paper in Published in January 2023]

Section I: Request for Comments

We developed this Consultation Paper, informed by the activities highlighted in **Appendix 1**, to generate discussion with stakeholders on our proposed Strategy and Work Plan. We are presenting our stakeholders with a complete draft of our proposed Strategy and Work Plan with the aim of initiating a conversation. We request stakeholders' feedback on this draft.

We ask that you respond directly to the questions below and provide the rationale for your answers, as well as specific suggestions, where appropriate.

Questions~~We seek stakeholders' comments on whether~~:

1. Do ~~Y~~you agree with *Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition* (see pages 5 and 6)?

2. Do ~~Y~~you agree with *Our Proposed Strategic Drivers* as the key environmental factors that drive the opportunities and challenges impacting our ability to achieve our goal (see pages 7 to 9)?

3. Do ~~Y~~you agree with *Our Proposed Strategic Objectives* and *Our Proposed Strategic Actions* (see pages 10 to 14)?

~~4. You agree with our proposed approach to focus on the completion of the standard-setting projects underway at the start of 2024 that reflect the outcome of a recently completed public consultation on the work plan (see pages 15-17, including **Table A**)?~~

~~5. Regarding possible new standard-setting projects that may commence in 2024–2027 as capacity becomes available:~~

4. ~~Do you support the identified possible new standard-setting projects as set out in **Table B** (see pages 20 to 22)? If you choose to provide views on certain or all of the individual topics, please also indicate, if relevant, why certain topics may be relatively more important to you or your organization.~~Do you support the identified possible new standard-setting projects as set out in **Table B** (see pages 20 to 22) within the area of **audits and reviews** (numbered A. to K.)? Please share your views on the individual topics, including, if relevant, why certain topics may be relatively more important to you or your organization.

5. Do you support the identified possible new standard-setting projects as set out in **Table B** (see pages 20 to 22) within the area of **sustainability and other assurance engagements** (numbered L. and M.)? **Topic L.**, *Further Standards for Assurance on Sustainability Reporting*, would involve addressing multiple topics (as part of possible multiple projects). Please provide your views about likely candidate topics for further standards.

6. Are ~~T~~there ~~are~~ any other topics that we should consider as possible new standard-setting projects? If so, please indicate whether any such topics are more important than the topics identified in **Table B** (see pages 20 to 22), and the needs and interests that would be served by undertaking work on such topic(s).

7. Our draft Strategy and Work Plan emphasizes throughout the importance of close coordination with our sister-Board, the International Ethics Standards Board for Accountants (IESBA). What are your views about the value of enhanced coordination in terms of the impact of our standard-setting actions or through our ways of working?

Comments are requested by [XX April 2023]. ~~In answering the questions, please explain why you agree or disagree with our proposals.~~

Respondents are asked to submit their comments electronically through our website (www.iaasb.org), using the "Submit a Comment" link. Please submit comments in both a PDF and Word file. First-time users must register to use this feature. All comments will be considered a matter of public record and be posted on our website.

Section II: Our Proposed Strategy for 2024–2027

~~The IAASB~~We recognize~~s~~ the valuable role that high-quality, globally accepted audit, assurance and related services standards ~~can~~ play in strengthening confidence in the external reporting ecosystem. That ecosystem comprises preparers (i.e., entities and their management), those charged with governance, users of externally reported information, auditors, assurance and other practitioners, international and jurisdictional standard~~s~~ setters, and regulators and oversight bodies.

With our standards used in approximately~~nearly~~ 130 jurisdictions throughout the world,[1] we recognize the positive impact that ~~we~~our standards ~~could~~ make to the global economy. Our proposed Strategy is an opportunity to articulate how we fulfill ~~our potential and~~ our public interest mandate. By engaging with our stakeholders, this consultation provides an opportunity to benefit from our stakeholders' advice as to how we can continue to evolve our approach and our work to effectively serve markets ~~better~~. ~~The~~Our proposed Strategy, if approved, will serve as a beacon to guide us in terms of the impact that we will have on, and for our stakeholders.

Our Proposed Goal

To serve the public interest by:

Developing the globally accepted and leading audit, assurance, and related services standards enabling the performance of high-quality engagements that enhance trust in markets and evolve in a timely manner to meet rapidly changing public interest demands

Our goal represents the aspirational outcome that we strive to achieve. It has been set in the context of the environment in which we operate and the needs that we serve. The goal reflects our public interest mandate affirmed by the recent Monitoring Group reform recommendations and it also incorporates our consideration of relevant strategic drivers (see pages 7–9).

~~Our goal enables us to assess~~ Our goal provides a barometer to evaluate our progress. In that vein, we will monitor whether our standards continue to be adopted and incorporated throughout the world, whether our work in new areas (including sustainability, technology, and complexity) achieve the broad respect of and use by stakeholders, and ~~that~~ whether our commitment to the public interest remains unchallenged.

Our proposed Strategy describes our strategic objectives and resulting strategic actions as the best way to contribute to achieving our goal (see pages 10–14).

[1] These numbers have been determined from publicly available information provided by International Federation of Accountants (IFAC) about jurisdictions using, or committed to using, the ISAs, and are subject to change.

Our Proposed Keys to Success and Stakeholder Value Proposition

The following messages frame the broad lens of our strategic thinking.

Our Keys to Success

Achieving our proposed Strategy:

- Through our commitment to engage, listen and learn, and to lead and adapt in our global standard-setting responsibilities.
- Through our high-quality people at the Board and Staff levels, utilizing their collective competencies, capabilities, and experience, and benefiting from their diversity to deliver global solutions.
- By fostering confidence in the quality of our processes and the relevance and credibility of our standards, evidenced by the many jurisdictions ~~(currently estimated as 133)~~ using or committed to using our standards.

