

## IAASB Strategy and Work Plan for 2024 – 2027 – Cover

### Objective

The objective of this agenda item is to discuss and approve the draft Consultation Paper on the IAASB's Proposed Strategy and Work Plan for 2024–2027 (the Strategy and Work Plan), set out in **Agenda Item 2-A**.

### Board Discussion

#### Other Agenda Items

The Planning Committee also presents:

- **Agenda Item 2-A:** Draft Consultation Paper on the IAASB's Strategy and Work Plan for 2024–2027 – Marked from September 2022
- **Agenda Item 2-B:** Draft Consultation Paper on the IAASB's Strategy and Work Plan for 2024–2027 – Clean

#### Approach to the Board Discussion

The Board will discuss the questions in the order as included in this cover note.

1. Since the September 2022 meeting, the Planning Committee (which acts as the Task Force for the development of the IAASB's Strategy and Work Plans) has enhanced the Strategy and Work Plan based on the feedback received from the Board during the September 2022 IAASB meeting.
2. **Appendix 1** to this agenda item contains an overview of the Planning Committee's activities, including outreach, since the September 2022 meeting. **Appendix 2** includes an overview of the significant changes since the September 2022 IAASB meeting.

#### Coordination with IESBA

3. In October 2022, the Planning Committee met with the International Ethics Standards Board for Accountants' (IESBA) Planning Committee to share views on the matter of strategic coordination between the two Boards, as input to the further development of the Boards' Strategies and Work Plans for 2024–2027.
4. For the first time the IAASB's Strategy and Work Plan and IESBA's Strategy and Work Plan have coterminous periods. This was intentional and enables the Boards to consider coordination at the strategy setting stage, with a focus on strategic coordination and early coordinated prioritization as needed, as distinct from their regular ongoing technical coordination.
5. In the meeting it was noted that while the two standard setting boards are independent of one another and have unique needs, coordination at a strategy level, done robustly, could have the potential for both Boards to affect an outcome(s) of common interest more effectively than if approached only by one Board or prioritized at different times. It was also noted that strategic coordination may offer the opportunity to uncover potential new projects/initiatives that were not previously identified. It could

also allow framing of final project determinations in a way where there is greater coherence between the Boards when there is a common underlying goal.

6. Based on the discussion several changes were made to the Strategy and Work Plan. The significant changes resulting from the meeting with IESBA’s Planning Committee are explained in **Appendix 2**.

### Exposure Period

7. The Planning Committee aims to publish the Consultation Paper on the Strategy and Work Plan in January 2023 providing a comment period of around 90-days.<sup>1</sup> Based on this date, responses would be due by April 2023. This comment deadline date will allow the Planning Committee to present feedback received and initial proposed revisions of the Strategy and Work Plan at the June 2023 IAASB meeting and would allow, subject to the nature and extent of comments received, to approve the Strategy and Work Plan in December 2023.

### Due Process Matters

8. In the Planning Committee’s view, the significant matters identified as a result of its deliberations, have been presented to the Board for discussion. In the Planning Committee’s view, there are no significant matters that have not been brought to the attention of the IAASB.

#### Matters for IAASB Consideration

- 1) The IAASB is asked for its views on the following matters as presented in **Agenda Item 2-A**:
  - (a) Section II, Proposed Strategy (see pages 6–17)
  - (b) Section III, Proposed Work Plan (see pages 18 – 27)
  - (c) The Introduction, Request for Comments (Section I) and the appendices (pages 1–5 and 28–29)
- 2) The IAASB is asked to approve the Strategy and Work Plan for consultation.

### Next Steps

9. Following the December 2022 IAASB meeting, the Planning Committee will finalize the Consultation Paper, after which it will be cleared for issue by the Chair and Program and Technical Director.

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<sup>1</sup> The IAASB’s Due Process and Working Procedures requires, as part of the development of its strategy and work plan, the issue of a consultation paper for public comment for ordinarily no less than 60 days.

## Appendix 1

### Planning Committee Members and Activities Since the September 2022 IAASB Meeting

#### Planning Committee Members

1. The Planning Committee serves as the task force for this project. Members are:
  - Tom Seidenstein, IAASB Chair;
  - Len Jui, IAASB Deputy Chair;
  - Julie Corden;
  - Kai Morten Hagen;
  - Lyn Provost; and
  - Isabelle Tracq-Sengeissen.

