

BRIEFING MEMO: IAASB CAG

September 12-13, 2023

In-Person Meeting

Disclaimer: This memo is prepared by PIOB staff, in advance of the SSB/CAG meeting, applying their best knowledge and their own judgement in identifying and communicating matters of public interest and due process. PIOB Staff views are discussed with the PIOB observer and the PIOB Board and do not pre-empt further PIOB's views or discussions. The main objectives of this memo are to support the PIOB member in his/her SSB/CAG meeting observation and to help maintaining consistency and continuity of oversight.

The agenda includes the following items:

- B – SUSTAINABILITY ASSURANCE (ISSA 5000)
- C – ISA FOR LCEs
- D – REPORT BACK (GOING CONCERN + LISTED ENTITIES AND PIEs)
- E – PRIVATE SESSION (no papers)
- F – CLOSED SESSION (no papers)
- G – AUDIT EVIDENCE
- H – FRAUD
- I – 2024-2027 STRATEGY AND WORK PLAN

B – SUSTAINABILITY ASSURANCE (ISSA 5000)

Objective of the project: the IAASB is developing an overarching standard for assurance on sustainability reporting with the aim to support the consistent performance of quality sustainability assurance engagements. The standard should be suitable for all sustainability topics and disclosures, neutral from a framework and assurance providers perspective.

Background and Status: the IAASB approved the project proposal for the Sustainability Assurance standard in September 2022. The ED of ISSA 5000 was approved at the June meeting and is currently open for comments (120 days), until December 1st. (The CAG had an extra meeting in June on ISSA 5000).

Notes/key points from the review of the documentation for this meeting:

At the CAG meeting, along with the presentation of the report-back (item B), there will be a “mini-roundtable” (item B-1), which will focus on specific questions (on the application of ISSA 5000, on ethical requirements and quality management system in sustainability assurance engagements, on materiality, on assurance reports and transparency).

At the mini-roundtable, there will be four rounds of discussion, where CAG representatives will be able to share their views on each question (20-25 minutes will be allocated to each question).

The IAASB plans extensive outreach during the comment period, which includes four global roundtables (New York, Brussels, Kuala Lumpur and Sao Paulo), four regional “in-partnership” events (Tokyo, Sydney, Johannesburg and Toronto), webinars, videos and various material.

Feed-back from the outreach and from respondents to the ED will be presented and analyzed in March 2024.

Public Interest Issues

Please refer to the [PIOB’s public interest issues on IAASB’s projects](#) as of June 2023, published in the PIOB website.

PIOB Staff comments on PI

In line with the outreach planned by the IAASB, which will take place during the exposure period of ISSA 5000, gathering broader views on sustainability assurance is part of due process and in line with the steps in the PIF which help achieving the responsiveness of a standard to the public interest. Input from the CAG, in its last meeting, will be beneficial in that sense, before it will be replaced by the SAC.

The high-level questions drafted in agenda item B-1 are the starting point to gather input and will need to be weighted in with the massive feed-back expected from the consultation and the many other events planned, at global level, by the IAASB.

Given the different organizations and backgrounds in the CAG, gauging the “profession-agnostic” approach of ISSA 5000 will be particularly useful to help identify any initial gap or enhancement needed in the standard.

C – ISA FOR LCES

Objective of the project: to develop a stand-alone ISA for audits of financial statements of Less Complex Entities (LCEs).

Background and Status: in response to the comments to the ED and feedback gathered at the international conference in May 2022, the IAASB has discussed revisions to all parts of the ISA for LCEs, except for Group audits. In addition, the ED for Part 10 (Group Audits) was approved in December 2022 and the comment period closed in May 2023. At the July mid-quarter call, the TF discussed feedback received and proposed revisions to Part 10. The IAASB aims to approve the final ISA for LCEs in September 2023 (advanced from December 2023).

Notes/key points from the review of the documentation for this meeting

The Presentation (item C-1) summarizes the main changes to the ISA for LCEs (provided in agenda item C-2) since the last CAG discussion in March 2023, as well as summarized feedback received to the ED on Part 10 of the Standard¹.

The TF will request feed-back from CAG representatives on those revisions, as well as on remaining items to be discussed at the IAASB September meeting: effective date (December 15, 2025), maintenance of the standard, adoption and implementation plan. These matters are described in the presentation (C-1) and with more detail in the IAASB Issues paper for September, provided as agenda item C-6 (for reference).

Public Interest Issues

Please refer to the [PIOB's public interest issues on IAASB's projects](#) as of June 2023, published in the PIOB website.