Our Stakeholder Value Proposition

- ~~***Our Strategy:*** Public-interest focused activities and future-oriented processes that are viewed as meaningful in contributing to the achievement of our goal.~~
- ***Our Standards:*** Globally relevant, coherent, scalable, proportional, ~~and~~ operable, and adaptable for the future. Our standards support the consistent performance of quality engagements and are developed through activities that are timely and responsive to the needs of our stakeholders.
- ***Our Engagement with Our Stakeholders:*** Timely and meaningful dialogue with a broad range of stakeholders. Our general outreach program and project-specific and other targeted outreach activities support connectedness with our stakeholders, enhance our responsiveness and influence our standard-setting activities. This includes an approach of inclusiveness and consultation to ensure that we use a variety of means to engage stakeholders in our activities.
- ***Our Coordination with Other Standard~~s~~ Setters***: Focused on the collective impact of the activities of standard~~s~~ setters in the external reporting ecosystem, at the global and jurisdictional levels, and the value of actions that are informed by interaction, coordination, and collaboration. ~~In particular, o~~Our standards are premised on firm or auditor/practitioner compliance with relevant ethical requirement. Therefore, we will~~focus on~~ continue~~d and~~ our close coordination with our sister-Board, ~~the International Ethics Standards Board for Accountants (~~IESBA~~)~~.
- ***Our Work Plan:*** Informed by deliberate processes and procedures for selecting and prioritizing our standards-setting activities. Our Work Plan is focused on where further development of the standards can best contribute to meeting users' needs, while balancing timeliness~~speed~~ and quality.
- ***Our Processes:*** Rigorous and inclusive, yet agile, leveraging external resources where appropriate~~feasible~~. We continuously review and improve our processes and ways of working to better facilitate delivery of our Work Plan and address external expectations.

Our Proposed Strategic Drivers

The strategic drivers identified below are the result of our consideration of environmental factors that drive the opportunities and challenges impacting our ability to achieve our goal. Understanding our key opportunities and challenges and balancing the needs of our stakeholders, will drive the choices we make for the 2024–2027 Strategy period. The most significant strategic drivers that have shaped our proposed Strategy and proposed Work Plan include:

Increased and More Diverse Demand for Our Standards	• **Heightened supervisory ~~requests~~scrutiny.** Regulators and oversight bodies are key players in the external reporting ecosystem. They promote accountability and support the faithful performance of ~~audits of financial statements in the public interest, as well as~~ assurance engagements~~ (as appropriate)~~. These bodies are increasingly asking for more specificity of requirements in standards to drive improved performance and to keep pace with increasing complexity of the business environment, and financial and other external reporting frameworks. • **Impact of technology.** The impact of technology is multifaceted and includes the use of technology by entities in their business models, information systems and reporting processes. It also includes the use of technology by auditors and practitioners in undertaking audit, assurance, and related services engagements. In addition, disruptive technologies are ~~important in positioning us for the~~ potentially transforming~~ation of~~ these engagements and may require ~~the~~ new and revised standards~~ that may be needed~~. • **Sustainability reporting and other evolving areas for assurance engagements.** Sustainability reporting is a rapidly evolving area, moving from voluntary reporting commitments to requirements mandated across various jurisdictions. Alongside this, there is the need for assurance and a growing, urgent call to develop international standards on sustainability assurance. In addition, the broader focus on the role of non-financial information in capital and resource allocation decisions could prompt the need for assurance engagements on various and diverse topics. • **Diverse demands across the spectrum of stakeholders reflecting the breadth~~diversity~~ of the global economy.** The world that our standards must contend with is getting increasingly complex and diverse. On one hand, s~~S~~takeholders are calling for specific and more concise 'proportionality solutions', such as for audits of financial statements of less complex entities. On the other hand, stakeholders are asking for new or enhanced standards that address specific elements of an audit or assurance engagement, or specific subject matter information or services, with more specificity of requirements and application material.~~. In addition, stakeholders may have other~~

	~~demands for differentiation to satisfy diverse information needs within the evolving external reporting ecosystem.~~
	• **Supporting the implementation of our standards.** We have been undertaking first-time implementation support activities of new or revised standards (with a heightened focus during our previous Strategy period). ~~However, t~~There are ~~diverse~~ views that, compared to the demands for standard setting, we should reduce the relative priority given to activities such as ~~in terms of the nature and extent of our role in~~ developing first-time implementation support materials, other non-authoritative guidance or undertaking educational activities. However, other views indicate that these activities add a lot of value for stakeholders and should be a focus area for us alongside our standard-setting activities.
Confronting 'headwinds' to global adoption of standards	• **Value of cooperation across independent standards-setting bodies.** To enhance capital markets by reducing the cost of capital, stakeholders are increasingly expecting standard~~s~~ setters to be coordinated in their efforts. This includes international and jurisdictional standard~~s~~ setters for auditing, assurance, ethics, and financial, sustainability and other external reporting.[2] Standards informed by coordination have an increased likelihood of acceptance and adoption, reduc~~ing~~e the burden on and enhanc~~ing~~e effectiveness for entities and practitioners, ~~and being responsive to relevant public interest issues~~and reduce fragmentation. • **Evolving expectations around~~in the~~ sustainability assurance ~~space~~.** Several jurisdictional and international organizations may develop sustainability assurance standards ~~which may respond~~ to local timelines which~~ but~~ leads to fragmentation. Stakeholders emphasize the value of a global standard-setting solution that provides a baseline as this would promote consistency, comparability, and transparency. Such global baseline would need to be neutral to who the assurance practitioner is (i.e., whether a professional accountant or non-professional accountant practitioner). • **Impact of and reasons for jurisdictions developing their own audit and assurance standards.** There is an increasing trend of certain jurisdictions developing their own standards~~ instead of waiting for the matters to be addressed internationally~~. Although jurisdictions often indicate that a global standard(s) is preferred, there are factors that drive the need for jurisdictions to develop their own solutions. These could include timeliness of delivering a standard(s), political

[2] At jurisdictional level, standards may result from the activities of legislative or regulatory authorities, or relevant local bodies with standard-setting authority.

