

# IAASB's Proposed Strategy and Work Plan 2024 – 2027

A public consultation issued by the IAASB

Comments from ACCA to the IAASB  
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## GENERAL COMMENTS:

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ACCA welcomes the IAASB's Proposed Strategy and Work Plan 2024 – 2027 and commends the IAASB for its significant standard setting progress during the last few years across numerous projects such as ISA for LCE, Audit Evidence, Fraud, Going Concern, Sustainability Assurance etc. all of which are of responsive to public interest demands.

We are also very pleased that the IAASB is considering accelerating the project on Sustainability Assurance for an approval of a draft Exposure Draft during the June 2023 meeting. This will help alignment with work being carried out within the EU in support of the implementation of the Corporate Sustainability Reporting Directive and will also provide additional time for stakeholder input on this important topic.

We do note, though, that notwithstanding the strong progress noted above, our stakeholders are highlighting the need for a balanced approach between a stable platform and being responsive to public interest demands, to allow sufficient time for due process and implementation. Implementation challenges are more prevalent in the case of SMPs and in countries where translation of the standards needs to take place as part of implementation.

## SPECIFIC COMMENTS:

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### **1. Do you agree with Our Proposed Goal, and Our Proposed Keys to Success and Stakeholder Value Proposition (see pages 5–6)?**

#### **Proposed Goal**

While we generally agree with the IAASB's proposed Goal, in our view it should also explicitly reflect the importance of consistent and proper implementation similar to the current Goal. As we note in our general comments, while our stakeholders are happy with standard-setting progress, recognising the important milestones that the Board managed to achieve in the last few years (i.e. ISA 540, ISA 315, ISQMs etc.), they are calling for a more balanced approach between a stable platform and being responsive to public interest demands to allow sufficient time for implementation. Implementation challenges are more prevalent in the case of SMPs and in countries where translation of the standards needs to take place as part of implementation.

#### **Proposed key success and stakeholder value proposition**

We agree with the proposed key success and stakeholder value proposition.

### **2. Do you agree with Our Proposed Strategic Drivers as the key environmental factors that drive the opportunities and challenges impacting our ability to achieve our goal (see pages 7–9)?**

We generally agree with the proposed Strategic Drivers, however, we emphasise that in regards to supporting the implementation of the IAASB standards, we believe that the Board should not reduce the relative priority given to developing first-time implementation support materials. As we noted in our response to Q1, consistent and proper implementation should be considered part of the IAASB's Goal as, in our view, it is an integral element of successful standard setting.

**3. Do you agree with Our Proposed Strategic Objectives and Our Proposed Strategic Actions (see pages 10–14)?**

Yes, we agree with the proposed strategic objectives and proposed strategic actions.

**4. Do you support the identified possible new standard-setting projects as set out in Table B (see pages 20–22) within the area of audits and reviews (numbered A. to K.)? Please share your views on the individual topics, including, if relevant, why certain topics may be relatively more important to you, your organization or within your jurisdiction.**

Yes, we are generally supportive of the identified possible new standard-setting projects as set out in table B, however we note below the projects that we find to be of the highest priority.

**Full revision**

**ISA 330, the Auditor’s Responses to Assessed Risks,**

We support the revision of ISA 330 and, in our view, it should be placed as the highest priority. This is because the standards need to be aligned with the requirements of standards that were substantially revised, such as ISA 315 (Revised 2019) and proposed ISA 500 (Revised).

**ISA 320, Materiality**

While we do not disagree that Materiality should be subject to full revision in order to address issues and challenges related to consistency in the determination and revision of materiality and performance materiality as identified in the paper, we believe that ISA 330 discussed above should be given priority. Furthermore, given capacity limitations, the board should give priority to the topics discussed later requiring narrow scope revisions.

**Joint audits**

Whilst joint audits are a live topic of discussion, in Europe in particular, we do not at this stage rank this as a priority in comparison to other areas of greater importance.