PIOB Staff comments on PI

¹Key changes described in [IAASB BM for June](#) and [IAASB BM for July](#) meetings. Highlights of the feedback to Part 10 ED are also provided in the IAASB BM for July, as well as in the IAASB OM for July (not yet published), that describes discussions of the IAASB and the PIOB Observer's comments.

Overall, the PIOB has welcomed the revisions made to the ISA for LCEs, both to the main sections of the standard, discussed between March and June 2023, as well as the proposals made to Part 10 on Group Audits. The revisions proposed are responsive to comments raised by respondents, including addressing concerns from regulators.

Regarding the revisions proposed in July relating to the Group Audits, the PIOB Observer commented the following: *"I suggested that consideration be given to providing clarifications and guidance within the standard where appropriate, rather than in the Authority Supplemental Guide, to increase their visibility."* In particular, the determination of when it is appropriate to use a component auditor was raised as a challenge by many respondents. Differing interpretations and lack of authoritative guidance may create diversity in practice and could be more difficult to enforce. Changes to the standard made since July do not reflect any significant additions in this respect.

In addition, in the [BM for the July meeting](#), we noted that a couple of respondents (AICPA and IRBA) provided feedback about the need for re-exposure of the full standard. The PIOB will monitor the considerations at the time it is discussed by the IAASB at the September meeting, as this will not be discussed with the CAG.

We keep supporting this project, for the potential it has in addressing/preventing jurisdictional fragmentation, and continue encouraging the IAASB to maintain the outreach with regulators to address their concerns.

D – REPORT BACK

This session includes the report-back to the CAG on the following projects:

Going Concern: The IAASB approved the exposure draft in March 2023 and the consultation was open for comments until August 24, 2023.

Listed Entity and Public Interest Entity (PIE): The IAASB approved the final narrow scope amendments to ISA 700 (Revised) and ISA 260 (revised) under track 1 of the project in June 2023. Track 2 was last discussed in December 2022 by the IAASB.

Public Interest Issues

Please refer to the [PIOB's public interest issues on IAASB's projects](#) as of June 2023, published in the PIOB website.

PIOB Staff comments on PI

This session is a report back session for the CAG given that no further discussions will be held at the IAASB in the upcoming meeting for either project. No further PI issues have been identified for these projects.

It is noted that issues paper D1, para. 6, refers to the formal release in October of the final pronouncement “after confirmation is received from the PIOB that due process was followed” (emphasis added). It should be clarified that the PIOB publicly certifies that the standard has been developed in a manner consistent with agreed due process and is responsive to the public interest.

G – AUDIT EVIDENCE

Objective of the project: to clarify auditor’s responsibility regarding information used as audit evidence (AE). The project aims to adapt and modernize ISA 500 (as a consequence of changes to information used by auditors), clarifying its relationship with other standards, as well as the concept of sufficient appropriate audit evidence and fostering professional skepticism.

Background and status: the IAASB approved the project proposal in December 2020 and the ED of ISA 500 (Revised) in September 2022. The comment period was open until April 24, 2023. The final standard is targeted for approval in Q2 of 2024.

The Task Force (TF) has coordinated its activity with other TFs, such as Technology, Professional Skepticism and Fraud, as well as with the IESBA staff.

Notes/key points from the review of the documentation for this meeting

The Presentation (item G-1) summarizes key comments received from respondents to the ED and TF’s proposed recommendations to address them. The TF has also provided the IAASB issues paper for the September meeting with more details on the matters presented (item G-2).

The IAASB has received 70 comment letters in response to the consultation, including 2 from MG members (IOSCO and IFIAR), 4 from IFIAR members (IAASA, UK FRC,

IRBA² and Botswana AOA) and CEAOB. The majority (over 60%) of responses come from the profession (Firms and PAOs).