	and other jurisdictional pressures, and responding to a specific jurisdictional need. When developing their own solution, jurisdictions may use our standards as a baseline but "add on" or develop their own alternative standard(s).
	• **Increasingly complex to manage global engagement with new stakeholders.** As the business and reporting environment, and user needs within the financial and broader external reporting ecosystem, continue to evolve, our standard-setting activities need to be informed by existing and new stakeholders. This new reality requires ~~the IAASB to find new ways to create inclusive and robust processes.~~specific attention to identify and stay connected with new stakeholders.
Changing Demands to Our Ways of Working	• **Implement the Monitoring Group reforms.** The Monitoring Group reforms were finalized and issued in July 2020. The transition planning was undertaken in 2020 and 2021, and the implementation commenced in 2022. Full implementation is expected to take a further three to four years and will require various changes at the Board and Staff levels, in how oversight by the Public Interest Oversight Board (PIOB) is exercised over the Board's activities, and in our processes (our standard-setting due process and our operating procedures). • **Attract top talent at the Board and Staff levels.** The Monitoring Group's reforms require different skills from Board members and Staff compared to the extant model. For example, the composition of the Board will change with a significant reduction in the number of practitioner members, the role of technical advisors will reduce, and projects will become primarily staff led. In addition, the clear trend to maintaining workstreams and undertaking projects in both the traditional area~~space~~ of audits and reviews of financial statements, and sustainability and other assurance engagements, introduces a different dynamic for the talent required at the Board and Staff levels. • **Increasingly tight timelines to meet heightened expectations.** Across the spectrum of increased and diverse demands and the matters relevant to the risk of fragmentation as noted above, there is a general theme of urgency – a need for timely action and the timely delivery of standard-setting solutions. Stakeholders' expectations are changing about how long it should take to develop standards resulting in increasingly tight deadlines. Timeliness is an important consideration. On the other hand, stakeholders are asking for sufficient time to implement standards and absorb changes, and expect appropriate consideration of relevant issues to ensure quality. ~~Timeliness also is an important consideration in seizing or missing opportunities.~~

- **Ability to leverage technology.** As noted above, the impact of technology is multifaceted. Leveraging technology provides opportunities to enhance the way we work, our processes and performance at the Board and Staff levels.

Our Proposed Strategic Objectives

Our proposed strategic objectives are the differentiating outcomes that address our strategic drivers and are necessary to achieve our goal. Our proposed strategic objectives (and related proposed strategic actions addressed in the next section) are ~~our specific 'claims' (i.e.,~~ the choices we made~~)~~ for the 2024–2027 Strategy period in working towards achieving our goal. This is what will focus our attention for selecting and prioritizing our standard-setting and related activities. In developing these proposed strategic objectives, we have deliberately been specific about what we commit to and what we believe is achievable based on our Board and Staff resources and our operating budget.

The diagram below depicts our proposed strategic objectives for the 2024–2027 Strategy period.

Proposed Strategic Objective 1: Support~~Enhance~~ the Consistent Performance of Quality Audit Engagements by Enhancing~~Strengthening~~ Our Auditing Standards in Areas Where There Is the Greatest Public Interest ~~Demand~~Need

Setting auditing standards remains a key priority as we recognize the core role that audited financial statements play in contributing to trust and confidence in markets~~.~~. This strategic objective assumes prioritizing the completion of the key audit engagement~~s~~-related projects underway at the start of 2024. In addition, we will focus on the timely identification and progression of new projects in response to identified public interest demands.

Proposed Strategic Objective 2: Establish Globally Accepted Standard(s) for Assurance on Sustainability Reporting

Given the growing, urgent call to consider our international standards in relation to non-financial information and the rapidly evolving reporting and assurance requirements on sustainability in the European Union and elsewhere, we are committed to establish the preeminent and globally accepted standard(s) for assurance on sustainability reporting. Achieving this objective necessarily requires coordination and cooperation with a variety of stakeholders, including those who have not traditionally participated in our processes. It also includes liaison with other relevant standard-setting bodies, including but not limited to IESBA and the International Sustainability Standards Board (ISSB).

Proposed Strategic Objective 3: Strengthen Coordination with IESBA and Other Leading Standard~~s~~ Setters and Regulators to Leverage Better Collective Actions in the Public Interest

Although the IAASB and IESBA are independent of one another and have unique needs, the two Boards' standard-setting actions have a collective impact on the external reporting ecosystem. This strategic objective refers to maintaining and enhancing our coordination, while seeking opportunities for joint or complementary actions.

Other ~~S~~standard setters and regulators at the international and jurisdictional levels, and across the external~~entire financial~~ reporting ecosystem, also have a shared interest in ensuring their standards complement each other. Timely and meaningful outreach, coordination and, as appropriate, collaboration is necessary to inform our work and to deliver on our mandate. ~~In addition to our continued and close coordination with IESBA, this strategic objective refers to enhancing our coordination efforts across the above standard-setting spectrum.~~

Proposed Strategic Objective 4: Create more Agile, Innovative Ways of Working in Line with the Monitoring Group's Reform Vision

The changes coming from the implementation of the Monitoring Group reforms and the growing need to maintain a balance between our focus on audits and reviews of financial statements, and sustainability and other assurance engagements, will require us to attract and retain talent at the Board and Staff levels to meet 'new' and different expectations. In addition, enhancing our processes is critical to our success, including using technology and appropriate resources to maximize the impact of our activities, thereby enabling us to respond on a timelier basis to issues and challenges.

Our Proposed Strategic Actions

Proposed Strategic Objective 1: Support~~Enhance~~ the Consistent Performance of Quality Audit Engagements by Enhancing~~Strengthening~~ Our Auditing Standards in Areas Where There Is the Greatest Public Interest Need~~Demand~~

Strategic Actions – We will:

- Progress and complete our projects underway at the start of the Strategy period (see **section III**, our proposed Work Plan 2024–2027).
- Undertake information gathering and research activities to determine and initiate new projects for~~in the~~ audits (or reviews) of financial statements ~~space~~ during the Strategy period in accordance with the criteria as set out in our Framework for Activities ~~(the Framework)~~ (see **section III**, our proposed Work Plan 2024–2027). We will progress new standard-setting projects in accordance with approved project proposals.
- Continue our focus on technology, professional skepticism and auditor reporting through our Consultation Groups and consider how best to respond to the broader public interest demands in these areas (also taking into account how these matters may be addressed in projects already underway or possible new projects).
- ~~Monitor the need for and initiate, as appropriate, post-implementation reviews of new or revised standards. Selection of a standard(s) for a post-implementation review will be done in accordance with the criteria as set out in the Framework, and only after allowing for a significant period of global adoption and implementation of a standard (i.e., 3-5 years) (see **section III**, proposed Work Plan 2024–2027).~~
- ~~Monitor the need for, and develop, as necessary, implementation support materials for completed projects or other non-authoritative guidance to address specific or targeted issues as contemplated in Component IV of the Framework (e.g., to address matters that require more immediate action).~~
- Balance competing demands relating to developing new or revised standards (our primary focus) with efforts to develop timely implementation support materials for completed projects or other non-authoritative guidance that address specific or targeted issues, or to undertake post-implementation reviews of standards.
- Continue engagement and communication with our stakeholders through timely and meaningful outreach activities focused on:
  - Promoting the effective implementation of the International Standards on Auditing (ISAs), International Quality Management Standards (ISQMs), and the proposed ISA for ~~a~~Audits of ~~f~~Financial ~~s~~Statements of ~~l~~Less ~~c~~Complex ~~e~~Entities ~~and our other standards~~.
  - Understanding issues that affect our standards, including financial reporting issues, implementation challenges, the impact of technology and opportunities for collaboration to enhance engagement quality.
- Draft our standards in line with the complexity, understandability, scalability and proportionality drafting guidelines and principles, and the qualitative characteristics that standards should exhibit as

set out in the PIOB's Public Interest Framework.

