

Envisioning the Future—Survey on the IAASB's Future Strategy

Response ID:51 Data

7. SECTION III: ABOUT THE RESPONDENT

1. From which perspective are you providing this feedback:

A personal view.

2. Please Indicate:

Name : David Walker

Organization, if applicable : Moore Stephens Cayman

Please complete

Select from the following options that describe your organization:

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

National auditing standards same as, or based on, the IAASB's current International Standards on Auditing

Please specify which standards are used:

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

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; or Few 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.

3. Are you any of the following?

Member, Technical Advisor or Observer of Other Public Interest Activity Committee, IFAC Board or Other IFAC Committee

4. 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

5. 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.).

Small and medium sized audit practices will increasingly struggle to keep up with the rate of legislative and regulatory change and the associated costs of compliance.

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

6. 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)
- (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.

Auditing standards need to cater for a rapidly evolving financial services industry with new types of products and markets. The IAASB should offer staff implementation guidance for dealing with cryptocurrencies and new financial instruments and markets like cloud mining contracts. It is important that the guidance is simple. Only the very largest audit and accounting firms can benefit from overly complex guidance that increases compliance costs, and reduces competition in the audit market for bank audits for example. The world would benefit from more simple and straightforward guidance more than any other approach.

7. 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?

The IAASB should monitor the global impact of the complexity of its standards. The world would benefit from simple and straightforward guidance far more than any other approach. Simpler guidance is required to avoid ever increasing compliance expenses, internal and external monitoring requirements, to aid consistency in application, and to minimise abuses.

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

8. 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 : 10%

Audits and reviews of historical financial information : 70%

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 : 10%

Professional skepticism : 5%

Matters relating to audits of smaller and less complex entities : 5%

Total : 100%

Comments: The primary focus should be on making standards as simple and straightforward as possible.

9. 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	8%	2%	10%
Audits and reviews of historical financial information	70%	5%	75%
Other assurance – EER engagements	6%	2%	8%
Other assurance (other than EER engagements) 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.	6%	1%	7%

Comments: The primary focus should be on making standards as simple and straightforward as possible.

10. 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:

- 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.
- 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.
- 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.

The primary focus should be on making standards as simple and straightforward as possible. This should be the overriding priority above all other projects.

11. 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.

The primary focus should be on making standards as simple and straightforward as possible. This should be the overriding priority above all other projects.

12. 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 avoid political interference. It should not have EU or political funding. Like audit firms, it should apply best practice and be seen to be independent.

The IAASB should consider the global implications of its standards to be a global body without undue focus on EU matters alone.