The most significant comments identified from the PIOB staff review of comment letters (which are consistent with those presented by the TF) include the following³:

- Scope and objective - Overall support for the project and objective, with calls (from most regulators and other stakeholders) to expand the scope to other ISAs in the 500 series, as well as clarify links with other ISAs (e.g. ISA 330, ISA 240).
- Clarity of provisions - Mixed views regarding the balance between requirements and application material; several regulators concerned with challenges that can arise when enforcing a very principles-based standard. Other stakeholders also commented on the high volume of application material, but still needed further guidance on how to make requirements operational. Suggested more specificity regarding documentation expectations, scalability, work effort in respect of evaluation of relevance and reliability, as well as the conditional requirement (see more details below).
- Technology - Support for the modernization of the standard regarding the use of technology, however several stakeholders consider that the revisions were not enough and more should be done to reflect the current use of technology by entities and auditors, in particular the use of automated tools and techniques (ATT) for gathering AE, such as data analytics, robotic process automation, artificial intelligence, etc. with further guidance and examples.
- Exercise of Professional skepticism – support from most stakeholders, however regulators call for further emphasis in the introduction and more detailed guidance and examples.
- Definitions – Overall support for the “input-output model”, with clarification of certain concepts such as “information” and evaluation of contradictory or inconsistent AE. Some comments highlight the theoretical approach of the definition, which may need further guidance on how to make it operable and which procedures elevate information to AE. Also, need to clarify the interrelationship between sufficiency, appropriateness, and persuasiveness and include a definition of persuasiveness.
- Evaluation of relevance and reliability – Most categories of stakeholders call for clarification of the provisions, including how to determine the attributes of relevance and reliability, the level of effort required (evaluate vs. consider in extant ISA 500), considerations of scalability, documentation expectations, how to apply to information from different sources (internal vs. external), and concerns about the conditional requirement in para. 10 (see below). Overall, more specific

² Joint response with the Institute of Chartered Accountants of Namibia (PAO)

³ This is just a selection from PIOB staff and does not imply completeness.

guidance is needed. Some regulators also raise the need to retain the distinction of internally produced evidence vs. external from extant ISA 500.

- Conditional requirement for accuracy and completeness (para. 10) – mixed views about the need of the conditional requirement, whether it adds (unnecessary) emphasis on these two attributes vs. other attributes that may also be relevant, also not clear how to apply to external information. Clarification or redrafting, or even removal, is suggested.
- Stand-back provision - Although there is support for having a stand-back provision, the objective of para. 13 is not clear, it could be misinterpreted to exclude contradictory evidence and it seems to overlap with stand-back in ISA 330 para. 26.
- Effective date – Overall support for an 18-month implementation period, but some stakeholders note that the count should start from the PIOB’s certification and not the IAASB approval (usually 3-month lag).

The TF will request feedback from CAG representatives on recommendations related to:

- Technology – maintain principles-based framework and enhance guidance on ATT, with further examples;
- Conditional requirement for accuracy and completeness (para. 10 of the ED) – two options are provided, either remove para. 10 and include application material to para. 9 or replace para. 10 with a requirement to obtain AE for accuracy and completeness for internal information; and
- “Stand-back” requirement (Para. 13 of the ED) – clarify the requirement in sub-paragraph 13(a) and remove subparagraph 13(b) (overlap with ISA 330).

Public Interest Issues

Please refer to the [PIOB’s public interest issues on IAASB’s projects](#) as of June 2023, published in the PIOB website.

PIOB Staff comments on PI

The PIOB welcomed the revisions to ISA 500 exposed for comments, that meet the project objectives and several issues identified by the PIOB. The results from the consultation show overall support for the project, but more work needs to be done in certain key areas, such as appropriately embedding the use of technology throughout the standard and the clarity and implementability of certain requirements.

As noted in our PI issues, one of the areas that the PIOB suggested to be further considered was the balance between requirements and application material and a specific question was included in the Explanatory Memorandum (Question 3). Feedback received shows mixed views about whether the revisions achieve the right balance. Although many respondents agreed that the right balance was achieved, the input in other questions show that requirements are not clear enough to be easily interpreted and further guidance will be needed to ensure that they are consistently applied; in certain instances, such as the evaluation of relevance and reliability, including testing of attributes and its documentation, the application of ATT, or the stand-back test, the principles applied are too high-level and the application material may lack sufficient detailed or illustrative guidance to make them operable and enforceable.

The PIOB also recommended further encouraging auditors to seek external sources of information, specifically when that information could contradict audit evidence obtained from the client (e.g. Wirecard case). This is an area that was raised also by several respondents as needing further clarity on the level of work required from auditors.

The areas proposed by the TF for the discussion with CAG representatives are aligned with the most relevant and frequent concerns raised by all categories of stakeholders. The specific recommendations will need to be developed in more detail and deliberated by the IAASB, but they seem to go in the right direction to address some of the challenges raised in the consultation.

Coordination with the upcoming Strategy and Work Plan (SWP) deliberations is also a relevant area, as many stakeholders have raised concerns about the scope of the project (e.g. not covering other ISAs in the 500 series) and refer to their comments to the SWP consultation paper on which projects should be prioritized. See further comments on the SWP 2024-2027 under agenda item I.

