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IAASB Chair
International Auditing and Assurance Standards
Board
529 5th Avenue, 6th floor
10017, New York
US

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Subject : Consultation paper on the Proposed Strategy for 2020-2023 and the Work Plan for 2020-2021

Dear Sir,


The Compagnie Nationale des Commissaires aux Comptes (CNCC) and the Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC) are pleased to provide you with their comments on the proposed IAASB strategy for 2020-2023 and the work plan for 2020-2021.

Responses to the specific questions raised in the Consultation Paper are set out below.

If you have any further questions about our views on these matters, please do not hesitate to contact us.

Yours faithfully,


Jean Bouquet
President of CNCC


Charles-René Tandé
President of CSOEC

Envoyer obligatoirement votre correspondance aux deux adresses ci-dessous :

Questions

Question 1:

Do you agree with Our Goal, Keys to Success and Stakeholder Value Proposition (see page 6), as well as the Environmental Drivers?

We agree with the Goal, Keys to Success and Stakeholder Value proposed in page 6, as well as the Environmental Drivers presented in page 7.

However, we have the following comments:

- Concerning the Stakeholder Value Proposition, we consider that the theme “Education” should be added under the caption “Our Methods”. We are convinced that there is value in developing guidance and education material concurrently with the development of the standard, as it was done for Q&A and examples relating to ISQM1.
- We also encourage the IAASB to perform an analysis of risks and opportunities relevant to its organization and its strategy to help prioritize the proposed actions.

Question 2:

Do you agree with Our Strategy and Focus and Our Strategic Actions for 2020–2023 (see pages 8 to 13)?

We agree with the proposed Strategy and Focus and with the Strategic actions for 2020-2023.

Of course we are in favor of developing the actions relating to audits of less complex entities (Theme C page 11). We are, in France, particularly proud to organize the 2nd SMP/SME working conference in Paris in May 2019 to build on the success of the 1st conference on this topic.

We have however the following comments:

- Concerning the theme B – *Further challenge and enhance the fundamentals of our international standards*, we consider that the following topics should be added in the identification and prioritization of future actions:
 - the important findings from the IAASB post implementation review performed in July 2013 (it is unclear if all findings have been appropriately addressed by the IAASB) ;
 - joint audit engagements. In France we have a long experience in joint audit and joint audit has recently been implemented in several countries and is being discussed in the UK as part of the debate on the future of the audit;
 - the opportunity to deal with performance audit and compliance audit in the international standards.

Moreover, we believe that “XBRL filings” should be mentioned to illustrate the changing corporate reporting environment, as there is currently an expectation of an auditor’s involvement on e-XBRL filings (ESEF) for listed companies in Europe.

- Concerning the theme C – *Develop ways to address complexity, while maintaining scalability and proportionality*, we consider that the IAASB should:
 - add the following action : developing international auditing practice notes (IAPN) for specific business sectors, for example public sector, banks and insurance companies;
 - promote the use of tools such as “Pack SMEs” to illustrate the third strategic action, i.e. enhance the accessibility and ease the use of the standards.
This Audit Pack for Small and Medium Sized entities (“Pack SMEs”) was developed by the CNCC in cooperation with IRE – IBRE. It is a package of tools designed to enable the auditor to plan and perform audit procedures and to structure the approach on SME audit, in accordance with International Standards on Auditing (ISAs). These tools were prepared to save auditors’ time. In designing them, the characteristics of SMEs was considered.

Tools are divided into two categories, i.e. « structuring tools », considered to be essential to the audit approach and to be used in all cases and « other tools », considered to be useful to the audit approach, they are selected depending on the circumstances of the engagement, on the basis of the auditor's judgment.

The "Pack SMEs" was presented at the IAASB SMP/SME working conference held in Paris in January 2017 and has been updated with new and revised ISAs. This pack was translated into English, Spanish and Dutch.

- Concerning theme D – *Strengthen and broaden our capability and capacity to respond by innovating our ways of working*, we fully support the development and the implementation of a Framework for Activities. But we noticed that the project was not listed in the detailed work plan for 2020-2021. We encourage the IAASB to include this framework in the detailed workplan. We also encourage the IAASB to develop criteria to define the "right work at the right time". We consider that these criteria should be specified in the Framework.

Moreover, we do not understand if this project will be managed by the IAASB staff or by the Board. Due to the importance of this project, we believe it is important that the project be lead by the Board.

As far as the diagram is concerned, we have the following additional comments:

- Caption "Outreach" : the diagram should clarify that the outreach is based on a two-way communication, i.e. communication between external and internal environment;
 - Caption "Research phase": the IAASB should enhance the transparency of this phase. We therefore consider that the IAASB should appropriately communicate on the outputs of this phase and make available the underlying documentation.
- Concerning theme E – *Deepen our connectivity and collaboration opportunities*, we consider that the IAASB should:
 - connect and liaise with the International Accounting Education Standards Board;
 - obtain an understanding of the landscape of existing alternative sets of assurance standards and liaise with other assurance providers to inform IAASB work, (such as MSI 20000, ISO ...)

Question 3:

Do you agree with the IAASB's proposed Framework for Activities, and the possible nature of such activities (see pages 11 and 12), as set out in Appendix 2 (see pages 19 and 20)?

Please refer to answer to question 2.

Question 4:

Do you support the actions that have been identified in our detailed Work Plan for 2020–2021 (see pages 15 and 16). If not, what other actions do you believe the IAASB should prioritize?

We support the actions identified in the detailed work plan for 2020-2021. However, we have the following comments:

- The framework for activities is not listed in the work plan (please refer to question 2);
- The objective to finalize ISA 315 in June 2019 appears challenging and ambitious and more time may be needed to complete the project.

Question 5:

Are there any other topics that should be considered by the IAASB when determining its 'information gathering and research activities' in accordance with the new Framework for Activities. The IAASB has provided its views on tentative topics to be included in its 'Information-gathering and research activities' (see page 10)?

Please refer to our comments on the theme B in question 2.