



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

30 May 2019

Mr Matt Waldron  
Technical Director, International Auditing and Assurance Standards Board  
International Federation of Accountants  
529 Fifth Avenue, 6th Floor  
New York, 10017 USA

Dear Matt,

**INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (“IAASB”)  
CONSULTATION PAPER, *PROPOSED STRATEGY FOR 2020–2023 AND WORK PLAN  
FOR 2020–2021***

The Auditing and Assurance Standards Board (“AASB”) of the Malaysian Institute of Accountants (“MIA” or “the Institute”) welcomes the opportunity to provide its comments on the International Auditing and Assurance Standards Board (“IAASB”) Consultation Paper, *Proposed Strategy for 2020–2023 and Work Plan for 2020–2021*.

Appendix 1 sets out our responses to the questions contained in the Consultation Paper. Consistent with the strategy for Theme B, we would like to emphasise the need for the IAASB to continuously evaluate whether the standards developed are fit for purpose and responsive to the rapidly changing business environment.

Please do not hesitate to contact Mr. Simon Tay at [technical@mia.org.my](mailto:technical@mia.org.my) should you require further clarification on the responses.

Thank you.

Yours sincerely,

**MALAYSIAN INSTITUTE OF ACCOUNTANTS**

**DR. NURMAZILAH DATO' MAHZAN**  
Chief Executive Officer

Our comments to the questions are as follows:

**Q1. Do you agree with Our Goal, Keys to Success and Stakeholder Value Proposition (see page 6), as well as the Environmental Drivers (see page 7).**

Generally, we agree with the IAASB's Goal, Keys to Success and Stakeholder Value Proposition, as well as the environmental drivers.

However, we wish to highlight the following:

- There have been concerns among the small and medium-sized practitioners (SMPs) on that the new standards being issued are moving away from being scalable as the standards are getting lengthier and more requirements have been imposed. We noted that the IAASB will focus on the need to maintain the scalability and proportionality of the auditing standards as indicated in Theme C. We also welcome the IAASB's project on 'Audit of Less Complex Entities' and look forward to any consultation in respect of this area.
- As indicated in the stakeholder value proposition, public-interest focused activities are intended by the IAASB to achieve meaningful contribution towards the goal. It is therefore essential that the 'Public Interest' concept be defined and a 'public interest framework' should be developed to assist the IAASB to better understand and address different stakeholders' needs.

We are, nevertheless, in support of the environmental drivers, specifically, the advancement and use of technology as it is changing the traditional methods of performing assurance engagements. We anticipate that the IAASB will acknowledge the use of automated tools and techniques such as data analytics, in performing audit and assurance engagements in the upcoming standards.

We would also emphasise that it is important for the IAASB to consider evolving new business models and environment in the development of standards to ensure they remain relevant. To that end, the timely development and issuance of standards are critical for the achievement of the IAASB's goals. We note that although the IAASB had issued a request for input (RFI) paper in September 2016 on the growing use of technology in audits, specifically with a focus on Data Analytics there has been no subsequent update on this project.

**Q2. Do you agree with *Our Strategy and Focus and Our Strategic Actions for 2020–2023* (see pages 8 to 13).**

We agree with the IAASB's strategy and focus and strategic actions for 2020-2023.

In relation to Theme A, we support the Quality Management project to be the top priority. In addition, in providing the implementation support, we recommend the IAASB to consider issuing illustrations and application guidance to address the scalability issue.

For Theme C, it would be essential for the IAASB to develop and understand the nature, size, categories and levels of 'less complex entities' to appropriately address their needs.

We fully support the IAASB's consideration to enhance the accessibility and ease of use of the standards by enhancing the navigation and search functions as mentioned in Theme C.

- Q3. 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).**

In innovating the IAASB's ways of working, we support the approach to establish 'Framework of Activities' and the suggested mechanisms for addressing issues and challenges on a timely basis, specifically, in implementing an 'interpretations' mechanism which will allow users to understand the IAASB's intentions when originally setting the standards.

- Q4. 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 that have been identified by the IAASB in the detailed Work Plan for 2020-2021. We propose that the IAASB to include ISRS 4400 (Revised), *Agreed-upon Procedures* implementation activities within the work plan as the final standard is planned to be finalised by the end of 2019.

- Q5. Are 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 *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).**

Apart from the above, we have not identified any additional topics that should be considered by the IAASB and agree that the tentative topics included within the 'information-gathering and research' activities will support in achieving the IAASB's goal.