H – FRAUD

Objective of the project: enhance and clarify the role and responsibilities of the auditor in relation to fraud in an audit of financial statements. Enhancement of ISA 240 and conforming and consequential amendments to other ISAs.

Background and Status: The IAASB approved the Fraud Project Proposal in December 2021. The redrafted ISA 240 will be discussed by the IAASB in September 2023, with a

view to approve the ED of ISA 240 and of the conforming amendments at the December meeting.

Notes/key points from the review of the documentation for this meeting:

The CAG will be informed about the changes occurred to ISA 240 since the last discussion and its input will be sought.

The documentation includes the report back to the CAG (item H), a presentation from the TF (item H-1), the redrafted ISA 240 (item H-2), conforming amendments (item H-3) and the IAASB Issues paper (item H-5 - for reference only).

The most significant changes proposed by the TF include (identified by the TF in the following 7 areas):

1. Auditor's responsibilities: responsibilities are placed before the inherent limitations of an audit; they include communicating and reporting about fraud. Any fraud or suspected fraud identified by the auditor, will drive requirements (some additional to the extant standard). Linkage to ISA 250 is further explained (not all non-compliances with laws and regulations are fraud).
2. Professional Skepticism (PS): emphasis on PS and its relationship with professional judgement, further explained in the requirements; a requirement to remaining alert throughout the audit and while performing audit procedures.
3. Communication with management and those charged with governance (TCWG): in addition to ongoing communication and extant requirements, a new requirement to communicate matters related to fraud at appropriate times throughout the engagement; making inquiries to TCWG, to the internal audit function; new requirement to discuss with management when FS are materially misstated due to fraud.
4. Risk identification and assessment: enhancements from ISA 315 were already embedded in previous versions, following an approach which attempts avoiding the duplication of requirements. A new requirement has been added to understand the controls over activities that prevent and detect fraud. More focus has been placed on the fraud triangle (incentives, opportunities, rationalization) when identifying and assessing risk, with the idea to apply a "fraud lens" throughout the risk identification and assessment process.
5. Work effort when fraud or suspected fraud is identified: a scalable approach, depending on the significance of fraud, which will determine different actions and possibly additional procedures to be performed.
6. Transparency in the auditor's report: the TF concluded that the same filter used in ISA 701 (KAM) should be applied when reporting fraud-related KAMs, considering the same factors (e.g. significant risk of material misstatement,

identification of fraud or suspected fraud, deficiencies of internal controls). KAMs related to fraud are disclosed in a subheading of KAMs in the auditor report. If no fraud-related KAMs is found, a statement in the auditor report is included.

7. Documentation: requirements have been added, related to work performed by the auditor on fraud (procedures performed, professional judgments made and conclusions reached), as well as on the source of information.

Conforming amendments (item H-3) to various standards have been limited in scope, to align terminology and avoid inconsistencies. They include the ones which make reference to fraud and the ones proposed to ISA 700 and ISA 701 which derive from the transparency provisions drafted in ISA 240 (i.e. fraud as sub-heading of KAM in the auditor report).

A CUSP review took place on the revised ISA 240. The qualitative characteristics of the PIF (included in the project proposal) have been considered.

The TF has liaised with the IESBA, for the linkage between ISA 240 and themes in the Code of Ethics such as fraud, bribery, corruption, etc. Input from the IESBA was taken into account in redrafting ISA 240. The TF has also coordinated its work with other IAASB TFs and groups (e.g. Audit Evidence, Professional Skepticism).

Public Interest Issues

Please refer to the [PIOB's public interest issues on IAASB's projects](#) as of June 2023, published in the PIOB website.

PIOB Staff comments on PI

ISA 240 has been significantly enhanced, according to the project proposal, embedding changes that have affected both requirements and application material.

Provisions which have strengthened areas such as PS, responsibilities of auditors, the risk assessment process (in line with ISA 315), communication with TCWG and documentation requirements reflect an alignment with the objectives of the project and should help driving auditor's behavior. Those enhancements are responsive to the PIOB's PI issues raised since the inception of the project, especially on the need to strengthen auditor's responsibilities, rather than just clarifying them.

We support the IAASB in strengthening the standard, with a view to approve the ED at the December 2023 meeting. We look forward to the upcoming consultation, which will provide a feed-back also on the transparency point (fraud under KAM vs. fraud as a separate heading in the auditor's report).

