

**PIOB MONITORING OF RESPONSES TO THE IAASB'S SURVEY ON ITS 2017-2018 WORK PLAN SUBMITTED BY MG and IFIAR MEMBERS**

(January 2017)

#	Who made it	Group (MG member, Regulator, etc.)	Format of Response	Issue	Main Issues/Comment Description	IAASB Disposition of the Issue
<b>IAASB 2017-2018 WORK PLAN</b>						
1	BCBS	MG member	Responded the Survey	Agreed with the strategic objectives. ISA 540 should remain the highest priority	BCBS generally agreed with the three strategic objectives, but emphasized the importance of the first objective: ensuring ISAs continue to form the basis for high quality, valuable and relevant audits. The finalization of ISA 540 is key to this objective. ISA 540 should continue to remain of highest priority and on schedule for completion to coincide with IFRS 9 implementation. This is of utmost importance given the interrelation between ISA 540 and IFRS 9 implementation by a majority of banks in 2018. The timeliness of the completion of ISA 540 revisions and a coinciding effective date in 2018 would provide the audit community with a high quality auditing standard needed for effective and consistent audits of expected credit losses (ECL).	The IAASB took note of this support. ISA 540 is a priority project in the 2017-2018 WP.
	BCBS	MG member			The revision of ISA 315 will be aligned as much as possible with that of ISA 540, as the audit of accounting estimates (especially ECL estimates) requires pro-active attention from auditors with regard to risks in the internal systems and procedures designed by management. Encouraged the Board to either finalize the ISA 315 project as soon as possible or to address risks in internal systems relevant to accounting estimates directly within ISA 540, which would then be moved to ISA 315 when appropriate.	A priority project to revise ISA 315 is already underway, and was included in the 2017-2018 WP.
	BCBS	MG member			Given the number of high importance projects on the 2017-2018 WP, and present resource constraints, BCBS did not view the second objective (i.e. the evolution of standards to address emerging needs for services other than audits of financial statements) as a priority.	The IAASB noted this comment. The Board agreed to focus on the priority projects. Also, to continue monitoring for emerging trends and to consider responses from a Discussion Paper on Integrated Reporting and other forms of assurance reporting to determine the way forward.
	BCBS	MG member		ISA 540	In addition to what said above, BCBS noted that SA 540 is a broad standard that applies to all accounting estimates; however, in their view the update of ISA 540 must be sufficient to deal with ECL estimates. With the increased complexity and management judgement applied for ECL estimates, specific guidance will be needed to support high quality and consistent audits of ECL. The revised ISA should be relevant to banks, many of which will rely on information technology to help generate their ECL financial reporting information. The IAASB is encouraged to have an overarching view of ISAs that require revision as a consequence to revisions to ISA 540 and the advent of ECL accounting frameworks. This includes ISA 620 (use of the work of an auditor's expert), as ECL accounting frameworks will likely result in an increased use of experts and ISA 330 (the auditor's procedures in response to assessed risks), where assessed risks are related to the audit of accounting estimates under IFRS 9.	The IAASB is currently progressing work towards approval of an exposure draft of a revised ISA 540 in March 2017.
	BCBS	MG member			BCBS encouraged the work to ensure that auditors are able to demonstrate professional skepticism throughout the audit process, from start to finalization, which is BCBS particularly important for the audit of accounting estimates. Enhancements to emphasize that auditors should go beyond assessing management's evidence, to actively look for other evidence, weighing evidence both for and against management's assertions would be welcome.	The 2017-2018 WP includes the ongoing project on Professional Skepticism as a priority project, which will provide input on enhancements to other Task Forces (e.g.; ISA 540, ISA 315).
	BCBS	MG member		Audit Evidence	BCBS recommended that the IAASB explores issues related to audit evidence, including revisions to ISA 500. Enhancements should include steps to ensure that disproportionate weight is not given to management representations as a form of audit evidence.	The IAASB agreed to include a project on Audit Evidence in the 2017-2018 WP, which will be developed alongside the priority projects, as capacity opens.
