

SURVEY CONSULTATION—THE IAASB’S WORK PLAN FOR 2017–2018 AND CONTINUING RELEVANCE OF ITS STRATEGIC OBJECTIVES

Note: This PDF version of the survey is being provided to assist organizations that may need to consult internally in preparing their response. Survey responses will only be accepted via Survey Gizmo by following this link: [IAASB Survey on Work Plan for 2017-2018 and Continuing Relevance of Its Strategic Objectives](#).

Objective of the Consultation

The IAASB undertook extensive public consultation to develop its [Strategy for 2015–2019](#) (the Strategy) and [Work Plan for 2015–2016](#) (the current Work Plan), including an initial survey to help understand the needs of stakeholders at that time.

In embarking on its plans for the five-year strategy period, the IAASB identified three strategic objectives for this period, based on input from its stakeholders, as a means for them to understand more broadly how their needs are being addressed in a changing environment.¹ Respondents to the public consultation agreed with the IAASB’s focus, including that the right topics for the Work Plan had been identified, recognizing that many were quite complex and revised standards were not likely to be completed within the two-year period.

The IAASB’s extensive outreach in 2015 and 2016 indicates broad support for the Board’s current focus and actions. Some stakeholders have urged the IAASB to progress these standard-setting topics as quickly as possible. Accordingly, the IAASB and its [Consultative Advisory Group](#) (CAG) generally believe that, absent a significant change in the external environment or a strong stakeholder view otherwise, the Board’s initiatives should continue, albeit they may need to be re-prioritized.

Having formed its views, the IAASB would like to hear from its stakeholders whether they agree. The objective of this consultation is therefore to:

- Solicit feedback whether the IAASB’s **strategic objectives** continue to be appropriate (**Section I** of this consultation).
- Obtain stakeholder views on the IAASB’s proposed **Work Plan for 2017–2018** (**Section II** of this consultation).

Feedback to this consultation will assist the Board in evaluating its priorities and allocating its resources in the best way possible, given the volunteer nature of the Board and staff complement. *Based on available current capacity and resources, it is unlikely that any significant new projects or initiatives can commence until at least 2018 without modifying the IAASB’s current work plan and planned timelines.*

¹ In moving to a five-year strategy, the IAASB agreed with the Public Interest Oversight Board that it would undertake a mid-period reevaluation of its strategic objectives.

The accompanying *Supplement to the IAASB Strategy and Work Plan Consultation* provides background information for those respondents who may not be familiar with the IAASB's structure and processes and how it develops its work plans.

Respondent Information

Are you responding:

- On behalf of an organization? If so, please name the organization. _____
- As an individual providing your personal views?

Please select from the following which best describes the capacity in which you are responding to this questionnaire:

- Academia
- Accounting Firm
 - Large accounting firm
 - Small or medium sized practice
 - Sole practitioner
- IFAC Member Body or Other Professional Organization
 - IFAC Member Body, Affiliate or Regional Organization
 - Other professional organization
- Investor/Analyst/User
- National Standard Setter
 - National standards same as, or based on, clarified International Standards on Auditing [Yes/No]
- Preparer of Financial Statements
 - Listed entity
 - Non-listed entity
 - Small- or medium-sized entity [Yes/No]
- Public Sector
 - Preparer
 - Auditor
 - Public sector organization
 - Do you apply International Standards of Supreme Audit Institutions (ISSAIs) for financial audits? [Yes/No]
- Regulator or Audit Oversight Body
 - Regulator
 - Audit Oversight Body

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- Those Charged with Governance
 - Private sector
 - Listed entity
 - Non-listed entity
 - Public sector
- Other – Please specify _____

Are you any of the following?

- IAASB Consultative Advisory Group Member Organization / Representative
- IAASB Official Observer
- IAASB Member (current or former)
- Member, Technical Advisor or Official Observer of International Ethics Standards Board for Accountants (IESBA), International Accounting Education Standards Board (IAESB), or International Public Sector Accounting Standards Board
- Member, Technical Advisor or Official Observer of the IFAC Board or Other IFAC Committee
- Member of Forum of Firms

Geographical Region

Please select the geographical region which best describes where you are based:

- Africa-Middle East
- Asia Pacific
- Europe
- South America
- North America
- Global Organization

I. IAASB's Strategic Objectives for 2015–2019

As noted, in developing its *Strategy*, the IAASB articulated its strategic vision and what it is intending to achieve through three strategic objectives:

