



International Auditing and Assurance Standards Board (IAASB) and its CAG 2020 Oversight Plan

1. Expected IAASB Activity in 2020

In 2020 the IAASB will finalize and approve the three Quality Management Standards (ISQM 1, ISQM 2 and ISA 220).

On ISQM 1 (Quality Management at audit firm level), the PIOB has stressed the importance to clearly state high quality audits as the objective of a quality management system, rather than focusing only on compliance with professional standards. The audit firms' business model should not interfere with Audit Quality and the PIOB recommended the IAASB to include consideration of the governance structure of the firm, adherence to ethical requirements by the audit firm management, and the incentive structure of partners and staff. The PIOB has also recommended coordination with the IESBA, and to consider complexity and scalability of the standard, which may impede implementation by smaller firms.

On ISQM 2 (Engagement Quality Reviews), the PIOB recommended to extend Engagement Quality Reviews (EQRs) to all PIEs and to strengthen the requirements for EQR performance, as well as to coordinate with IESBA the overlapping ethical requirements (e.g. auditor independence, objectivity, EQRs, cooling-off period of the Engagement Quality Control Reviewer).

On ISA 220 (Quality Management at audit engagement level), the PIOB suggested to include the respect of public interest and of ethical standards as an important objective of a Quality Management System.

The IAASB will finalize the Extended External Reporting project, which aims at providing non-authoritative guidance to practitioners who perform assurance engagements in accordance with ISAE 3000 (Revised) on the different types of external reporting (financial and non-financial information).

The IAASB plans to publish the ED of ISA 600. The standard deals with Group Audits and the PIOB requested to make clear which public interest issues the IAASB intends to address with the project, given that group audits affect the most systematically important entities.

The IAASB will work on Technology and Audits of Less Complex Entities, as well as on the Information Gathering and Research activities included in its SWP (e.g. fraud and going concern).

Overlapping issues with the IESBA will be discussed by the IAASB and coordination between the two SSBs will continue to take place.

2. Oversight Activities Planned in 2020



The PIOB oversees the standards developed by the SSBs and monitors the progress of the projects/initiatives undertaken by the SSBs, which are included in their Strategies and Work Plans. The oversight activity includes the review of the Exposure Drafts and their evolution, the comment letters submitted by respondents and all the documentation prepared by the SSBs for each meeting. The PIOB is willing to engage more with the SSBs staff and Task Forces members to enhance the dialogue and the communication.

PIOB staff will keep updating the list of Public Interest Issues on the main IAASB projects, on the basis of the discussion held at the PIOB Board meetings, and will keep communicating them to the IAASB, on a quarterly basis. These lists will keep being published in the PIOB website. The PIOB will monitor how these issues are addressed by the IAASB during the development of standards.

PIOB staff will prepare Briefing Memos for the PIOB Board members who will observe the IAASB and CAG meetings. Observer will prepare their Observation Memos for each meeting, which will be discussed at the PIOB Board quarterly meetings.

2.1. Approvals Scheduled in 2020

For all pronouncements (and strategies) which will be submitted to the PIOB for approval in 2020, the PIOB staff will prepare the relevant Analysis of Public Interest Responsiveness (APIR).

Project	IAASB Approval Date	PIOB Approval Date
2020-2023 Strategy and 2020-2021 Work Plan	December 2019	March 2020
ISRS 4400 (Revised) – Agreed-Upon Procedures Engagements	December 2019	March 2020
ISQM 1 (Revised) – Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements	June 2020	September 2020
ISQM 2 (Revised) – Engagement Quality Reviews	June 2020	September 2020
ISA 220 (Revised) – Quality Management for an Audit of Financial Statements	June 2020	September 2020

2.2. Observation of IAASB and IAASB CAG Meetings

The PIOB will directly observe the four IAASB and the two IAASB CAG meetings held in 2020, as well as the teleconferences which are scheduled during the year.

IAASB/CAG	Date	Location
IAASB Teleconference	January 23	TBC



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IAASB/CAG	Date	Location
IAASB Teleconference	February 11	TBC
CAG	March 10-11	New York
IAASB	March 16-20	New York
IAASB Teleconference	April 28	TBC
IAASB Teleconference	May 7	TBC
IAASB	June 15-19	New York
IAASB Teleconference	July 22	TBC
IAASB Teleconference	August 11	TBC
CAG	September 8-9	New York
IAASB	September 14-18	New York
IAASB Teleconference	October 21	TBC
IAASB Teleconference	November 11	TBC
IAASB	December 7-11	Possible location in North America - TBD

2.3. Oversight Observers in 2020

PIOB Board members assigned to the observation of the IAASB and CAG meetings during the year are as follows:

IAASB/CAG	PIOB Observers
IAASB	Karen Stothers, Markus Grund
CAG	Shigeo Kashiwagi