	BCBS	MG member		Coordination with IESBA	This is very important. BCBS expected that the IAASB's continuous outreach and collaboration efforts would also include other stakeholders, for example audit oversight bodies, audit inspectors, IFIAR, and the forthcoming EU Committee of European Auditing Oversight Bodies ('CEAOB').	The IAASB agreed on the importance of continued coordination with the IESBA on common matters. This is included in the 2017-2018 WP.
	BCBS	MG member		Consideration of SMPs	This is of a lower priority, given the Board's present resource constraints.	The 2017-2018 WP provides that as part of each ongoing project and initiative, the IAASB will continue to considering the needs of SMPs.
	BCBS	MG member		Materiality and Evaluating Misstatements	This is moderately important. BCBS is interested in additional work to review materiality in relation to disclosures, and is aware that the IAASB has delayed work on this area to allow the IAASB to progress its work on materiality.	The Board took note of this suggestion. Given the focus on the current priority projects, the 2017-2018 does not include work on materiality and evaluation of misstatements. A project on these matters could be considered for the WPs after 2018.
	BCBS	MG member		Going Concern and Use of an Auditor's Expert	GC is for BCBS moderately important, while the use of an auditor's expert is very important. No comments were provided in relation to this.	The Board agreed to include GC as part of the upcoming post-implementation review of the auditor's reporting standards.
	BCBS	MG member		Analytical Procedures and Audit Sampling	This work should coincide with data analytics. If data analytics continues to be prioritized for 2016 - 2017 then this becomes high priority.	Considerations of issues related to audit sampling, analytical procedures and data analytics would be included in the new project on Audit Evidence.
	BCBS	MG member		Other topics for IAASB's Consideration	ISA 540 is the highest priority and should not be delayed. Next, BCBS encouraged the IAASB to continue work on professional skepticism, quality control and group audits, which could be followed by materiality and evaluating misstatements; implementation of the auditor's report and GC.	The 2017-2018 WP includes these projects as priority projects; and a post-implementation review of the auditor's reporting standards with consideration of reporting on GC. The IAASB delayed significant focus on materiality until the IAASB has concluded its project on this matter.
2	IAIS	MG member	Comment Letter	Agreed with the strategic objectives	The IAIS agreed with the Strategic objectives and in particular, with the IAASB giving priority attention to the objective of continuing ensuring that ISAs constitute the basis for high-quality, valuable audits. Outreach with key stakeholders is also essential to the standard setting process, and should occur alongside standard setting.	The IAASB took note of this support.
	IAIS	MG member		Support for the priority projects	The IAIS supported the priority projects. Though, it cautioned the IAASB on the ambitious WP for 2017-2018 given resource and capacity constraints. Therefore, the Board should focus on high priority projects. For the IAIS, the projects which should be given the highest priority are: ISA 540, Audit Quality (Group Audits, Quality Controls and Professional Skepticism), and ISA 315. Revisions to ISA 540 must remain on schedule for completion with an effective date such that the audit community can have a standard needed for insurance liability estimates and IFRS 9 ECL. Although ISA 540 applies to all estimates, the revisions must be sufficient to deal with insurance estimates and ECL.	The IAASB took note of this comment. The Board agreed to focus on the priority projects, aiming to approve the ED of ISA 540 in March 2017.
	IAIS	MG member		Other topics for consideration in the 2017-2018 WP	Although with a moderate priority, the IAIS suggested the IAASB to some of the following topics, only if resources permit and doing so would not impede the timely completion of the priority projects: data analytics; using the work of an auditor's expert; audit evidence; analytical procedures and audit sampling; and going concern; among others. But none of them is seen as a priority.	The Board took note of the suggested topics, shared by other respondents to the Survey. A new project on Audit Evidence was included in the new WP, and exploratory work on Data Analytics is in progress. GC has been included in the upcoming post-implementation review of the auditor's reporting standards.