- | | |
|-------|--|
| (i) | Ensuring that ISAs Continue to Form the Basis for High-Quality, Valuable and Relevant Audits Conducted Worldwide by Responding on a Timely Basis to Issues Noted in Practice and Emerging Developments |
| (ii) | Ensuring the IAASB's Standards Evolve as Necessary to Adequately Address the Emerging Needs of Stakeholders for Services Other than Audits of Financial Statements |
| (iii) | Strengthening Outreach and Collaboration with Key Stakeholders in the Reporting Supply Chain on Public Interest Issues Relevant to Audit, Assurance and Related Services |

These strategic objectives drive the IAASB's decisions about what to include on its future work plans. As agreed when finalizing the *Strategy*, the IAASB is giving priority attention to the first strategic objective, as stakeholders broadly agreed that it is essential that the IAASB take action to improve audit quality.

Both the IAASB and its CAG believe these strategic objectives remain relevant and should be retained as the basis for developing the Board's next work plan.

Question for Respondents:

1. Do you agree that the three strategic objectives for the strategy period 2015–2019 continue to remain relevant?
Yes / No
Why or why not?

II. IAASB Work Plan for 2017–2018

Context for the IAASB's Work Plan for 2017–2018

During 2015–2016, the IAASB commenced work on a number of projects as set out in the current Work Plan. The Board is investing significant effort to respond to some of the key implementation issues identified from its post-implementation review of the clarified ISAs (the [ISA Implementation Monitoring project](#)) and address auditing issues of importance to supporting global financial stability, including in relation to financial institutions. At the same time, while standard setting remains a priority for the IAASB, the Board also recognized the importance of preparing for the future, both in supporting the effective implementation of its new and revised Auditor Reporting standards and undertaking outreach and other activities to lay the foundation for important initiatives to be undertaken in the future.

A. Projects and Initiatives Underway in 2015–2016

As set out in the current Work Plan, the IAASB has commenced work on the following in 2015 and 2016, which are described in more detail on the [IAASB's project page](#). The projects below set out the IAASB's priorities currently underway, in particular the standard-setting activities that have, or are expected to have, commenced by the end of 2016. The IAASB intends to continue with these priorities during 2017–2018, unless stakeholders are of the view that other topics should have a higher priority (which is explored further in the next section).

Standard-Setting Activities (project proposals to be approved in 2016)	
<ul style="list-style-type: none"> Revision of the IAASB's standard dealing with accounting estimates, including fair values, (ISA 540) (previously characterized as the project regarding special audit considerations relevant to financial institutions) 	<p>Current Status:</p> <p>The IAASB is developing an Exposure Draft (ED) of a holistic revision of its standard dealing with accounting estimates and anticipates approving an ED in Dec 2016. A final standard is expected to be approved in Dec 2017. In Mar 2016, the IAASB issued a project publication highlighting the audit issues arising from the International Accounting Standards Board's (IASB) standard on financial instruments (IFRS 9), particularly the shift to expected credit loss accounting for loan losses.</p>
<i>Please use this space if you wish to share views on this topic:</i>	
<ul style="list-style-type: none"> Quality control (including revisions to the IAASB's quality control standards at the firm level (ISQC 1) and the engagement level (ISA 220)) 	<p>Current Status:</p> <p>Included in the IAASB's Invitation to Comment (ITC). A standard-setting project proposal is expected to be approved in Dec 2016, with plans for EDs in mid-2017. Addressing topics such as firms' quality management approach and tone at the top, and monitoring and remediation, engagement partner responsibilities, and engagement quality control reviews.</p>
<i>Please use this space if you wish to share views on this topic:</i>	
<ul style="list-style-type: none"> Group audits / using the work of other auditors (including revision of the IAASB's standard addressing audits of group financial statements) (ISA 600) 	<p>Current Status:</p> <p>Included in the IAASB's ITC. A standard-setting project proposal is expected to be approved in Dec 2016, with plans for an ED in late 2017. Addressing topics such as scoping and risk assessment, communications, responsibilities regarding the work of component auditors, and situations where the engagement partner is not located where the majority of the audit work is performed.</p>
<i>Please use this space if you wish to share views on this topic:</i>	
<ul style="list-style-type: none"> Revision of the IAASB's standard addressing the auditor's understanding of the entity and its environment and assessing risks (ISA 315 (Revised)) and consideration of the need for additional guidance 	<p>Current Status:</p> <p>The IAASB has had initial discussions to inform its future standard setting and identify other potential actions to respond to concerns noted. A standard-setting project proposal is expected to be approved in Sept 2016, with an ED in late 2017. Addressing topics such as scoping and risk assessment, communications, identification of significant risks, expectations regarding tests of controls, understanding the entity, and the scalability of the standard.</p>
<i>Please use this space if you wish to share views on this topic:</i>	