#### Task Force Activities

2. In developing the Strategy and Work Plan, the Planning Committee held one videoconference meeting and one joint videoconference meeting with IESBA's Planning Committee.

#### Outreach Activities

3. The IAASB Chair updated the Public Interest Oversight Board (PIOB) on the planned public consultation and content of the Draft Strategy and Work Plan at the PIOB's October 2022 meeting.

### Explanation of Significant Changes

This appendix explains the significant changes and the rationale for the changes that have been made by the Planning Committee to the Strategy and Work Plan since the September 2022 meeting, as reflected in the marked draft in **Agenda Item 2-A**.

Reference	Significant Changes and the Rationale for Those Changes
<b>Section I: Request for Comments</b>	
<b>Questions to stakeholders</b>	<ul style="list-style-type: none"> <li>• The Planning Committee made several changes to the questions:                             <ul style="list-style-type: none"> <li>○ During the September 2022 Board meeting, it was noted that the questions were too closed. Therefore, the Planning Committee clarified in the introduction to the questions that respondents are asked for their <i>rationale</i> for their answers, as well as specific suggestions, where appropriate.</li> <li>○ During the September 2022 Board meeting, it was questioned whether we would stop a standard setting project underway as the consultation paper included a question on whether our stakeholders agreed with our proposed approach to focus on the completion of the standard-setting projects underway at the start of 2024. The Planning Committee noted that stopping a standard setting project underway is unlikely and therefore deleted that question.</li> <li>○ The Planning Committee split the question on possible new standard setting projects up between possible new standard-setting projects within the area of audits and reviews and possible new standard-setting projects within the area of sustainability and other assurance engagements.</li> <li>○ The Planning Committee added a question on how the coordination between the IAASB and IESBA could be enhanced. This question was added based on discussions with IESBA's Planning Committee.</li> </ul> </li> </ul>
<b>Section II: Our Proposed Strategy for 2024–2027</b>	
<b>Our proposed goal</b>	<ul style="list-style-type: none"> <li>• Based on comments made during the September 2022 Board meeting, the Planning Committee enhanced the goal by building in the notion of audit and assurance quality.</li> </ul>

Reference	Significant Changes and the Rationale for Those Changes
	<ul style="list-style-type: none"> <li>The updated goal is presented in clean in the text box on page 5 of <b>Agenda Item 2-A</b>. The following is the goal as marked from the version that was presented in September 2022:                       To serve the public interest, <del>the IAASB must</del> <u>by</u>:                       Developing the globally accepted and leading audit, assurance, and related services standards <del>that enhance</del> <u>enabling the performance of high-quality engagements that enhance</u> trust in markets and evolve in a timely manner to meet rapidly <del>changing</del> <u>evolving</u> public interest demands</li> </ul>
<b>Our Proposed Keys to Success and Stakeholder Value Proposition</b>	<ul style="list-style-type: none"> <li>Based on comments received, the Planning Committee deleted the bullet related to “our strategy.” It was noted that this bullet point didn’t fit well within this section that summarizes various elements that are encapsulated in the strategy itself.</li> </ul>
<b>Our Proposed Strategic Drivers</b>	<ul style="list-style-type: none"> <li>Based on comments received, the Planning Committee made various changes to the strategic driver “Diverse demands across the spectrum of stakeholders reflecting the diversity of the global economy.” Among other matters, the Planning Committee clarified what was meant with demands for differentiation.</li> <li>Based on comments made during the September 2022 Board meeting, the Planning Committee made various changes to the strategic driver: “Supporting the implementation of our standards.” Among other matters, the Planning Committee described the different views about this strategic driver more directly – maintaining focus on such activities or reducing their relative priority.</li> <li>Based on comments received, the Planning Committee made various changes to the strategic driver: “Increasingly tight timelines to meet heightened expectations.” The Planning Committee clarified that in addition for calls for timely action and the timely delivery of standard-setting solutions, there are also calls for sufficient time to implement our standards and absorb changes.</li> </ul>
<b>Our Proposed Strategic Objectives</b>	<ul style="list-style-type: none"> <li>Based on comments made during the September 2022 Board meeting, the Planning Committee enhanced the wording of proposed strategic objective 1. The Planning Committee incorporated the notion of quality in the objective and highlighted the importance of consistent performance of audit engagements.</li> <li>Based on the meeting with IESBA’s Planning Committee, the Planning Committee updated proposed strategic objective 3 by emphasizing IESBA’s role, given the close linkage between the Boards.</li> </ul>