3	IOSCO	MG member	Email	General Comment	The Board should prioritize the projects communicated by us in 2014 – audit evidence, professional skepticism, and work of other auditors and experts – over integrated reporting and other emerging developments in external reporting, agreed-upon procedures, and consideration of matters related to SMPs and audits of SMEs. This will allow resources to be available for the most important efforts.	The 2017-2018 WP focuses on the ongoing priority projects (ISA 540, Group Audits, Quality Control, ISA 315, Professional Skepticism and Data Analytics). A new project on Audit Evidence was added to the Plan. The WP provides that as part of each ongoing project and initiatives, the IAASB will continue to consider the needs of SMPs, a consideration that received support from respondents to the Survey. Work on AUP will be subject to the level of support from stakeholders responding to the discussion paper published in November 2016.
4	IFIAR	MG member	Comment Letter	Support for IAASB's Initiatives	IFIAR, through its Standards Coordination Working Group (SCWG), has maintained an ongoing dialogue with the IAASB, and recent experiences and concerns stemming from inspections, including Quality Control (ISQC 1 and ISA 220), Group Audits (ISA 600), professional skepticism, ISA 540, and ISA 315, have been discussed during several meetings. IFIAR supported the IAASB's initiatives to improve audit quality through those projects which are included in the 2017/2018 WP, and encouraged the IAASB to continue to make progress on those projects. IFIAR recommended that these projects be finalized in a timely manner, to allow for the application in practice of the revisions as soon as possible.	The Board took note of this support and suggestion.
	IFIAR	MG member		Data Analytics	IFIAR also supported the inclusion in the WP of the project on the implications of the use, by audited entities and audit firms, of high volumes of data, and of tools dedicated to analyzing this data (data analytics).	The Board took note of this support.
	IFIAR	MG member		Topics not in the WP	For the topics not included in the WP which relate to areas with high numbers of inspection findings in the IFIAR survey, such as materiality, use of experts, response to assessed risks and analytical procedures, IFIAR encouraged the IAASB to consider including one or more of them in the upcoming WP, after having finalized the priority projects mentioned above.	The Board took note of this suggestion. Similar topics were suggested by other respondents to the Survey.
	IFIAR	MG member		Flexibility in the WP	The IAASB should maintain flexibility in its work programs to deal with emerging issues on a timely basis when needed, like, for instance, the development of the use by auditors of data analytics techniques, since it is important that the IAASB remains proactive and responsive to the changing business and audit environment.	A project on Data Analytics is included in the 2017-2018 WP. Also, in the WP the IAASB recognized that its priorities may change in light of national or international developments during the period, and that given the nature of the issues being addressed, progression of the priority projects may follow different timelines. The WP provides that the IAASB will continue to monitor the progression of its priority projects; will post the timetable with the projects being developed on the IAASB's website; and will update this information on a quarterly basis.
5	Independent Regulatory Board for Auditors - South Africa	IFIAR member	Responded to the Survey	Support for the strategic objectives	The strategic objectives remain relevant. IRBA was pleased to see that the majority of the common areas of audit deficiencies for the inspections of quality control systems and the top audit engagement findings are being addressed by the IAASB in its current and near-future projects; and supported the IAASB's initiatives to monitor reports from inspection bodies and regulators. Further, IRBA encouraged the IAASB to engage with firm networks to understand actions that are being undertaken to address the specific audit quality issues most frequently identified by regulators and the "root" causes of their systemic findings, and to communicate them to the IAASB.	The Board took note of this support.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		ISA 540	This project is a high priority. Although the project has been accelerated, more immediate guidance is required by the market. IRBA has issued the "Staff Audit Practice Alert: The Audit Implications of the Expected Credit Loss Model for the Auditors of Banks", available here <a href="http://www.ifba.co.za/guidance-for-ras/technical-guidance-for-ras/staff-practice-alerts">http://www.ifba.co.za/guidance-for-ras/technical-guidance-for-ras/staff-practice-alerts</a> . The IAASB is encouraged to use national standard setters (NSS) and any guidance that they may have prepared as a basis for IAASB projects and in order to fast track the project.	The Board agreed that ISA 540 is the top priority project, with the aim to approve the ED in March 2017.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Quality Control	The standard needs to be robust, not overly reliant on application material, not overly complex and must be able to be inspected. IRBA's top 3 firm inspection findings are: a) ethical requirements b) engagement performance, and c) monitoring. The second and third findings would therefore be addressed by this project. EQCR is frequently raised as an inspections findings.	