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Other Initiatives	
<ul style="list-style-type: none"> • Professional skepticism 	<p>Current Status:</p> <p>Included in the ITC. Discussions about an appropriate way forward to enhance auditors' application of professional skepticism in audits are expected in Sept and Dec 2016. This topic is being explored jointly with the International Ethics Standards Board for Accountants (IESBA) and the International Accounting Education Standards Board (IAESB).</p>
<i>Please use this space if you wish to share views on this topic:</i>	
<ul style="list-style-type: none"> • Effects of technology on the audit (the Data Analytics project) 	<p>Current Status:</p> <p>The IAASB is currently exploring emerging developments in data analytics, and whether changes to the ISAs are needed in light of these developments. A publication to solicit further input will be issued later in 2016 with further consideration in 2017 about how best to address this topic within the ISAs or whether guidance would be useful. Interaction with other projects noted, such as the projects addressing auditing accounting estimates and the auditor's understanding of the entity and its environment and risk assessment, as well as the quality control standards.</p>
<i>Please use this space if you wish to share views on this topic:</i>	
<ul style="list-style-type: none"> • Auditor Reporting Implementation 	<p>Current status:</p> <p>The IAASB will continue to monitor implementation of its new and revised auditor reporting standards. The IAASB's consideration of the design of the post-implementation review is expected in late 2016.</p>
<i>Please use this space if you wish to share views on this topic:</i>	
<ul style="list-style-type: none"> • Integrated reporting and other emerging developments in external reporting 	<p>Current Status:</p> <p>The IAASB is considering emerging developments in external reporting, including integrated reporting, in relation to the need for assurance on such information. A discussion paper is expected to be published in Q3 2016.</p>
<i>Please use this space if you wish to share views on this topic:</i>	

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<ul style="list-style-type: none"> • Agreed-upon procedures 	<p>Current Status:</p> <p>The IAASB is currently exploring emerging developments with respect to agreed-upon procedures and multi-scope engagements, and whether changes to its related standard (ISRS 4400) are needed in light of those developments and user needs. . Incorporates national developments. Discussion Paper is expected to be published later in 2016, with a decision on standard-setting activities in this area in late 2017.</p>
<p><i>Please use this space if you wish to share views on this topic:</i></p>	
<ul style="list-style-type: none"> • Innovation Working Group 	<p>Current status:</p> <p>The IAASB's Innovation Working Group monitors developments in emerging areas of audit, assurance and related services and makes recommendations to the IAASB on specific topics for the Board to pursue, including whether there is a need for a standard-setting response. Current monitoring efforts are focused on corporate governance and cybersecurity.</p>
<p><i>Please use this space if you wish to share views on this topic:</i></p>	

In addition, in 2017–2018 when progressing the above standard-setting projects, the IAASB will enhance its focus on the following two areas:

1. *Consideration of matters related to small and medium practices (SMPs) and audits of small- and medium-sized entities (SMEs)*—As part of each project and initiative, the IAASB will continue to focus on understanding the issues and implementation needs of SMPs, including consideration of the ability of the ISAs and the IAASB's standard addressing quality control at the firm level to be applied in a manner proportionate with the nature and size of the firm or engagement. At the same time, the IAASB will also continue to consider its International Standards that address services for entities that do not require an audit of financial statements. The IAASB intends to establish a Working Group, including national auditing standard setter representatives, to assist it in exploring these issues. An event will be held in early 2017 to gather stakeholders to share the practical implications of applying the International Standards and explore how the IAASB and others might respond to the challenges and opportunities relating to this stakeholder group.

2. *Coordination with the International Ethics Standards Board for Accountants*—The IAASB has noted that there are issues in certain of its key projects that are likely to be of relevance to the IESBA, and could have potential implications to the *Code of Ethics for Professional Accountants* (the IESBA Code) (e.g., in relation to quality control and group audits). Similarly, matters under consideration by the IESBA may have implications for the ISAs or other IAASB International Standards. The IAASB and IESBA are therefore considering how best to coordinate in the context of specific topics, where necessary and appropriate. Although both Boards develop their work plans separately in consultation with their stakeholders and conduct their standard-setting activities independently, there are growing expectations from various stakeholders that the IAASB and IESBA will be well-coordinated due to the linkages between the ISAs and the IESBA Code.