**Narrow scope revisions**

**ISRE 2410 Review of Interim Financial information performed by the Independent Auditor of the Entity**

We agree that the ISRE should be subject to at least narrow scope revision to update the standard to the clarity format and to address other issues and challenges identified (e.g., alignment with concepts and principles in other standards, such as ISA 570 (Revised), ISA 700 (Revised) and ISA 701), and to modernise the standard. The IAASB should also factor in that some NSS have already revised their local equivalent standard such as the FRC in the UK, which recently revised ISRE (UK) 2410.

**Various Standards in the ISA 500 series**

We agree that the various standards in the ISA 500 series noted in the paper should be revised to be better aligned with the proposed ISA 500 (Revised) and particularly to reflect the impact that advanced technologies have. The Board should however be mindful that ISA

520, Analytical Procedures and ISA 530, Sampling may need substantial revisions to meet stakeholders' expectations.

### **ISA 720 (Revised), Auditor Responsibilities Relating to Other Information**

The IAASB can leverage on the feedback received regarding other information as part of its post-implementation review of the revised auditor's reporting standards. Other information should also be considered in the context of Sustainability Assurance as this is a challenging area for practitioners in applying for ISAE 3000 (Revised).

### **ISA 620, Using the Work of an Auditor's Expert (Revision of ISA 620)**

We agree that ISA 620 should be revised to appropriately align with the concepts of recently revised standards. As we note in our response to Q5 below, the concept should also be considered in the context of Sustainability Assurance engagements given the significant dependence likely to be placed on experts in such engagements.

- 5. Do you support the identified possible new standard-setting projects as set out in Table B (see pages 20–22) within the area of sustainability and other assurance engagements (numbered L. and M.)? Topic L., Further Standards for Assurance on Sustainability Reporting, would involve addressing multiple topics (as part of possible multiple projects). Please provide your views about likely candidate topics for further standards.**

We support the proposal that the IAASB should focus on developing the overarching standard ISSA 5000. However, we note that this will also require support in terms of its implementation, and we therefore suggest the IAASB focuses on that in the interim.

In regards to likely candidate topics for further standards, ACCA has recently published a thought leadership report titled [Sustainability Assurance – rising to the challenge](#). The underlying research was supported by a series of roundtables with sustainability assurance providers noting some areas for future standard setting focus. These areas include:

- Risk of greenwashing
- Estimates – recognising that in Sustainability Assurance engagements practitioners deal with hypothetical scenarios which are not based on historical data or past performance.
- The unprecedented dependence on experts – may suggest going beyond ISAE 3000 and ISA 620. This is a topic that may need to be considered in coordination with IESBA.
- Assurance report – should be recognised as a key priority area given that this is the end product of the assurance engagement.

### **Assurance on XBRL (new standard)**

While we do not disagree with exploring the need for a new standard on XBRL as regulation in this space continues to develop globally, we still believe that the topics discussed above have higher priority and as of today are more relevant globally.

- 6. Are there other topics that we should consider as new standard-setting projects? If so, please indicate whether any such topics are more important than the topics identified in Table B (see pages 20–22), and the needs and interests that would be served by undertaking work on such topic(s).**

We believe that Table B identified all important topics.

- 7. Our proposed Strategy and Work Plan emphasizes the importance of close coordination with our sister-Board, IESBA. What are your views about whether and, if so, how coordination could be enhanced in terms of opportunities for joint or complementary actions that would better serve the public interest? Suggestions could entail standard-setting work, engagement with stakeholder groups, and improved ways of working, among others.**

We agree with the continuous importance placed on the close coordination between IAASB and IESBA noted in the proposed Strategy and Work Plan. We emphasise this would be of significant importance as both Boards progress with their respective projects on sustainability assurance and ethics.

However, linked to the point we have raised regarding a stable platform, the IAASB and IESBA should also reflect on the fact that many stakeholders responding to IAASB and IESBA consultations are the same and therefore both Boards should factor that in when considering open consultations for public comment. An approach that has worked in the past was to incorporate questions that are of relevance to the IAASB in IESBA's open consultations and vice versa, enabling both Boards to obtain views without issuing additional consultation papers.

- 8. Are there any other matters that we should consider in finalizing our Strategy and Work Plan?**

No, there are no further matters we would wish to highlight.