Proposed Strategic Objective 2: Establish ~~the Preeminent and~~ Globally Accepted Standard(s) for Assurance on Sustainability Reporting

Strategic Actions – We will:

- Progress in a timely manner and complete our overarching standard for assurance on sustainability reporting (see **section III**, our proposed Work Plan 2024–2027).
- Initiate further standards on sustainability assurance to complement our overarching standard during the Strategy period (see **section III**, our proposed Work Plan 2024–2027). Selection of new topics will be done in accordance with the criteria as set out in our~~the~~ Framework for Activities.
- Balance appropriately the competing demands relating to developing the overarching and further standards on sustainability assurance engagements with efforts to develop~~Monitor the need for, and develop as necessary,~~ timely implementation support materials ~~for our overarching standard~~ or other non-authoritative guidance~~ to address specific or targeted issues as contemplated in Component IV of the Framework (e.g., to address matters that require more immediate action)~~.
- Continue engagement and communication with our stakeholders through timely and meaningful outreach activities focused on:
  - Coordinating with other relevant standard-setting bodies, including IESBA in relation to international ethics standards, as well as international and jurisdictional bodies with responsibility for reporting or assurance requirements or standards.
  - Promoting the adoption and effective implementation of our sustainability assurance standard(s).
  - Understanding the issues that assurance practitioners and other stakeholders are facing with respect to sustainability reporting and assurance, and identifying coordination opportunities~~ for collaboration~~ to enhance sustainability reporting within the external reporting ecosystem.

Proposed Strategic Objective 3: Enhance Coordination with IESBA and Other Leading Standard~~s~~ Setters and Regulators to Leverage Better Collective Actions in the Public Interest

Strategic Actions – We will:

- Maintain and enhance our coordination efforts with IESBA in the traditional area of audits and reviews of financial statements, as well as the area of sustainability and other assurance engagements. This includes at the Board, Task Force, Working Group~~,~~ and Staff levels, as well as in relation to project identification and scoping.
- Interact with the newly formed Stakeholder Advisory Council.[3] The Stakeholder Advisory Council,

[3] The Stakeholder Advisory Council will commence its activities in 2024 and replaces our extant Consultative Advisory Group as contemplated under the Monitoring Group reforms.

which will serve both our work and that of IESBA, will be a fundamental part of our engagement with our stakeholders at a strategic level.

- Further enhance working relationships with regulators and audit and assurance oversight bodies to help understand their concerns, and further explore causal factors to address public interest issues.
- Continue our two-way liaison with the International Accounting Standards Board (IASB) and the ISSB. This includes providing input on auditability and assurability matters, respectively, of their new and revised standards, thereby contributing to the quality of external reporting.
- ~~Further enhance our coordination efforts with IESBA in the traditional space of audits and reviews of financial statements, as well as the sustainability and other assurance engagements space.~~
- Explore new ways to expand our collaboration with international standard-setting bodies and jurisdictional / national auditing standard~~s~~ setters (NSS).
- ~~Interact with the newly formed Stakeholder Advisory Council (SAC).[4] The SAC, which will serve both the work of the IAASB and IESBA, will be a fundamental part of our engagement with our stakeholders at a strategic level.~~

Proposed Strategic Objective 4: ~~Attract and Retain Top, Diverse Talent at the Board and Staff Levels to~~ Create more Agile, Innovative Ways of Working in Line with the Monitoring Group's Reform Vision

Strategic Actions – We will:

- Continue to transform our processes to further enhance the timeliness and effectiveness of our standard-setting activities and implement the Monitoring Group reforms. This includes understanding and addressing any areas of interdependency (operational or otherwise) between us and IESBA to enable effective coordination.
- Under the PIOB's Nominating Committee's guidance, build a diverse Board that will enable us to continue to have the necessary expertise to respond to evolving public interest demands, as well as 'new' and different expectations in line with the Monitoring Group reform criteria.
- Enhance our technical staff capacity and competencies to enable an independent technical team to take day-to-day responsibility of project development, under Board supervision and direction.
- In expanding and building our staff team, ~~we will~~ continue to focus on an approach that promotes diversity, equity, and inclusion.
- Foster an environment that is conducive to the retention of talent, through appropriate governance and leadership, and Human Capital support as it relates to career advancement and professional and personal development opportunities, and progressive human resources policies and procedures.
- Use technology to enhance our processes and the accessibility of our standards.

~~[4] The SAC will commence its activities in 2024 and replaces our extant Consultative Advisory Group as contemplated under the Monitoring Group reforms.~~

Section III: Our Proposed Work Plan for 2024–2027

Our proposed Work Plan is focused on the ongoing, timely identification of new or emerging issues that may affect our global standards, and timely analysis and resolution of these identified issues.

Although past experience is an important input when doing forward planning, the implementation of the Monitoring Group reforms also brings some uncertainties around the full impact of those changes which may influence considerations such as available resources at certain times, the focus and number of new projects that can and should be undertaken, and the nature and timing of our project cycle.

~~The~~Our proposed Work Plan assumes full utilization of our current resources and capacity (e.g., people, plenary time, and operating budget), and balances the current needs of different stakeholders. As the Work Plan period progresses, our proposed Work Plan may change given the nature of the issues, the complexities of the projects, stakeholders' feedback, new ways of working and the need to be flexible in responding to environmental changes. This includes changes that may be needed to accommodate capacity to address urgent or unexpected issues that arise and are not known at the time of approval of the Work Plan.