I - 2024-2027 STRATEGY AND WORKPLAN

Objective: The IAASB needs to finalize its upcoming 2024-2027 Strategy and Work Plan (SWP).

Background and Status: The Consultation Paper (CP) of the 2024-2027 SWP closed its comment period back in April 2023, however comments from respondents will be analyzed and discussed by the IAASB at its September 2023 meeting, with a view to approve the final document in December 2023.

Notes/key points from the review of the documentation for this meeting

The 2024-2027 Strategy and Work Plan (SWP) has been updated (item I-2), considering the comments to the Consultation Paper and the outreach held by the IAASB. The issues paper (item I-3) includes the comments from respondents and how the Planning Committee is recommending to address them. The CAG is also provided with a presentation (item I-1).

The IAASB will discuss the outcome of the consultation for the first time at its September meeting and will also take into account the CAG's input. At the September meeting, there will also be a joint session with IESBA, with the objective to discuss the SWPs of both SSBs.

The 2024-2027 IAASB SWP Consultation Paper received 61 comment letters, split among the following stakeholders' groups: accounting firms, IFAC member bodies and PAOs (52%), NSS (18%), MG members, regulators and oversight bodies (15%), investors and analysts⁴ (3%) and others. MG members include: IAIS, IFIAR, IOSCO. Regulators include: CEAOB, UK FRC, IRBA, IAASA, CPAB, H3C.

Along with the overall support to the SWP, there were a number of comments and suggestions.

⁴ Eumedion and Norges Bank Investment Management.

Some of the key concerns from MG members⁵ and other regulators are as follows⁶.

IOSCO does not agree with postponing the review of ISA 330 until 2024, as it believes it overlaps with ISA 500 (Audit Evidence) and relevant issues should be resolved concurrently. Similar comments on ISA 500 series, the use of technology and ISA 330 have been provided by IAIS and the CEAOB.

IFIAR asks for a “quick-response” process (as the CEAOB does) to address needs and to provide more detailed plans and information about resources and priorities in the work plan. As other respondents (among which the CEAOB), it sees the risk to hinder improvements of ISAs because of the work required in sustainability assurance, while audit standards should maintain the priority.

The importance of internal controls, in risk assessment and testing effectiveness, with a potential new project to be undertaken, is stressed by the three MG members which responded to the consultation, as well as by the CEAOB and IRBA. In the issues paper, it is concluded by the Planning Committee that, given the support to the many other potential projects in Table B which will be accommodated by the IAASB, this project will not be further pursued at this time.

IRBA commented on the “add-ons” in the standards at jurisdictional level, as well as on the possibility to cooperate (the IAASB with individual jurisdictions), at the project proposal level, on specific areas which could be addressed.

The main comments from the two investors groups which responded to the consultation are as follows.

Eumedion overall agrees and supports the SWP. Its concerns are rather on the timeliness of the IAASB’s actions, which could affect the quality of the standards as well as the governance of the IAASB. They suggest that the credibility of the IAASB depends on the pace by which it rapidly responds to changing public interest needs and for that purpose it could implement changes in the due process and working procedures. Eumedion also mentions that the MG reforms implementation is taking a long time and happening slowly. They say that public trust in the IAASB would benefit from a more challenging planning and execution of the MG recommendations.

The Norges Bank Investment Management (NBIM) supports the SWP. Among the comments provided, they stress the importance of sustainability reporting and the need to maintain principle-based, rather than prescriptive, standards.

⁵ IOSCO still express its concern on the two levels of standards brought by the ISA for LCEs. The UK FRC basically supports the SWP and no significant concerns or comments are provided.

⁶ This is just a selection from PIOB staff and does not imply completeness.

Among the most important points in the revised document, which are the Planning Committee's response to some of the comments from all categories of respondents, there are:

- the goals to enhance auditing standards to support high-quality engagements (as a priority), balanced with the establishment of sustainability assurance standards, to address the risk that sustainability assurance diverts resources from audit standards;
- coordination with IESBA (focusing on specific projects such as PIEs Track 2, ISSA 5000, Use of experts, etc.), and other standard setters;
- the MG reforms and their implications also on processes, responsibilities of project development as well as on Board composition and staff;
- the flexibility required in the SWP to complete the projects underway and to start new ones, according to demands and needs from stakeholders.