The Board took note of this suggestion. The project on quality control is moving forward and includes consideration of these matters.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Group Audits	IRBA agreed that this is important project. There often seems to be overreliance by the group engagement partner on the component auditors.	The Board took note of this support. The project on group audits includes consideration of this matter.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		ISA 315	ISA 315 is a common area for inspection findings. In developing the standard it is critical that the IAASB addresses situations especially among SMPs where too few risks are identified, or the risk identification is done without consideration of the industry and environment, resulting in inadequate risk responses. Frequently the link is not shown between the risk of material misstatement and the decision regarding sample sizes.	ISA 315 is an ongoing priority project in the 2017-2018 WP. Currently, the IAASB is discussing issues for revision, and working towards producing an exposure draft by Q3 of 2017.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Professional Skepticism	IRBA encouraged the IAASB to continue working closely with the other IFAC Boards, such as the IESBA and the IAESB. In addition, the Board should collaborate with IFIAR. IRBA believe that many inspections findings are due to a lack of professional skepticism. Together, the Boards and IFIAR can identify root causes of inspection findings and identify trends in e.g. auditor behavior, and address these by jointly amending standards or issuing new standards or guidance.	The 2017-2018 WP includes close coordination with the IESBA on common matters, e.g.; including on professional skepticism, a project for which a joint IAASB-IESBA-IAESB Task Force has been set. The Basis for Conclusion expressly include collaboration with IFIAR, with whom the Board already has regular dialogue.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Data Analytics	This project is of critical importance. Auditors are already having to adapt to use data analytics, without explicit guidance in the standards. In addition, the link between the results of the data analytics to the conclusion that sufficient, appropriate audit evidence has been obtained is not clear, resulting in inspections findings.	Data Analytics is a priority project under the 2017-2018 WP. This project will include links with the new project on Audit Evidence.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Post-implementation review of the auditor's reporting standards	Agreed that this is a priority. A NSS could be used to further this project.	The Board took note of this support. The IAASB has agreed that acceleration of work on specific projects may be possible through additional support by others, for example, NSS or researchers.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Integrated Reporting	Integrated reporting is of particular relevance in South Africa due to requirements in the King Code of Corporate Governance and the JSE Limited Listings Requirements. Internationally this form of reporting has firmly taken hold. The project on assurance on integrated reporting and other forms of Emerging Forms of External Reporting (EER) lags behind the needs of the local market, but is welcomed. The result is that other assurance providers are now providing assurance on EER.	Time has been allocated in the 2017-2018 WP to the ongoing initiative on Integrated Reporting, mainly to consider responses to a Discussion Paper that is open for comments until early February 2017, and to determine, later in 2017, the best way forward.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		AUP	In South Africa there is a demand for compliance-type assurance engagements and reports. These requirements are generally from regulators, or where the reporting on performance information is required.	The IAASB agreed that an AUP project would be subject to the level of support received from stakeholders responding to the Discussion Paper published in November 2016, that is still open for comments.

	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Going Concern	GC is very important. With the sustained downturn of the global economy, the assessment of going concern is a high priority. Viability disclosures and other tools should be investigated. Inspections results indicate that, while auditors do perform going concern assessments, the work performed is not always sufficient. Subsequent results are not reviewed to confirm if the assessment was correct.	The Board agreed to include GC as part of the upcoming post-implementation review of the auditor's reporting standards.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		SMPs/SMEs	Greater demands are being made by the South African market for guidance on engagements on SMEs. Further, other countries in Africa are also requiring this urgently. The regulatory burden on SMEs is out of proportion with the value that is added. IRBA do not believe that the end result should be a standard for SMEs. SMEs and SMPs should be kept in mind for all standards, with more guidance being provided as to how to "scale the engagement down". The consideration of SMEs and SMPs should be overarching. Currently ISAs include a section for the public sector and then for SMPs, but these sections are very brief.	The Board agreed in its 2017-2018 WP that as part of each ongoing project and initiatives, the IAASB will continue to consider the needs of SMEs.