Balance Between Audits and Reviews, and Sustainability and Other Assurance Engagements

A key characteristic of ~~this~~our proposed Work Plan is maintaining a balance in terms of our focus on both the traditional area~~space~~ of audits and reviews of financial statements, and the evolving area~~space~~ of sustainability and other assurance engagements. This is reflected below by distinguishing between these two broad focus areas in the following sections under "Planned Actions for 2024–2027":

- Progressing and completion of projects underway at the start of 2024 (pages 16–17, including **Table A**)
- Selecting our next projects for the Work Plan period (pages 17–22, including **Table B**)

As has been highlighted for proposed Strategic Objective~~s~~ 1 (page 11), setting auditing standards remains a key priority for us. Our work plan will continue to reflect the revision and development of auditing standards on a timely basis to respond to the changing environment and the needs of our stakeholders. In addition, proposed Strategic Objective 2 (page 11) reflects that sustainability reporting and the assurance thereof are rapidly evolving to take a position alongside financial statements in the context of meeting the needs of intended users of an entity's general purpose external reporting. Therefore, standard setting focused on sustainability assurance engagements will also be a priority for us. We are mindful that the attention to non-financial information more broadly may also prompt demands for other assurance engagements.

Planned Actions for 2024–2027

~~**Progression and Completion of Projects Underway at the Start of 2024**~~

We recently undertook a Survey Consultation to develop our 2022–2023 Work Plan (which was approved a little over a year ago, in December 2021 [this Consultation Paper is expected to be released in January 2023]). We believe it is appropriate to draw on the results of that survey consultation to inform our position presented in this Consultation Paper. The development of this Consultation Paper was also informed by other activities as highlighted in **Appendix 1**.

Progression and Completion of Projects Underway at the Start of 2024

Based on the feedback received through our 2021 survey consultation,[5] we plan to complete the projects underway at the start of 2024. ~~However, we acknowledge that some stakeholders called for differing levels of priority for some of the projects.~~

Table A below sets out the standard-setting projects that we will focus on progressing and completing in the Work Plan period. Refer to our "Current Projects" webpage that provides links to the individual project pages for more information about each project, including the project timeline and status of the project. ~~**Appendix 2** sets out a high-level description of the activities within each of these projects. Based on the feedback received on this Consultation Paper, we will update o~~Our ~~Detailed Quarterly Forward Work Plan that illustrates targeted progress for projects on a quarterly basis, for a two-year period.~~[6]

Table A: Completion of Current Standard-Setting Projects	Targeted Milestones[7]
AUDITS AND REVIEWS	
~~**Audits of Less Complex Entities (LCE) – the ISA for LCE, Part on Group Audits**~~	~~Exposure period closed pre-2024~~ ~~Completion: H1 2024~~
Audit Evidence (Revision of ISA 500)[8]	Exposure period closed pre-2024 Completion: H1 2024
Going Concern (Revision of ISA 570 (Revised))[9]	Exposure period closed pre-2024 Completion: H1 2024

[5] A summary of the 2021 survey responses was discussed at our September 2021 meeting.

[6] The project page for each of the IAASB's current projects provides a project timetable that includes targeted dates for project proposal, exposure draft and final approval of a standard(s). The targeted dates may change given the nature of the issues, project complexities, stakeholder feedback, new ways of working, and necessary responses to environmental changes and will be updated when changes are needed.~~Our Detailed Quarterly Forward Work Plan is our best estimate for how we will progress the various projects and workstreams, including any new projects that may commence during the Work Plan period. This Detailed Quarterly Forward Work Plan may change given the nature of the issues, project complexities, stakeholder feedback, new ways of working and necessary responses to environmental changes, and will be updated when changes are needed. Our Detailed Quarterly Forward Work Plan will also set out when new projects or initiatives will be discussed in Board plenary sessions.~~

[7] Targeted milestones are our best estimate for how we will progress the various projects. As indicates at the start of Section III~~this~~, the work plan and timelines are subject to change because of various factors that cannot be fully anticipated at the planning stage. Periods are indicated in half-years, for example "H1 2024" means the 1st half of 2024. H1 includes the period January through June, and H2 includes the period July through December of any calendar year, respectively.

[8] ISA 500, *Audit Evidence*

[9] ISA 570 (Revised), *Going Concern*

Table A: Completion of Current Standard-Setting Projects	Targeted Milestones[7]
Implications for IAASB Standards of IESBA's Project on ~~,~~ ~~Definitions of~~ Listed Entity and Public Interest Entity ~~(PIE)~~ – Track 2[10]	Exposure period closed pre-2024 Completion: H2 2024
Fraud (Revision of ISA 240)[11]	Exposure period closes H1 2024 Completion: H1 2025
SUSTAINABILBITY AND OTHER ASSURANCE ENGAGEMENTS	
Overarching Standard for Assurance on Sustainability Reporting	Exposure period closes H1 2024 Completion: H2 2024 / H1 2025

Other Initiatives and Ongoing Activities

In addition to our standard-setting projects, the following initiatives and activities will also continue in the Work Plan period with dedicated Staff resources and Board plenary time as needed:

Ongoing Workstreams

- Technology, including our focused efforts on disruptive technologies.[12]
- Professional skepticism.[~~9~~12]
- Auditor reporting.[~~9~~12]

Implementation Support Activities

- Component IV of our Framework of Activities contemplates the Board undertaking first-time implementation support activities and developing non-authoritative support materials (or guidance). We will continue to be alert to the need for these activities and materials, mindful that there are competing demands and our efforts will continue to be prioritized for standard-setting projects. Therefore, first-time implementation guidance will be considered on a project-by-project basis, as directed by the Board upon finalization of a project. Also, non-authoritative guidance will mostly be

[10] Our Listed Entity and Public Interest Entity ~~PIE~~ project is being undertaken on two tracks as explained in Section VII of the approved Project Proposal. Track 1 will be completed in 2023 and Track 2 will still be underway at the start of 2024.

[11] ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

[12] ~~**Appendix 2** describes our ongoing work in these areas.~~The main function of our consultation groups is to provide input and support to task forces, working groups or Staff on relevant matters relating to technology, professional skepticism and auditor reporting, respectively. In addition, our efforts around disruptive technologies will be ongoing and are specifically focused on:

- Building processes and structures to support our disruption initiative;
- Maintaining and improving our knowledge about disruption trends and their implications for standard-setting and the public interest; and
- Sharing knowledge to improve audit and assurance quality and thereby improve reporting quality.

limited to responding to significant unanticipated developments in the environment or addressing significant targeted issues that have arisen that require a more immediate response than what standard setting can provide.

- ~~Implementation support activities for recently completed standard-setting projects, including for the ISA for LCE.~~
- ~~Developing or revising non-authoritative support materials as appropriate.~~

~~Selecting~~ Our Next Projects for the Work Plan Period

We will determine our new projects commenced during this Work Plan period in accordance with the criteria as set out in our~~the~~ Framework for Activities, including the appropriate time for a new project(s) to commence.

