

## 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: : The Norwegian Institute of Public Accountants

Name or Person submitting Survey on behalf of the organization: : Kai Morten Hagen

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

IFAC Member Body or Other Professional 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?**

### 4. IFAC Member Body or Other Professional Organization

IFAC Member Body, Affiliate or Regional 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; 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?**

**5. Please select the geographical region where you are based:**

Europe

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

**6. 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.).**

The trends that we believe are currently, and in the coming period, driving the changes of the auditing profession are:

- Technological development, and how the technology is implemented and are changing the businesses and the way they operate. The technological developments will also change the way audits are performed, as availability of data and tools may allow for different ways of obtaining assurance. IAASB should continue to explore how the use of technology can enhance and the effectiveness and quality of audits. When developing standards, it is important that there is given room for future developments and room for the profession to innovate.
- Stakeholders needs and expectations - In many jurisdictions the value of audits are being scrutinized. IAASB should continue to monitor this development and address the concerns by developing standards that support high quality services that add real value to the end users. In doing this, it is important that the standards being developed are not too detailed as they need to give room for innovation and future developments.
- More frequent/available financial information and emerging forms of external reporting – One area IAASB need to focus on are "How to maintain the relevance of audits when information from the entities becomes more available to users, both at a more frequent rate and in different ways?" IAASB should explore this area further and develop standards that enable the profession to deliver high quality services fulfilling the stakeholders' needs and expectations.
- Pace of changes and development of standards – IAASB need, in light of the more frequent pace of changes but also from the feedback from the Monitoring group, look in to how it more timely can respond to development and calls for changes.
- Audits of small and medium/non-complex entities – Considerations of matters relating to audits of these entities should be prioritized and clearly addressed in standards, either through rebuilding ISA's thinking small/non-complex first or as a separate standard.

**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**

**7. 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.*

As described in the background for Section II there are some overarching challenges that will present challenges to IAASB and its work in the coming period. One of the main challenges is how to prioritize the different projects and calls for action. When doing this prioritization IAASB should focus on completing the ongoing projects and the key areas as focused in our response.

Technological development is one key challenge and an area IAASB need to follow closely. When developing standards, it is important to allow for a changing business environment and allow for innovation in the audit. Technology should also be used in considering how the best way of delivering the Handbook. Greater use of technology in the way standards and guidance are delivered will increase the availability and usability for the users.

In responding to calls for more support to support global implementation, we believe that IAASBs main focus should be development of standards and responding to calls for change. When it comes to implementation activities it is a difficult task to globally and we believe that national institutes and national standard setters need to play the main role. However, by utilizing technology in delivering its material together with FAQ's or interpretations of specific requirements or rapid responses to issues, IAASB would help in the implementation process.

**8. 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?**

Small and Medium/non-complex entites

SMEs play a vital role in the economies around the world and relevant standards allowing auditors to effectively perform audits of high quality is a vital issue the IAASB needs to address. ISAs are becoming more complex, and focus and new development tends to focus on issues relating to issues mainly pertaining till are complex entities. In order to keep audits as an relevant service to these entities IAASB needs to address this issues quickly. If this is not done by IAASB alternative standards developed nationally or regionally, this would decrease the adoption of ISAs and IAASB would "lose control" of the standards for these entities.

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

**9. 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 : 5%

Audits and reviews of historical financial information : 25%

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 : 20%

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 : 5%

Professional skepticism : 5%

Matters relating to audits of smaller and less complex entities : 40%

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Total : 100%

**Comments:** The background for this prioritization are backed by our response to this survey and based on this the main focus should be: • Standards for audits of SME/non-complex entities • Keeping Audit and Review standards "up to date" and "fit-for-purpose" in an environment exposed to more rapid changes

(based on technological development and changes in financial reporting) • EER assurance engagements

**10. 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	80%	20%	
Audits and reviews of historical financial information	80%	20%	
Other assurance – EER engagements	80%	20%	
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>	80%	20%	

**Comments:** The focus should be on development of standards based on stakeholders needs and assessment on how existing standards are implemented. Implementation activities should be limited to development of FAQ's or interpretations of specific requirements and rapid responses to issues. In addition, use of technology in how "the Handbook" are delivered will also allow for easier and more uniform global implementation.

**11. 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.

In addition to focusing on finalizing ongoing process IAASB should focus on the issued highlighted in our response. It is also important that the IAASB considers how it more rapidly can respond to calls for change and new issues.

We agree that the IAASB should adopt a moratorium during the implementation period of new and revised standards. This will allow for effective implementation and time to prepare a thorough post-implementation review. This period should no shorter that two years, but in some cases there may be a need for a shorter period.

**12. 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.

Refer to our response to question 3 and 4, above

**13. 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)?**

NA