



## **International Auditing & Assurance Standards Board and its CAG Oversight Assurance Plan 2019**

**The following Oversight Plan has been developed on the basis that the IAASB will continue developing the projects that are currently on the Board's agenda or may become part of the IAASB's agenda in the context of its upcoming 2020-2023 strategy.**

**Oversight intensity is proposed after a risk assessment of the SSB projects.**

### **1. 2018 Highlights**

The Interim Nominating Committee selected a new IAASB Chair, and the PIOB approved this nomination. As the selected candidate subsequently stepped down from this appointment, the process to select the new IAASB Chair had to start again.

In November, the PIOB agreed that Professor Schilder's term would be exceptionally extended for up to 6 months, starting on January 1, 2019, during which period the new Chair is expected to be selected.

The situation of IAASB is still under discussion, and will be determined during 2019, after the MG consultation is finished.

### **2. Expected IAASB Activity for 2019**

The IAASB's agenda for 2019 is ambitious, as the Board will continue working with the priority projects that were not finalized in 2018. This includes: ISA 315, the standard dealing with the identification and assessment of risks of material misstatements; and the three quality management standards (ISQM1, quality at the firm level; ISQM2, engagement quality reviews; and ISA 220, quality at the engagement level). In addition to them, the IAASB will work with the projects on agreed-upon-procedures (ISRS 4400); external enhanced non-financial reporting; Data Analytics; and ISA 600, on Group Audits. These projects would be finalized either in 2019 or during 2020.

The IAASB has finalized its IAASB 2020-2023 SWP early in 2019.

The PIOB expects that the IAASB will continue liaising and working together with the IESBA on common issues.

### **3. Oversight Assurance Team in 2019**



	<b>PIOB Observers</b>
<b>IAASB</b>	Karen Stothers, Karel Van Hulle, Markus Grund
<b>IAASB CAG</b>	Maria Helena Pettersson

#### 4. Risk Assessment Analysis for 2019

2019 will be a demanding year for the IAASB. The Board needs to finalize ISA 315; move the three Quality Management Standards forward, so that they can be approved by Q1 of 2020; and finalize its new SWP for 2020-2023. Several elements advise maintaining an **Oversight Model 1 (High Intensity)** during 2019, with 100% direct observation of all Board and CAG meetings: the complexity of the standards in the agenda; the limited resources the Board has available; the need for time to properly discuss the standards, keeping in mind that the final standards need to be delivered in a timely fashion; and the pressures coming from a possible transition period the IAASB may need to go through, as the MG reform is progressed. On top of this, several projects will require coordination and discussions with the IESBA, given the links with ethical requirements.

The PIOB will communicate to the IAASB, on a regular basis, the public interest issues identified on its main projects. The PIOB will monitor how those issues are addressed by the IAASB during the development of the standards.

**Appendix I** details the PIOB 4 different Oversight Assurance Models.

#### 5. Oversight Activities for 2019

##### 5.1. Direct Observations of Meetings

During 2019, the PIOB will observe the following meetings:

##### **IAASB:**

The Board will meet four times. The PIOB will observe the four meetings:

March 11-15 – Toronto  
 June 17-21 – NYC  
 September 16-20 – NYC  
 December 9-13 - NYC

Should the IAASB add teleconferences during 2019, the PIOB will observe them as well.

##### **IAASB CAG:**

The IAASB CAG will meet twice in 2019:

March 5-6 - NYC  
 September 10-11 – NYC



Both meetings will be observed by the PIOB as they will be held back-to-back with IESBA CAG meetings.

Should the IAASB CAG add teleconferences during 2019, the PIOB will observe them as well.

## 5.2. Approvals Scheduled for 2019

The IAASB plans to approve the following in 2019:

<b>Standard</b>	<b>IAASB Approval</b>	<b>PIOB Approval</b>
ISA 315	June 2019	September 2019
ISRS 4400, Agreed Upon Procedures	September 2019	December 2019
IAASB 2020-2023 Strategy and Work Program	December 2019	March 2020

## 5.3. Oversight Analysis

PIOB staff will perform a public interest analysis of ISA 315, the IAASB 2020-2023 Strategy and Work Program; and a more limited analysis of ISRS 4400, Agreed Upon Procedures, when they are submitted for PIOB approval by the IAASB.

Throughout the year, PIOB observers, supported by PIOB staff, will confirm whether the OAM planned for 2019 remains relevant. Should the PIOB determine that a change of OAM is required, the reasons supporting the change will be recorded as part of this plan.

## APPENDIX I - OVERSIGHT ASSURANCE MODELS

Model	Intensity of PIOB Oversight	When	PIOB Observations
1	High	Higher risk to public interest protection	100% observations
2	Medium	Medium risk to public interest protection	Medium level of observations
3	Low	Low risk in public interest protection	Minimal or no observations