A crucial aspect is also the impact of technology, and the possible revisions to standards (i.e. ISA 500-series), on which respondents provided comments. Among the key comments: need to revise ISA 330 addressing technology updates and the ISA 500-series; support for an omnibus project on technology, rather than a piecemeal approach on specific ISAs; questions whether current revisions in ISA 500 are sufficient and whether objective of modernization in terms of impact of technology, has been achieved. (Please refer also to agenda item on Audit Evidence and relevant feed-back to the ED).

The Planning Committee has envisaged two possible options which are described in the issues paper, taking into account also the feed-back received to the ISA 500 (Audit Evidence) consultation (i.e. "1) *ISA 330 project and a separate technology project focused on standards in the ISA 500-series*⁷; 2) *Expanded audit evidence and risk response project*⁸, and a technology project focused on other targeted standards").

According to the feed-back, the Planning Committee concluded that the topics in Table B would be pursued as potential new projects (i.e. ISA 220, ISA 320, ISA 330, ISA 500-series, ISA 620, ISA 720, ISRE 2410, further standards on Sustainability Reporting). The exception is Joint Audits, for which there was not global or urgent support, hence it will not move to Category B of the Framework for Activities. For XBRL, though it received support, its priority was considered low compared to other topics, hence the Planning Committee does not foresee that it will start in the upcoming SWP cycle.

⁷ Current revisions to ISA 500 would be finalized as planned.

⁸ ISA 500, ISA 330 and ISA 520 would be revised as a package. An additional project on impact of technology/modernization would target specific standards (e.g. ISAs 530, 505, 501).

As a response to stakeholders' comments, the SWP clarifies that the status of the projects and timelines will be included in the "Current project" webpage, which is regularly updated in the IAASB website.

The Framework for Activities and its criteria will keep guiding the decision on commencement and/or prioritization of certain projects. According to those criteria⁹, topics move from category A (now the projects listed in table B of the SWP document) to category B and C (if it is the case). Category B are topics which become current projects with relevant resource allocation. This approach will drive the "programming" decisions for the work plan.

The budget amount allocated for 2024 is left blank (and will be possibly included), mentioning that "*The budget for the newly formed 'Foundation' is affected by the funding arrangements agreed under the Monitoring Group reforms*". Technical staff and secondments will increase over time.

Projects underway which will be completed in 2024 are Audit Evidence, Going Concern, PIEs (Track 2), Fraud, ISSA 5000. Some approval dates have been updated since the previous version but, in all instances, the date has been anticipated (no delay).

In terms of new projects, the IAASB expects to use its full capacity and envisages the commencement of one new project in 2024, 2 or 3 in 2025, 1 or 2 in 2026, one possible new project in 2027.

Post-Implementation Reviews (PIRs) will be undertaken for ISA 540, ISA 315 and the Quality Management Standards.

Public Interest Issues

Please refer to the [PIOB's public interest issues on IAASB's projects](#) as of June 2023, published in the PIOB website.

PIOB Staff comments on PI

⁹ Appendix 3 in the issues paper (item I-3) includes a table with an overview of criteria and indicators used to consider candidate topics for the SWP. "*Qualifying criteria*" are the criteria in the Framework for including or moving a topic into Category B and, if appropriate, to progress further through the Framework.

The proposals in the revised SWP document (item I-2) need to be discussed at the IAASB September meeting as they now reflect the recommendations of the Planning Committee, in response to comments to the CP.

The SAC will replace the CAG and its input will be, in principle, more strategic. Nevertheless, the CAG's input is one important part of the due process, as the CAG has been involved in the projects which are underway and which will be completed by the end of 2024.

The joint session with the IESBA will be an important element to consider as well, as the two SWPs are now aligned in terms of timeline and require close cooperation between the two SSBs, for the several topics overlapping (e.g. sustainability, PEs, fraud, use of experts, etc.) and the consistency expected in the outcome of their projects.

The Framework for Activities will help determine prioritization of projects and the rationale to convert topics into projects with a resource allocation. This process needs to be highly transparent to stakeholders.

Flexibility recognized in the SWP, according to emerging needs and priorities, as well as the reference to MG funding and implications of MG reforms (projects increasingly led by staff, with a more strategic involvement of Board members) are essential elements of transparency and represent a good inclusion in the SWP.

The IAASB will need to update the table of the potential new projects which may start in the 2024-2027 cycle (Table B in the SWP document), on the basis of its discussion at the September meeting and the priorities expressed by respondents on the different projects.

About the request from stakeholders on having more detailed information on the projects, their status and the resources allocated, the IAASB webpage is a helpful source of information. However, it may be beneficial, also from a transparency perspective, to make more evident the resources allocated and related priority assigned to the different (and competing) projects.