Criteria for Selecting and Prioritizing Topics to be Taken Up in Our Work Plan:

- A known public interest need or benefit for pursuing a project, taking account of the PIOB's Public Interest Framework.
- Alignment with our goal, strategic drivers and strategic objectives.
- The other criteria for the selection of new projects or actions as set out in our~~the~~ Framework for Activities (i.e., the prevalence of the issue globally; Board action necessary to maintain or enhance quality of engagements; and urgency).
- The available resources, including Board capacity and Staff resources.

Stakeholders' views from this Consultation Paper and from ongoing outreach activities will also help inform how the criteria for selection of new projects or actions as set out in our~~the~~ Framework for Activities are applied. In planning our detailed forward actions, the Board will always balance information gathering and research efforts with the need for timely action to address topics of significant and urgent public interest.

Planned activities on candidate topics for new projects involve information gathering and research as contemplated in our~~the~~ Framework for Activities.[13] The nature, scope and timing of information gathering and research for a topic will be influenced by the criteria identified above, as well as the outcome of activities as the information gathering and research is undertaken. For example, initial fact finding to identify and understand the issues and challenges relating to a topic may reveal the need for more targeted information gathering such as through a public forum or roundtable(s), or to solicit views on identified matters through a discussion paper, consultation paper, request for input or a stakeholder survey. In such instances, the time for analysis of feedback and developing of recommendations will be extended, compared to another topic where the issues and challenges may be more readily apparent, and the topic can move faster through understanding, analysis, and recommendations. Based on the recommendations developed, the Board may decide to move to a project proposal to scope and formalize its standard-setting commitment for a new project, or that other action is warranted (i.e., other IAASB action, e.g., development of non-authoritative guidance, or action by others and how we may coordinate and support action by others).

[13] Staff commences information gathering and research activities well in advance of the first Board plenary discussion on a topic.

Appendix 2 provides a high-level overview of the key milestones of our 'normal' project cycle for the revision or development of a standard.

Commencement of New Projects as the Projects Already Underway Completes

Subject to~~Based on~~ anticipated Board capacity, Staff resources, and ~~projection of~~ the progression and completion, as planned, of work underway at the start of 2024 (see **Table A**), there will be a build up to and commencement of new projects as the projects underway at the start of 2024 reach completion~~es (see Table A)~~. In line with proposed Strategic Objective 4 (see **Section II**), we will seek opportunities to advance targeted timelines, for example, through efficiencies in processes or procedures within the project cycle or innovating with respect to the project cycle.

Recognizing initial expectations about the impact of changes as a result of implementation of the Monitoring Group reforms, we anticipate that the 'new' Board and Staff model would be able to accommodate around five to seven parallel standard-setting projects. However, this is dependent on the 'mix' of those projects, i.e., not all projects can be major revisions of existing, or development of new, standards as contemplated in Component II of our~~the~~ Framework for Activities. A portion would need to be narrow scope maintenance of standards projects (see Component III of our~~the~~ Framework for Activities).

On balance, the following is expected in terms of commencement of new projects during the Work Plan period:

- **One new project in 2024;**
- **Two or three new projects in 2025;**
- **One or two new project(s) in 2026; and**
- **Depending on sequencing and progress of projects in the first three years, an additional new project in 2027.**

Possible Post-Implementation Review Projects

The above outline of new projects to be commenced during the Work Plan period ~~'projects envelope'~~ also encapsulates any post-implementation reviews that the Board decides to undertake.

As indicated as part of our strategic actions for proposed Strategic Objective 1 (see **Section II**), post-implementation reviews of new or revised standards are only considered after a significant period of global adoption and implementation of a standard (i.e., 3–5 years). This allows sufficient time for a new or revised standard to be properly embedded in practice and for internal and external monitoring purposes, in the context of global adoption across jurisdictions. In addition, a possible post-implementation review project would need to reach a level of priority that justifies its selection relative to the priority of other topics being considered for possible standard-setting projects (in applying the criteria as set out in our~~the~~ Framework for Activities). The following may be candidates for post-implementation review projects during the Work Plan period:

- ISA 540 (Revised)[14], *Auditing Accounting Estimates and Related Disclosures* (effective for audits of financial statements for periods beginning on or after December 15, 2019).

[14] ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

- ISA 315 (Revised 2019)[15], *Identifying and Assessing the Risks of Material Misstatement* (effective for audits of financial statements for periods beginning on or after December 15, 2021).
- The Quality Management Standards[16] (effective as of December 15, 2022).

Possible New Standard-Setting Projects

Table B below sets out the proposed list of possible new standard-setting projects for commencement during the Work Plan Period.[17]

~~As already mentioned for our projects underway at the start of 2024, above, t~~The possible projects in **Table B** were informed by our 2021 survey consultation as well as other activities highlighted in **Appendix 1**. In addition, the results from this consultation will further inform our decision making for the Work Plan period (see Questions 4–6 in **Section I**, Request for Comments).

~~The possible new standard-setting projects in **Table B** that are marked with an asterisk (*) have been listed in priority order that has been informed by our 2021 survey consultation. Those possible projects that are unmarked represent additional topics that were identified by respondents to our 2021 survey consultation, and a broad category for future work anticipated on sustainability assurance engagements. **Appendix 2** sets out a high-level description of the potential activities within each of these possible projects.~~

Table B: Possible New Standard-Setting Projects that May Commence in 2024–2027
AUDITS AND REVIEWS **(in numerical order of standards that may be affected)**
A. Materiality (Revision of ISA 320)[18] Revising ISA 320 to address issues and challenges related to consistency in the determination and revision of materiality and performance materiality, and to clarify the application of these concepts within a risk-based audit.

[15] ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

[16] The Quality Management Standards consist of 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*

[17] The topics in **Table B** are currently in Category A of Component I of our~~the~~ Framework of Activities, together with various other possible topics for our consideration. The topics presented in **Table B** are the likely candidates at this time to meet the criteria in our~~the~~ Framework for Activities to move into Category B during the Work Plan period (i.e., for more focused information gathering and research activities to identify and understand the relevant public interest issues and related standard-setting or other needs of stakeholders), and progress further through ~~the~~ our Framework for Activities, as appropriate.