Reference	Significant Changes and the Rationale for Those Changes
<p><b>Our Proposed Strategic Actions</b></p>	<ul style="list-style-type: none"> <li>• Based on comments made during the September 2022 Board meeting, the Planning Committee made several changes to the strategic actions related to proposed strategic objective 1:                             <ul style="list-style-type: none"> <li>○ In the Board meeting it was noted that we should be more direct about our activities with respect to post-implementation reviews and implementation support materials. Therefore, the Planning Committee replaced the two bullets related to post-implementation reviews and implementation support materials with a bullet indicating that the IAASB needs to balance competing demands between developing standards and developing implementation support materials or undertaking post-implementation reviews.</li> <li>○ The Planning Committee added a point that links the work we do to our complexity, understandability, scalability and proportionality drafting guidelines and principles, and the qualitative characteristics that standards should exhibit as set out in the IOB’s Public Interest Framework.</li> </ul> </li> <li>• Consistent with the changes made to the strategic actions related to proposed strategic objective 1, the Planning Committee clarified that the IAASB will also need to balance competing demands in developing the overarching and further standards on sustainability assurance engagements (see proposed strategic objective 2).</li> <li>• Consistent with the change above to proposed strategic objective 3, the IAASB’s coordination with IESBA has also been emphasized in the strategic actions for this objective, as well as in the first strategic action related to proposed strategic objective 4.</li> </ul>
<p><b>Our Proposed Work Plan for 2024–2027</b></p>	
<p><b>Progression and Completion of Projects Underway at the Start of 2024</b></p>	<ul style="list-style-type: none"> <li>• Above Table A, the Planning Committee changed the wording as the format of the Detail Forward Work Plan on the website will change. It was noted that it is extremely difficult to accurately try and estimate what the IAASB will bring to every quarterly meeting for the next two years. Also, the project pages have improved and are kept up to date.</li> <li>• The Planning Committee added a new section on implementation support activities (used to be a bullet under other initiatives and ongoing activities). The Planning Committee added this section based on comments made during the September 2022 Board meeting about making sure that our stakeholders understand the relative priority of such activities compared to the demands for standard setting.</li> </ul>
<p><b>Our Next Projects for</b></p>	<ul style="list-style-type: none"> <li>• Several changes were made to Table B based on comments from the Board. Among other matters the Planning</li> </ul>

Reference	Significant Changes and the Rationale for Those Changes
<b>the Work Plan Period</b>	<p>Committee:</p> <ul style="list-style-type: none"> <li>○ Deleted the asterisks as this was deemed confusing and may give the impression that decisions about next projects have already been made. This also necessitated a reordering of the possible projects so as not to imply any pre-determined priority.</li> <li>○ Included a short explanation for each possible project to facilitate understanding of what the scope of the revision could potentially be.</li> <li>○ Clarified that even though ‘further standards for assurance on sustainability reporting’ is a single item in the table, it is closely linked to the phased approach that has been adopted for sustainability assurance engagements more broadly, and that it probably encapsulates multiple projects.</li> </ul>
<b>Coordination with Other Standard-Setting Boards</b>	<ul style="list-style-type: none"> <li>• Based on the meeting with IESBA’s Planning Committee, the Planning Committee updated the description of our coordination with IESBA.</li> </ul>
<b>Allocation of Resources</b>	<ul style="list-style-type: none"> <li>• In the version presented to the Board in September 2022, the Planning Committee highlighted that this section was taken from our Work Plan 2022–2023 and that the Planning Committee will review and update. Since the September 2022 IAASB meeting, the Planning Committee has updated this section, taking into account the latest insights from the Monitoring Group reforms.</li> </ul>
<b>Appendix 2</b>	<ul style="list-style-type: none"> <li>• The Planning Committee deleted what was originally proposed as Appendix 2 given the changes made to Table B and given that our current projects in Table A have been referenced to our website.</li> <li>• Based on comments made during the September 2022 Board meeting, the Planning Committee added a diagram providing transparency to our stakeholders about our project cycle. This diagram will help our stakeholders to better understand the project cycle for projects we start during this Work Plan period.</li> </ul>