

# The International Auditing and Assurance Standards Board (IAASB)

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**Independent Standard-setting Boards**



**AUDITING AND  
ASSURANCE**

**ETHICS**

**EDUCATION**

**PUBLIC SECTOR**

**IAASB**

**IESBA**

**IAESB**

**IPSASB**

# ***The International Auditing and Assurance Standards Board (IAASB)***

→ sets high-quality international standards for

→ auditing,

→ assurance, and

→ quality control

that strengthen public confidence in the global profession.

→ International Standards on Auditing (ISAs)

→ International Standards on Review Engagements (ISREs)

→ International Standards on Quality Control (ISQCs)

→ International Standards on Assurance Engagements (ISAEs)

→ International Standards on Related Services (ISRSs)

- Contributes to enhanced **audit quality throughout the world**, thereby strengthening public confidence in financial reporting
- **IAASB**: 18 Members: 17 Volunteers (600+ hours ) + 1 full time Chairman; 50-50 Practitioners – Non Practitioners; Standards need approval of at least 12 Members. Advised by the Consultative Advisory Group (**CAG**) (30+ international organizations). Oversight by the Public Interest Oversight Board (**PIOB**) on the IAASB for applying ‘due process’ before approving standards
- Structures and processes that support the operations of the IAASB (incl. staff and funding) are facilitated by the International Federation of Accountants (**IFAC**)

## Jurisdictions Using Clarified ISAs Already, or Committed to Using Them in the Near Future (111)

**Europe (42):** Albania, Armenia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France (Experts Comptables), FYR Macedonia, Georgia, Greece, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom

**Americas (20):** Argentina, Bahamas, Barbados, Brazil, Canada, Cayman Islands, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Guyana, Jamaica, Mexico, Nicaragua, Panama, Puerto Rico (private companies), Trinidad and Tobago, Uruguay, USA (private companies)

**Asia and Oceania (22):** Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Kazakhstan, Kyrgyz Republic, Malaysia, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Singapore, South Korea, Sri Lanka, Thailand, Uzbekistan (listed), Vietnam

**Africa/Middle East (27):** Bahrain, Benin, Botswana, Ghana, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Malawi, Mali, Mauritius, Namibia, Nigeria, Palestine, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, United Arab Emirates (Abu Dhabi and Dubai), Zambia, Zimbabwe

## *Small and Medium Practices*

- SMPs are a critically important part of the profession
  - vast majority of accountancy practices worldwide
  - typically serve SMEs = engines of growth and innovation
- 95% of enterprises across the world are SMEs, accounting for approximately 60% of private sector employment and contributing significantly to countries' gross domestic product (GDP)

## *Small and Medium Practices*

- SMPs can provide a range of high-quality professional services to their SME clients, including audit and assurance and expert business advisory services

## *Small and Medium Practices*

- IFAC => SMP Committee
- Representation of SMPs' interests to standard setters and regulators
- Facilitating the sharing of tools and resources to help them compete in the global marketplace
- Speaking out to raise awareness of their role and value, especially in supporting SMEs, and the importance of the small business sector overall.



## *Ongoing Projects*

- Invitation to Comment: Enhancing Audit Quality in the Public Interest – A Focus on Professional Skepticism, Quality Control and Group Audits
- ISA 540, Including Audits of Financial Institutions
- ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*
- Non-Compliance with Laws and Regulations
- Agreed-Upon Procedures
- Integrated Reporting
- Data Analytics
- Looking Ahead: Work Plan for 2017–2018

## ***Invitation to Comment – Key Public Interest Issues to Address***

- The ISAs need to better address increasing complexity and new technologies in the business and audit environment, and deliver against the public's heightening expectations of audit quality
- The profile of tomorrow's auditor is to continue to be a critical challenger, supported by a regime focused on public interest and quality management, and well observable for stakeholders

## ***Invitation to Comment – Why the consultation?***

IAASB ISA Implementation  
Monitoring Project

Ongoing Outreach

IAASB Strategy for 2015–2019 and Work Plan for 2015–2016

- Professional Skepticism
- Quality Control
- Group Audits

ITC

- Financial Institutions / ISA 540 (accelerated timing)
- Audit Data Analytics (work commenced in 2015)
- ISA 315 (Revised) (work commenced in 2016)

# ***Looking Ahead: Our Work Plan for 2017–2018***

- Most of our current projects and initiatives will continue beyond 2016 – assuming they all continue, no room for any new initiatives of substance
- Nevertheless useful to “take the pulse” through outreach and public consultation about whether there is a need to revisit current priorities based on the current environment

ITC also asked a specific question about whether other actions beyond those addressing professional skepticism, quality control and group audits are needed to enhanced audit quality

- Limited consultation to gather specific input, while laying out key milestones for current initiatives and capacity

To be issued in July 2016 with a 90-day comment period

Survey format – acknowledgement of stakeholder fatigue

- Finalization of 2017–2018 work plan in December 2016



[www.iaasb.org](http://www.iaasb.org)

