

# Envisioning the Future—Survey on the IAASB’s Future Strategy

Response ID:741 Data

## 7. SECTION III: ABOUT THE RESPONDENT

### 1. From which perspective are you providing this feedback:

The view of an organization.

**Please Indicate:**

### 2. Please complete

Name of Organization: : AICPA

Name or Person submitting Survey on behalf of the organization: : Hiram Hasty

### 3. Select from the following options that describe your organization:

National Standard Setter

**Is this a/an:**

**Is this response on behalf of the global network?**

**Is this response on behalf of a regional or national firm?**

**Other Firm?**

**IFAC Member Body or Other Professional Organization**

### 4. National auditing standards same as, or based on, the IAASB’s current International Standards on Auditing

Yes

**Please specify which standards are used:**

### 5. Other national standards same as, or based on, IAASB’s other standards (i.e., assurance, related services and reviews)

Yes

**Please specify which standards are used:**

**Are you a listed or non-listed entity?**

**Small or Medium-Sized** The concept of ‘smaller or less complex entities’ varies country by country, but ordinarily exhibits one or more of the following characteristics:Concentration of ownership and management in a small number of individuals.One or more of the following:Straightforward or uncomplicated transactions.Simple record keeping;Few lines of business and few products within business lines;Few formal internal controls; Few levels of management with responsibility for a broad range of controls; orFew personnel, many having a wide range of duties.

**.Entity?**

**Please Indicate:**

**Do you apply International Standards of Supreme Audit Institutions (ISSAIs) for financial audits**

**Those Charged with Governance**

**Private Sector**

**Please specify in the box below.**

Are you any of the following?

6. Please select the geographical region where you are based:

North America

## 8. SECTION IV - QUESTIONS FOR RESPONDENTS ABOUT THE IAASB'S STRATEGY FOR 2020-2023

7. 1. In your view, will the strategic environment affecting the needs of the IAASB's stakeholders look like in 2020 onward and what will be the impact on the IAASB's International Standards (for example, will the audit market change significantly; will other services dominate stakeholders needs – including what the needs may be for different types of evolving services; how evolving technologies, such as cryptocurrency, artificial intelligence or blockchain, will impact the environment in which the IAASB's stakeholders operate, etc.).

High quality financial reporting supporting capital formation- the bedrock of support for efficient capital markets is high quality financial reporting. As forms of capital raising have been and continue to change (some as a result of new technologies such as those used in initial coin offerings) the need for and type of independent assurance is changing. This may have a broad effect on the nature of audits and other assurance services.

Data Analytics-- This trend has an effect on several auditing standards. While not prohibited by extant audit standards, practitioners are seeking guidance and examples of its application.

Cybersecurity-- This is a trend that continually is in the news, companies are facing enormous challenging managing security and cybersecurity risks. Stakeholders will look to the profession to provide assurance on the effectiveness of an entity's cybersecurity risk management program and how companies are managing 3rd party risk posed by service organizations and vendor/supply chain.

Emerging Technologies-- Emerging technology such as, blockchain, artificial intelligence, and robotic process automation will pose significant audit and assurance implications for the profession. Practitioners will be seeking guidance and examples in either the standards or implementation guidance or both.

1. In your view, will the strategic environment affecting the needs of the IAASB's stakeholders look like in 2020 onward and what will be the impact on the IAASB's International Standards (for example, will the audit market change significantly; will other services dominate stakeholders needs – including what the needs may be for different types of evolving services; how evolving technologies, such as cryptocurrency, artificial intelligence or blockchain, will impact the environment in which the IAASB's stakeholders operate, etc.). - Text Analysis

8. 2. Section II. Describes the additional challenges and opportunities that the IAASB has identified relating to its people, processes and technology, including possible changes that may arise from the MG consultation. In your view, as the IAASB develops its Strategy for 2020–2023, what are the:

- (a) Key challenges and other factors that may impact the IAASB's activities and focus; and
- (b) Main opportunities for changing the way it undertakes its activities.

*Your response may include views about the matters identified by the IAASB as set out in Section III, but any views about matters that have not been mentioned are particularly welcome.*

Data Analytics--the challenge might be talent development in the profession to take advantage and leverage the capabilities of the data analytic techniques that would support more rapid adoption of the tools and techniques by the profession and the business community.

Cybersecurity-- there is significant pressure on governments and other regulators to take action; balancing

the advances in technology with the privacy, confidentiality and security concerns is extraordinarily challenging but also presents opportunities for the profession.

Emerging Technologies-- Rapidly changing landscape and adopting certain technologies may require significant investment for accounting firms that may present challenges to SMEs.

**9. 3. Are there specific initiatives within the stakeholder group to which you belong, or of which you are aware, that you believe the IAASB should actively monitor in light of their potential to inform the IAASB's future agenda? If so, what are they, and why do you think they are relevant to the IAASB?**

Talent acquisition, development and retention will continue to be a challenge for the profession.