[18] ISA 320, *Materiality in Planning and Performing an Audit*

B. Responding to Assessed Risks of Material Misstatement (Revision of ISA 330)[19]

Revising ISA 330 to better align the requirements with changes made to the risk identification and assessment standard (ISA 315 (Revised 2019)) and changes in proposed ISA 500 (Revised).[20] This would include revisions to modernize ISA 330 as necessary, in particular in relation to technology.

Various Standards in the ISA 500 series

The following standards may require revision to better align the requirements with changes in proposed ISA 500 (Revised) (and other ISAs as may be appropriate), and to reflect the impact of technological advances (the use of technology by entities and by auditors). Some additional or specific matters are also highlighted.

C. **ISA 501[21]–** to modernize to reflect current methods for inventory counts. Could be a narrow scope project[22] that targets the "Inventory" section of the standard.

D. **ISA 505[23] –** to modernize for the current environment, including technology-based confirmation processes and possibly revisiting the concepts of positive and negative confirmations.

E. **ISA 520[24]–** to address challenges in practice and expectations that come with the use of technology by entities and automated tools and techniques by auditors in the context of analytical procedures used to perform both risk assessment procedures and further audit procedures.

F. **ISA 530[25]–** to address issues and challenges related to consistency in the application of audit sampling as a means of selecting items for testing. In addition, to address challenges in practice and expectations that come with the use of technology by entities and automated tools and techniques by auditors.

G. **Technology targeted or omnibus project(s) –** to undertake a targeted or a broad-spectrum update of the ISAs for the impact of technology, which may primarily relate, or could be scoped to specifically address the audit evidence standards in the ISA 500 series and selected other ISAs. This could be an effective way to address some of the more pervasive modernization and technology challenges.

- ~~**Analytical Procedures (Revision of ISA 520)**~~

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[19] ISA 330, *The Auditor's Procedures in Response to Assessed Risks*

[20] Proposed ISA 500 (Revised), *Audit Evidence*, was approved by the Board in September 2022 and the Exposure Draft was issued on October 24, 2022 (the comment period closes on April 24, 2023)

[21] ISA 501, *Audit Evidence – Specific Considerations for Selected Items*

[22] The Framework for Activities provides for the narrow scope maintenance of standards (Component III), which is distinct from 'full scope' projects for the revision or development of standards (Component II). The former refers to projects addressing a limited number of targeted changes to either a single standard or across multiple standards (because of their expected nature and scope, these projects are expected to move quicker through the project cycle). We will monitor whether there are topics that could be addressed through a narrow scope maintenance of standards project. For example, when there is an urgent need to address an issue or when a standard-setting response is indicated (rather than non-authoritative material) but does not require a full scope revision of one or more standard(s). **Unless otherwise stated, possible projects to address topics in this table are expected to be full scope projects.**

[23] ISA 505, *External Confirmations*

[24] ISA 520, *Analytical Procedures*

[25] ISA 530, *Audit Sampling*

- ~~**Audit Sampling (Revision of ISA 530)**~~

~~**Narrow Scope Maintenance Projects** (in numerical order of standards that may be affected):~~

- ~~Omnibus project to update ISAs for impact of technology.~~
- ~~ISA 260 (Revised), to clarify requirements in the context of when management and those charged with governance are the same.~~
- ~~Updating ISA 501 to reflect current methods for inventory counts.~~
- ~~Updating ISA 505 for technology (i.e., modernization for increased use of technology-based processes).~~
- ~~Updating ISA 720 (Revised) for challenges arising from the implementation of the standard.~~

H. Using the Work of an Auditor's Expert (Revision of ISA 620)[26]

Revising ISA 620 to appropriately align with concepts in recently revised standards, including ISA 540 (Revised) and ISA 220 (Revised), and the changes in proposed ISA 500 (Revised). Also, to clarify some concepts and aspects of application in an environment where entities' financial reporting reflects more complex business models, activities and transactions.

I. Auditor Responsibilities Relating to Other Information (Revision of ISA 720)[27]

Revising ISA 720 (Revised) to clarify the concepts underlying the auditor's responsibilities and to address implementation issues and challenges that have been highlighted as part of the post-implementation review of the revised audit reporting standards. Could be a narrow scope project; there also is a view that a more fundamental revision of the standard may be warranted.

J. Review of Interim Financial Information (Revision of ISRE 2410)[28]

Revising ISRE 2410 to update the standard to the clarity format, other possible changes to address issues and challenges identified (e.g., alignment with concepts and principles in other standards, such as ISA 570 (Revised), ISA 700 (Revised)[29] and ISA 701),[30] and to modernize the standard.

K. Joint Audits (new standard)

Possible standard-setting to address the application of the ISAs to joint audits in jurisdictions where joint audits are undertaken. The lack of a standard adversely affects the consistency of performance of joint audits across jurisdictions and may stifle the introduction of joint audits in other jurisdictions.

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[26] ISA 620, *Using the Work of an Auditor's Expert*

[27] ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

[28] International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

[29] ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

[30] ISA 701, *Communicating Key Audit Matters in the Auditor's Report*

SUSTAINABILITY AND OTHER ASSURANCE ENGAGEMENTS[31]

L. Further Standards for Assurance on Sustainability Reporting[32] **(new standards)**

The Board has decided to apply a phased approach to address the needs for assurance standards on sustainability reporting, which comprises of: (1) immediate action to develop an overarching standard for sustainability assurance engagements (see **Table A**); (2) future actions to align with the evolving maturity over time of the needs of intended users of sustainability information, sustainability reporting standards, entities' reporting in accordance with such standards, and assurance practice.

- After completion of the overarching standard ~~for assurance on sustainability reporting (see **Table A**)~~, we anticipate the need to continue to develop further standards as part of a bespoke suite of standards on sustainability assurance. These standards will provide more specific or granular requirements on individual elements of the assurance engagement or individual elements of an entity's sustainability reporting.
- The above approach would involve addressing multiple topics, which may each be considered a 'new' project in the context of the commencement of new projects from 2024 to 2027 (see explanation on pages 18–19). In certain instances, it may be desirable to group a number of topics together (depending on their nature and extent) to represent a project.

M. Assurance on XBRL (new standard)

Explore the need for an assurance standard on XBRL in response to the increased focus and use of digital reporting (for financial and non-financial information). Option of a potential subject-matter specific standard that builds on and supplements the application of ISAE 3000 (Revised) for these assurance engagements.