Question for Respondents:

2. Do you agree with the IAASB's view that these topics should continue to be prioritized?

Yes / No

Why or why not? If you believe any project(s) or initiative(s) should not be prioritized, please provide your reasons for this view.

3. Please indicate the relative importance of a focus on the following:

	Not important	Moderately important	Very Important
Consideration of matters related to SMPs and SMEs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Please use this space if you wish to share views on this topic:</i>			
Coordination with the IESBA	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>Please use this space if you wish to share views on this topic:</i>			

B. Other Topics Highlighted for Consideration for the 2017–2018 Work Plan

All of the projects and initiatives described above had been prioritized by the IAASB in finalizing its current Work Plan, recognizing that there was a need to establish a work plan that was both realistic and specific in terms of timing of deliverables. In agreeing to the number of projects and initiatives to commence, as well as the challenging nature and extent of issues to be explored in these topics, there was acknowledgement that (with the exception of the project to revise the auditing standard addressing accounting estimates) the projects would not be completed in an accelerated timeframe and would therefore extend over more than one work plan

Work on all of these topics is expected to continue in the 2017–2018 period. Based on available current capacity and resources, it is unlikely that any significant new projects or initiatives can commence until at least 2018 without modifying the IAASB's current work plan.

Other topics have been raised for the IAASB's consideration in developing the Work Plan for 2017–2018, either through the previous consultation or in discussions on other projects, albeit with varying views about the need to further explore these topics and whether standard-setting or other actions are necessary. They are described below to solicit views from respondents about the importance of the topic to respondents and whether these or other topics need to be prioritized over one or more of the IAASB's current topics listed above (and why they believe this to be the case). The IAASB will consider these views in developing the final work plan for 2017–2018.

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In the table below, please indicate the relative importance of the topic to yourself or your organization, and answer the questions that follow:

	Not important	Moderately Important	Very Important	
<i>Topics that have linkages to current projects or recently completed projects where it has been identified that revision of a specific standard may be needed (in no specific order)</i>				
Materiality and evaluating misstatements (ISA 320 and ISA 450)	○	○	○	The IAASB continues to monitor the progress of the IASB on its work on materiality. Once the outcomes from this work provides further insights into the topic, the IAASB may consider a more holistic exploration of the potential implications to the auditing standards.
<i>Please use this space if you wish to share views on this topic:</i>				
Going concern, including further actions related to auditor reporting	○	○	○	<p>The IAASB continues to monitor developments in relation to going concern in light of the IASB not including a project on aspects of going concern in its forward agenda. The Board is actively considering the implications of emerging forms of external reporting (including viability disclosures by the entity).</p> <p>The IAASB is also monitoring developments of the UK Financial Reporting Council, the US Financial Accounting Standards Board, the US Public Company Accounting Oversight Board and others on the topic of going concern.</p> <p>The IAASB will also prioritize the topic in its post-implementation of its Auditor Reporting Standards.</p>
<i>Please use this space if you wish to share views on this topic:</i>				
Potential revision of the IAASB's standard dealing with the use of the work of an auditor's expert (ISA 620)	○	○	○	Consideration will be given as to whether amendments are needed to the standard dealing with the use of the work of an auditor's expert as part of the project addressing the audit of accounting estimates (ISA 540).

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	Not important	Moderately Important	Very Important	
<i>Please use this space if you wish to share views on this topic:</i>				
Exploring issues related to audit evidence, and potential revision of the IAASB's standard dealing with audit evidence (ISA 500)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Topics related to audit evidence are being considered in the projects addressing professional skepticism, the audit of accounting estimates (ISA 540), and data analytics.
<i>Please use this space if you wish to share views on this topic:</i>				
Analytical procedures and audit sampling	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Consideration will be given in the project addressing understanding the entity and its environment and assessing risks and the Data Analytics project as to whether amendments may be needed to the standards addressing these topics (ISA 520 and ISA 530).
<i>Please use this space if you wish to share views on this topic:</i>				
Potential revision of the IAASB's standard addressing the auditor's responses to assessed risks (ISA 330)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Some conforming changes may be made as a result of revisions made to the standard addressing the understanding of the entity and its environment and assessing risks (ISA 315).
<i>Please use this space if you wish to share views on this topic:</i>				
Potential revisions to the IAASB's standard dealing with the auditor's responsibilities relating to fraud in the audit of financial statements (ISA 240)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Inspection findings have specifically been noted on this topic in relation to the audit of revenue, and some national auditing standard setters have made further improvements to the standard dealing with the auditor's responsibilities relating to fraud in the audit of financial statements. Some conforming changes may also be made as a result of revisions made to the standard addressing the understanding of the entity and its environment and assessing risks (ISA 315).
<i>Please use this space if you wish to share views on this topic:</i>				
Further revision to the IAASB's standard dealing with the auditor's	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	The IAASB recently finalized limited amendments to its standard dealing with