## 9. THE FOCUS OF THE IAASB'S ACTIVITIES IN 2020–2023

**10. 4. Section II illustrates that the IAASB has, and will continue to, focus a significant part of its efforts in 2015–2019 on revising and developing standards addressing the audit of historical financial information and quality control. With respect to new standard-setting projects for the period 2020–2023, in light of where you believe IAASB actions are needed and to continue to serve the public interest, in your view what proportion of effort should the IAASB allocate to each of the following? (Allocation should total 100%)**

Quality control : 20%

Audits and reviews of historical financial information : 35%

Other assurance- [EER](#) Emerging Forms of External Reporting (EER) refers to emerging forms of external reporting by entities that increasingly provide non-financial information that goes beyond the traditional (financial statement) focus on the entity's financial position, financial; performance and impact on its financial resources. engagements : 5%

Other assurance (and related services) Related services pronouncements include: ISRS 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information (currently being revised); ISRS 4410 (Revised), Compilation Engagements.) - other than EER engagements : 10%

Professional skepticism : 10%

Matters relating to audits of smaller and less complex entities : 20%

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Total : 100%

**Comments:** The priority of the IAASB standard setting agenda should be on addressing matters relating to the ISAs and the Quality Control standards. Also, it is important to continually evaluate and maintain the scalability of the standards, therefore matters relating to providing assurance for smaller and less complex entities should be a priority as well.

**11. Please provide relative %; for each option by category to total 100%**

	(i) Developing new or revised standards	(ii) Undertaking implementation activities	(iii) Apply efforts to both
Quality control	75%	25%	
Audits and reviews of historical financial information	75%	25%	
Other assurance – EER engagements		100%	
Other assurance (other than EER engagements) and <a href="#">related services</a> <a href="#">Related services pronouncements include: ISRS 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information (currently being revised); ISRS 4410 (Revised), Compilation Engagements.</a>		100%	

**Comments:** As stated above, the priority of the IAASB's standard setting activities should be on new or revisions to the ISAs or Quality Control standards. Equally important is the development of implementation materials to enhance the consistency of the application of the ISAs and to assist in the scalability of the ISAs.

**12. 6. In relation to the development of new, or the revision of extant, standards as noted in Question 5, and in keeping an open mind as to the impact of the evolving environment and the challenges and opportunities for the IAASB in 2020–2023, should the IAASB, in your view:**

- (a) Focus first on a strategic review of extant standards (for example, consider how the standards could be better structured or presented in light of evolving technologies) before prioritizing projects on new topics. Please provide an explanation for your view.
- (b) Prioritize projects on new topics (as determined by the consultation on the IAASB's future strategy and priorities). Please provide an explanation for your view.
- (c) During implementation of the current standards under revision (i.e., those standards that currently have a committed project plan in place), consider a moratorium on developing new or other revised standards? If so, how long should such a moratorium last? Please provide an explanation for your view.
- (d) Undertake other actions related to the development of new, or revision of extant, standards, and/or implementation support. Please describe what these actions should be and provide an explanation for your view.

Our view is that the IAASB should prioritize projects on new topics (as determined by the consultation on the IAASB's future strategy and priorities). The ISAs is the primary vehicle that the IAASB has to protect the public interest and promote audit quality. As such, the priority of the standard setting agenda should be on addressing issues timely in either the extant ISAs or in new ISAs. This should also include the development of appropriate implementation tools to assist auditor implement the ISAs, and as noted above improve the scalability of the ISAs.

**13. 7. If there was a specific topic(s) that, in your view, should be the IAASB's priority(ies) when developing new, or revising existing, standards or related guidance for the period 2020—2023, what would it be, and why?**

Where applicable, kindly indicate whether in your view the topic(s) (you have indicated) has particular relevance mainly for engagements for listed entities, small- and medium-sized entities (SMEs), or for entities of all sizes. Views in relation to matters of relevance to developing nations and the public sector are also encouraged.

We believe specific topics should include the following:

- Audit evidence and related standards. It is likely that certain ISAs (for example ISA 520 and 530) will need to be revisited as a result of this project.
- Auditing standards for auditing SMEs
- Revisit assurance standards to provide guidance relative to direct engagements – this should be done in cooperation with different NSS who already have provided guidance on this topic in their national jurisdictions.

**14. 8. Are there any other topics of interest or matters of relevance that you feel the IAASB should consider when conducting its strategic review, including those related to its the way that the IAASB undertakes its activities (e.g., changes to address matters highlighted in the MG review)?**

The IAASB should consider devoting its standard setting deliberations to a more strategic level. This would entail complementing the board with more experienced staff that would devote its time to the more detailed drafting aspects of standard setting.