Coordination with Other Standard-Setting Boards

IESBA

As our projects progress during the Work Plan period, there may be matters that impact the IESBA's *International Code of Ethics for Professional Accountants (Including International Independence Standards)* (the IESBA Code). Similarly, matters under consideration by ~~the~~ IESBA may have implications for our International Standards. We recognize the importance of ongoing coordination between us and ~~with the~~ IESBA on matters that may impact either the IESBA Code arising from the projects we undertake or our International Standards from the IESBA's activities. We will therefore continue to coordinate with ~~the~~ IESBA at the Board, Task Force, Working Group, and Staff levels, in the context of specific topics~~, through aligning~~

[31] We note that there may be a need for a possible project to revise International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, resulting for our work on sustainability assurance engagements and other feedback received. However, we believe that such project will not be possible within the 2024–2027 Work Plan period but should continue to be tracked as a possible future project.

~~[32] Based on the Board's deliberations in March 2022, June 2022 and September 2022, it was decided that our approach to respond to the need for a global assurance solution for sustainability assurance engagements would broadly comprise of: (1) immediate action to develop an overarching standard for assurance on sustainability reporting; (2) future actions to align with the expected continued evolution around the maturity of the needs of intended users of sustainability information, sustainability reporting standards, entities' reporting in accordance with such standards, and assurance practice. Therefore, standard(s) for assurance on sustainability reporting will need to be developed in phases over time (i.e., applying a phased approach).~~

~~efforts by Staff and the Boards~~ where necessary and appropriate, and through regular leadership interactions and communications. In addition, project identification and scoping will benefit from an increased focus on timely coordination to understand and act on any commonalities of interest.

Other Global Standard-Setting Boards

We will continue to liaise, and coordinate where necessary, with other global standard-setting boards. Active consultations will include, but are not limited to, the IASB and the ISSB on matters of auditability and assurability, respectively, of new and revised international financial or sustainability reporting standards.

Allocation of Resources

Our Work Plan will draw on our full capacity to deliver high-quality standards~~,~~ and undertake our activities in a timely manner. The Work Plan as set out above is expected to be supported by a ~~direct operating~~ budget of approximately $XYZ million ~~(excluding operational support received from the International Federation of Accountants (IFAC)).~~ in 2024. The budget for the newly formed 'Foundation' is affected by the funding arrangements agreed under the Monitoring Group reforms. These arrangements will evolve over the initial implementation period that falls within both out and IESBA's Work Plan period. On balance, the overall budget and allocations for both Boards are expected to be reasonably stable, with the possibility of agreed upward annual adjustments.

The work that can be undertaken is also limited to volunteer hours of our Board members and Staff capacity available to undertake activities that we have committed to. The number of technical staff through permanent appointments and secondments will increase over time to ensure appropriate technical expertise and to facilitate the shift from the traditional Task Force-model for projects. The net positive impact of these changes is expected to become evident as the Board and Staff adapt throughout this Work Plan period.

We will allocate the~~se~~ above resources on the basis of information about new initiatives or projects that will need to be started and past experience of the capacity needed to deliver our projects and initiatives, while being mindful of making adjustments as we continue to adapt to the 'new model' as referred to above. We reserve a limited capacity to respond to unexpected events and we will be able to reallocate resources if, and when, needed (however, with consequential changes to timelines of projects). The resources needed and capacity for key deliverables contemplated~~illustrated~~ in the Work Plan assumes ~~that~~ nearly full utilization of all ~~current~~ Staff and Board resources ~~are fully allocated~~. ~~Notwithstanding that resources are subject to change, particularly as the Monitoring Group reforms are implemented, this Work Plan does not assume changes to the availability of resources.~~

Appendix 1

The Development of this Consultation Paper

The development of this Consultation Paper was informed by:

- A Stakeholder Survey for our Work Plan 2022–2023.

  We received 100 responses from a wide range of stakeholders including from a Monitoring Group member (the International Organization of Securities Commissions). A summary of the survey responses was discussed at our September 2021 meeting and the Work Plan 2022–2023 was approved in December 2021.

- Outreach by our Chair, Board members and senior and project Staff as part of our general outreach program, as well as project-specific outreach.

  Details of our outreach activities are reported in Agenda Item 1 of every quarterly IAASB meeting and, in relation to project specific outreach, in the agenda materials for individual projects. This outreach includeds outreach with Monitoring Group members (e.g., the European Commission, the International Forum of Independent Audit Regulators, the International Organization of Securities Commissions and the Financial Stability Board).

- Discussions with the PIOB.

- Discussions with our Consultative Advisory Group.

- Regular engagements with our NSS.

  This includes annual or bi-annual meetings with NSS, which includes report back on requests for input to NSS about jurisdictional developments of international relevance, as well as bilateral outreach with individual NSS as part of our general outreach program or project-specific outreach.

- Input from coordination activities with IFAC, including the IFAC Small and Medium Practices Advisory Group and the Forum of Firms.

- Matters raised in our projects or ongoing workstreams where the matter(s) is not addressed by the specific project or workstream.

- Ongoing scanning of the environment and monitoring of global trends.

Appendix 2

Key Milestones of a Standard Setting Project~~Descriptions of Projects and Initiatives in the Work Plan~~

The following diagram provides a high-level overview of the key milestones of our 'normal' project cycle for the revision or development of a standard.

First Discussion

- Staff commences information gathering and research activities well in advance of the first Board plenary discussion on a topic. The Board considers the identified issues and challenges and provides direction on whether and, if so, how to proceed. This may include Staff, or a Working Group supported by Staff, working directly towards a project proposal, or first undertaking more targeted information gathering, for example, through public consultation on a Discussion Paper.

Project Proposal

- The project proposal formalizes the Board's standard-setting commitment; Staff resources and a Task Force are allocated. The project proposal addresses, among other matters, the project objectives that support the public interest, proposed actions to address the key issues identified and a preliminary project timeline.

Exposure Draft

- The Task Force and Staff develop the proposed new or revised standard by addressing the matters set out in the project proposal and iterating the drafting of the text of the standard (which may include further outreach and reserach) for discussion by the Board. When the Board is ready, it votes on the pproval of an Exposure Draft. The public consultation period ordinarilly is 120 days.

Final Standard

- The Task Force and Staff analyze the comments received on exposure, develop views on how these may be addressed, and present suggested changes to the Board for discussion. The drafting of the text is iterated until the Board is comfortable to vote on approval of a final standard. The Board also may vote to re-expose a proposed standard, which will extend the overall timeline to deliver a final standard.