	Independent Regulatory Board for Auditors - South Africa	IFIAR member		Auditor's experts	Further guidance is required, as there are inconsistencies in the auditors' work effort in relation to the auditors' expert work.	The use of auditor's experts is being considered in the context of the ISA 540 project, for instance.
6	UK FRC	IFIAR member	Responded to the Survey	Strategic Objectives	The FRC agreed that the strategic objectives remain relevant.	The Board took note of this support.
	UK FRC	IFIAR member		ISA 540	The FRC supported the prioritization of ISA 540 in light of, mainly, the need for improvements in the standard both as a result of inspection findings, and the implementation of IFRS 9 which will bring significant new challenges for banks from 2018. Also agreed that the project, initially planned to primarily address changes needed for IFRS 9, will be a more holistic revision. Whilst there is a need for urgency in updating this standard, the FRC cautioned the IAASB to have primary regard to the quality of the standard developed for exposure. The IAASB should be willing to defer consultation on an exposure draft beyond December 2016 if necessary to ensure that the requirements and application material will be effective in supporting more effective audits of accounting estimates.	The Board took note of this support. Consideration of a final exposure draft has been postponed to March 2017 meeting, due to the need to finalize Task Force's work.
	UK FRC	IFIAR member		Group Audit, Quality Control and ISA 315	The FRC fully supported these projects. ISA 315 does not provide an adequate framework to promote reasonable consistency in the assessment of significant risks. There is particular concern that there is too much subjectivity in the determination of what is a significant risk in practice, partly resulting from the circular way that significant risk is described in ISA 315, with a consequential effect on the consistency and extent of work effort to respond to those risks. In addition, due to the particular focus of ISA 315 on significant risks, there is concern that auditors may not be appropriately addressing other risks of material misstatement in planning and performing the audit. Similarly, the FRC fully supported the project to revise ISA 600.	The Board took note of this support. ISA 315 is an ongoing priority project in the 2017-2018 WP. Currently, the IAASB is discussing issues for revision, and working towards producing an exposure draft by Q3 of 2017. Group Audits (ISA 600) is also a current priority project.
	UK FRC	IFIAR member		Professional Skepticism	Professional skepticism is a critical aspect of an audit, and of audit quality. Given the fact that concerns continue to be raised that auditors do not appropriately apply professional skepticism in the audit, it is in the public interest that the IAASB continue to prioritize this project, and to work collaboratively with the other Boards in developing a common and reconcilable position relative to their different domains.	The project on professional skepticism is a priority project in the 2017-2018 WP. The Plan also includes coordination with the IESBA on common topics, including professional skepticism.
	UK FRC	IFIAR member		Data Analytics	The FRC supported this project.	The Board took note of this support.
	UK FRC	IFIAR member		Post-implementation review of the auditor's reporting standards	The FRC supported this project, and encouraged the IAASB to draw on the resources of the participating countries as far as possible in order to minimize the resources required by the Board. For example, the FRC has undertaken extensive reviews in the two years following the implementation of our own auditor reporting initiatives. These reviews have demonstrated that extended reporting has given users a real insight into the audit process, allowing them to better understand it, and has generated a platform for enhanced engagement between auditors and users. In the FRC's most recent review "Extended auditor's reports: A further review of experience", for example, investors commented on areas where auditor reports could be enhanced further, giving insight into areas that are important to them, such as sensitivity ranges used in testing; how the quality of an entity's internal controls impact significant risk assessment; the appropriateness of management estimates including assumptions made by management and benchmarks used by auditors; whether there are significant changes in their audit approach; the level of materiality they used and the assessed risks reported from one year to the next. The FRC's reviews could therefore provide one source of input to the IAASB in taking this matter forward.	The IAASB took note of this support and suggestion.
	UK FRC	IFIAR member		Integrated Reporting & AUP	The FRC supported the IAASB continuing to monitor emerging developments in integrated and other external reporting; and the project on gathering evidence as to whether there is a need to make changes to the AUP standard.	The IAASB took note of this support.
