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3 June 2019

Professional Arnold Schilder,
Chairman,
International Auditing and Assurance Standards Board,
529 Fifth Avenue, 6th Floor,
New York,
NY 10017,
USA.

Dear Arnold

Proposed Strategy for 2020 – 2023 & Work Plan, 2020 - 2021

Crowe Global is delighted to present a comment letter on the *Proposed Strategy & for 2020 – 2023 & Work Plan 2020 - 2021*. Crowe Global is a leading global network of audit and advisory firms, with members in some 130 countries.

We agree with the overall approach of the paper. The paper is well structured and clearly sets out the short and medium term aims of IAASB. Our detailed comments are presented in the appendix to this letter. We consider that it is particularly important that IAASB completes its “audit quality” projects and manages its resources to deliver the projects that it is aiming to undertake in a timely way.

We trust that our comments assist IAASB in the exercise to determine its plans for the coming years. We shall be pleased to discuss our comments further with you.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read "David Chitty".

David Chitty
International Accounting and Audit Director

Appendix – Response to Request for Specific Comments *Proposed Strategy for 2020 – 2023 & Work Plan, 2020 - 2021*

Question	Response
<p>You agree with <i>Our Goal, Keys to Success and Stakeholder Value Proposition</i>, as well as the <i>Environmental Drivers</i>.</p>	<p>We agree with both <i>Our Goal, Keys to Success and Stakeholder Value Proposition</i> and the <i>Environmental Drivers</i>.</p> <p>Both statements are very clearly set.</p> <p>The <i>Environmental Drivers</i> statement ought to:</p> <ul style="list-style-type: none"> • Under “environment for small and medium-sized entities”, the language and tone ought to shift to “less complex entities” to be consistent with the project that IAASB has initiated; • Under “changing reporting needs”, there ought to be more of an explicit recognition of the shift to “corporate reporting”
<p>You agree with <i>Our Strategy and Focus</i> and <i>Our Strategic Actions</i> for 2020–2023.</p>	<p>We agree with both <i>Our Strategy and Focus</i> and <i>Our Strategic Actions</i></p> <p>Theme D of <i>Our Strategy and Focus</i> is important because IAASB has to be seen to respond more promptly to the changing agenda than the way it sometimes has been perceived to act. Projects have to be turned around more quickly.</p> <p><i>Our Strategic Actions</i> is clearly matched to IAASB’s projects in progress. Delivering Theme A, the audit quality projects, is critical. Several of these projects are long anticipated and have to be delivered.</p> <p>There is no mention to joint audit. This is going to receive greater attention following regulatory developments in the United Kingdom, and may come into the regulatory agenda in other countries. IAASB has to recognise joint audit in its standards, beginning with a project to identify areas where standards might need to be adapted or guidance added.</p>
<p>You agree with the IAASB’s proposed <i>Framework for Activities</i>, and the possible nature of such activities, as set out in Appendix 2.</p>	<p>The <i>Framework for Activities</i> is welcome, as IAASB has to respond to the rapidly changing audit environment more promptly.</p> <p>The challenge for IAASB is having the</p>

	resources available to deliver what is set out in the <i>Framework</i> .
<p>You support the actions that have been identified in our detailed <i>Work Plan for 2020–2021</i>. If not, what other actions do you believe the IAASB should prioritize?</p>	<p>We recognise the priority given in the <i>Work Plan</i> to completing the “audit quality” projects.</p> <p>The <i>Plan</i> ought to indicate how projects listed under “research phase” might progress. Audit of Less Complex Entities is receiving much attention and IAASB ought to present a pathway in the <i>Plan</i>. ISA 500 needs to be revised and an “audit evidence” pathway beyond research would be welcome.</p>
<p>There are any other topics that should be considered by the IAASB when determining its ‘information gathering and research activities’ in accordance with the new <i>Framework for Activities</i>. The IAASB has provided its views on tentative topics to be included in its ‘information-gathering and research activities’.</p>	<p>We note IAASB’s list of tentative projects. We particularly observe:</p> <ul style="list-style-type: none"> • “Corporate reporting” is receiving greater attention and IAASB has to be leading the discussion, not following. In the coming years there will be a shift from financial to corporate reporting and it is not difficult to see a requirement for an audit report on the corporate report as a whole. • IAASB has made little progress in addressing “technology” and some of the content of current standards is obsolete. Technology and innovation are rapidly changing audit practice and we acknowledge that this is a challenge for a standard setter. However, IAASB’s engagement with technology change has been disappointing and we encourage IAASB itself to be innovative in developing standards that are aligned with the current environment of audit practice. <p>We should like to see a research project on joint audit, as this activity is receiving greater attention from regulators.</p>