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	Not important	Moderately Important	Very Important	
consideration of laws and regulations in an audit of financial statements (ISA 250)				the auditor's consideration of laws and regulations in an audit of financial statements (ISA 250) to resolve actual or perceived inconsistencies of approach between the ISAs and the IESBA's changes for Non-Compliance with Laws and Regulations (NOCLAR). Some stakeholders have suggested a more fulsome revision of ISA 250 may be needed, specifically noting the standard is not founded on the risk-based approach.
<i>Please use this space if you wish to share views on this topic:</i>				
Developing a process for post-implementation reviews of other standards, including the IAASB's standards on compilations (ISRS 4410 (Revised) and reviews (ISRE 2400) (Revised))	●	●	●	This topic is included in the current Work Plan but work has not yet commenced due to a focus on other priorities. Input from these reviews may result in identification of a need for further revisions to these standards.
<i>Please use this space if you wish to share views on this topic:</i>				
Topics identified through outreach, inspection findings, previous IAASB consultations or other means				
Potential revision of the IAASB's standard addressing external confirmations (ISA 505)	●	●	●	Raised by one or more respondents to the consultation on the Work Plan for 2015–2016, in light of the increasing use of electronic confirmations
<i>Please use this space if you wish to share views on this topic:</i>				
Potential further revision of the IAASB's standard dealing with using the work of internal auditors (ISA 610 (Revised 2013))	●	●	●	Raised by one or more respondents to the consultation on the Work Plan for 2015–2016, specifically noting concerns relating to the use of internal auditors to provide direct assistance
<i>Please use this space if you wish to share views on this topic:</i>				
Potential revision of the IAASB's standard addressing the examination of prospective financial information (ISAE 3400)	●	●	●	Raised by one or more respondents to the consultation on the Work Plan for 2015–2016, specifically noting the standard is not in the same format as

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	Not important	Moderately Important	Very Important	
				most recently revised standards (i.e., the clarity format)
<i>Please use this space if you wish to share views on this topic:</i>				
Potential revision of the IAASB's standard dealing with the review of interim financial information performed by the independent auditor of the entity (ISRE 2410)	●	●	●	Consideration of whether revisions may be needed will be informed by the IAASB's planned post-implementation review of its Auditor Reporting standards. Also the standard is not in the same format as most recently revised standards (i.e., the clarity format)
<i>Please use this space if you wish to share views on this topic:</i>				
Auditor involvement with earnings releases / preliminary announcements	●	●	●	Raised by stakeholders in previous consultations. Previous discussions have highlighted the difficulty of potential standard-setting on an international basis, but the IAASB recognizes the relevance of this information to investors.
<i>Please use this space if you wish to share views on this topic:</i>				
Exploring matters related to direct engagements (i.e., where the practitioner prepares the subject matter information in an assurance engagement)	●	●	●	The overarching standard dealing with assurance engagements other than audits and reviews of historical financial information does not explicitly address direct engagements (where the practitioner, rather than management, prepares the subject matter information) and it has been suggested that a separate standard would be helpful. The IAASB is monitoring national developments in this area.
<i>Please use this space if you wish to share views on this topic:</i>				
Exploring matters relating to joint audits (i.e., where two or more auditors share responsibility for the audit and the auditor's report)	●	●	●	Joint audits are required in certain jurisdictions, but the topic of joint audits is not explicitly addressed in the ISAs. If necessary, issues could be considered as part of the quality control or group audit projects.

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	Not important	Moderately Important	Very Important	
<i>Please use this space if you wish to share views on this topic:</i>				
Overarching considerations relevant to the <i>International Framework for Assurance Engagements</i>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	It has been suggested that it would be helpful to explore whether changes to the Assurance Framework are necessary to underpin the IAASB's standard-setting activities.
<i>Please use this space if you wish to share views on this topic:</i>				
Other – as identified by respondent	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Please describe the topic and your reason for including
<i>Please use this space if you wish to share views on this topic:</i>				

Question for Respondents:

4. You are invited to share any further views that you believe may be relevant to the IAASB as it seeks to finalize its Work Plan for 2017–2018.