	UK FRC	IFIAR member		Coordination with SSBs	The FRC supported the continued co-ordination of the activities of the IAASB with those of the IESBA and indeed with those of the IAASB, with a view to ensuring that their respective standards and code are mutually supportive of each of the Boards' public interest objectives.	The IAASB took note of this support.
	UK FRC	IFIAR member		SMEs/SMPs	SMEs are widely seen as critical in maintaining, and generating future growth in, economic activity. In many jurisdictions, many SMEs are subject to statutory audit requirements and in other cases are dependent upon non-statutory audits or other professional services to support the quality of, or to provide credibility to their external financial reporting. The IAASB's International Standards support the quality of audits and other professional services that are generally provided by SMPs. It is important that these standards are both proportionate to the public interest in such entities and scalable for application to SMEs, given the size and nature of both SMEs and SMPs. The FRC has heard growing concerns from some stakeholders that continuing developments in the ISAs, primarily motivated by a desire to bolster public confidence in the audits of major public interest entities (such as listed companies and financial services entities) in the wake of the financial crisis, are becoming unduly complex and expensive to implement for audits of SMEs. At the same time, found that the quality of external financial reporting by listed SMEs, and of their audits is often lower than for larger entities. The FRC therefore supported the IAASB's plans to enhance its focus on the consideration of matters related to audits of SMEs.	The IAASB took note of this support.

	UK FRC	IFIAR member		Going Concern	In the FRC's view, explicit auditor reporting related to the going concern basis of accounting is in the public interest and is valuable to investors. The FRC has recently introduced a requirement into ISA (UK) 570 (Revised), in addition to the recent enhancements made by the IAASB, for the auditor to report by exception on management's use of the going concern basis of accounting and on the disclosure of material uncertainties. The FRC is supportive of the IAASB continuing to consider further work in this area.	The IAASB took note of this support.
7	Thailand SEC	IFIAR member	Responded to Survey	Strategic Objectives	The Thailand SEC agreed with the continued relevance of the strategic objectives.	The IAASB took note of this support.
	Thailand SEC	IFIAR member		Other Topics for Board Consideration	The Thailand SEC thought that projects on going concern, auditor's experts, audit evidence, analytical procedures and audit sampling, among others, were very important, though did not suggest that these topics replaced the priority projects.	The Board agreed to include GC as part of the upcoming post-implementation review of the auditor's reporting standards. The use of auditor's experts is being considered in the context of the ISA 540 project, for instance. The IAASB agreed to include a new project on Audit Evidence in the WP, which will be developed alongside the priority projects, as capacity opens.
8	SEC Brazil	IFIAR member	Responded to Survey	Strategic Objectives	The SEC Brazil agreed with the continued relevance of the strategic objectives.	The IAASB took note of this support.
	SEC Brazil	IFIAR member		SMEs/SMPs	Matters related to SMEs and SMPs were rated by the SEC as very important, though the SEC did not provide comments on this.	The IAASB took note of the support for SMEs/SMPs.
	SEC Brazil	IFIAR member		Materiality	The SEC noted that there is diversity in practice regarding the determination of materiality level that might result in the auditor performing less audit work than it should in the circumstances. The SEC suggested the IAASB to include a project to address materiality considerations to guide auditors in setting both overall and performance materiality.	The Board took note of this suggestion. Given the focus on the current priority projects, the 2017-2018 does not include work on materiality. A project on this matter could be considered for the WPs after 2018.
	SEC Brazil	IFIAR member		Auditor's Experts	The SEC has observed that auditors do not seem to consistently utilize experts appropriately. Other concerns relate to auditors not assessing appropriately the professional competence of external experts and the lack of clarity regarding when to engage the auditor's expert.	The use of auditor's experts is being considered in the context of the ISA 540 project, for instance.
	SEC Brazil	IFIAR member		ISA 315	The SEC has observed issues relating to ISA 315, including a lack of understanding of the purpose of internal control testing in the context of a particular audit plan.	ISA 315 is a priority project in the 2017-2018 WP.
	SEC Brazil	IFIAR member		Professional Skepticism	Exercising professional skepticism is a critical part of conducting quality audits. As such, the SEC believe clear requirements and guidance regarding the expectations of auditors throughout the ISAs, including ISA 240, would contribute to improvements in the exercise of professional skepticism.	Professional Skepticism is a priority project in the 2017-2018 WP.
	SEC Brazil	IFIAR member		Audit Evidence	The SEC noted they have observed significant diversity in practice regarding the appropriate level of evidence obtained by auditors. Auditors either did not obtain sufficient audit evidence or did not document the basis for their conclusion that they had done so.	The IAASB agreed to include a new project on Audit Evidence in the 2017-2018 WP, which will be developed alongside the priority projects, as capacity opens.
9	Australian Securities & Investments Commission	IFIAR member	Responded the Survey	Strategic Objectives	The Commission opined that there is considerable work required on the first strategic objective (to ensure that ISAs continue to form the basis for high-quality, valuable and relevant audits), which is key to confidence in the markets. This should be given clear priority over other matters, particularly the second priority (to ensure that the standards evolve as necessary to adequately address the emerging needs).	The vast majority of respondents to the Survey agreed that the strategic objectives remain relevant and should be retained as the basis for developing the IAASB's Work Plan for 2017-2018. The WP focuses on priority standard setting projects.
	Australian Securities & Investments Commission	IFIAR member		Data Analytics	The Commission agreed that this is important, particularly if the project is expanded to include improvements to the standards dealing with sampling, materiality and substantive analytical procedures.	The Board took note of the support.
	Australian Securities & Investments Commission	IFIAR member		Integrated Reporting	For the Commission this should be moved to monitoring only or removed from the project list. At present integrated reporting is not mandatory, and it is unlikely that significant assurance services will be sought. Given the flexibility of integrated reporting, it is unclear what value the IAASB could add. Priority needs to be given to problem areas affecting audits in capital markets, such as use of experts, substantive analytical procedures, sampling and materiality.	Time has been allocated in the WP to the ongoing initiative on Integrated Reporting, mainly to consider responses to a Discussion Paper that is open for comments until early February 2017, and to determine later in 2017 the best way forward.
	Australian Securities & Investments Commission	IFIAR member		AUP	This should be removed from the project list or given a low priority. Priority needs to be given to problem areas affecting audits in capital markets, such as use of experts, substantive analytical procedures, sampling and materiality.	The IAASB agreed that an AUP project would be subject to the level of support received from stakeholders responding to the Discussion Paper published in November, that is still open for comments.
	Australian Securities & Investments Commission	IFIAR member		Analytical Procedures and Audit Sampling	These are major problem areas. For example, the standard on analytical procedures needs to provide much better guidance on substantive analytical procedures, including independent populations, valid relationships, how to approach disaggregated populations in setting thresholds, and how to deal with differences above the threshold. Similarly, there is no consistent basis or method for setting sample sizes and there appears to be a race to the bottom in seeking greater efficiencies from the audit process.	Considerations of issues related to audit sampling and analytical procedures will be included in the new project on Audit Evidence.
	Australian Securities & Investments Commission	IFIAR member		Auditor's responses to assessed risks (ISA 330)	This is an essential area of any audit. Firms have some unusual responses to risks. For example, risk and work can be minimized for "material but not significant accounts" such as revenue. There is also an interpretation issue on the requirement for substantive testing where risk is low and controls are good. Unlike the explicit PCAOB standards that require substantive testing for all relevant assertions, the major firms have concluded that the ISAs only require substantive testing for one selected assertion for each material account.	The IAASB expects consequential changes to be made to ISA 330 arising from its current project on ISA 315. The ISA 315 project may also inform the Board about the need for further revisions to ISA 330, which will form part of the considerations of the future WP, in light of the current priorities of the IAASB.
	Australian Securities & Investments Commission	IFIAR member		Other Topics-Service Organizations	There are significant issues with the use of audit reports for service organizations. For example, auditors are generally not requiring any substantive testing in relation to assets held through custodians or on asset values reported by service organizations. Where substantive testing is performed, there is a question as to whether sample sizes are set by reference to materiality of the auditee or materiality of the service organization.	The 2017-2018 WP focuses on the current priority projects. Matters such as service organizations and sample sizes may fall under the audit quality and audit evidence projects.