

BRIEFING MEMO: IAASB

September 18-22, 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:

- 2 – ISA FOR LCEs
- 3 – FRAUD
- 4 – AUDIT EVIDENCE
- 5 – 2024-2027 STRATEGY AND WORK PLAN
- J - IAASB-IESBA JOINT SESSION

A Sustainability Assurance Roundtable on the ED of ISSA 5000 will be held during the week of the meeting, on September 20th. Questions for the roundtables were circulated by the IAASB staff, while the list of participants is expected to be distributed prior to that date. According to the information available at this stage, participants will include: *assurance practitioners (both professional accountants and other professionals), professional bodies representing them, assurance standard-setters, regulators for assurance and oversight bodies, preparers of sustainability information, sustainability reporting standard-setters, users of sustainability information, policy makers and regulators for reporting.*

2 – 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: At the July mid-quarter call, the TF discussed feedback received and proposed revisions to Part 10 (Group Audits). The IAASB aims to approve the full ISA for LCEs at this meeting.

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

The documentation includes the Issues paper (item 2), an explanation of significant changes since the July meeting (item 2-B), the ISA for LCEs, marked-up since June/July (item 2-B), as well as conforming amendments (item 2-D) and a comparison of requirements between the current standard and the ED (item 2-E).

The issues paper deals with topics such as:

- Adoption and implementation: effective date (December 2025) after 24 months of approval/certification by the PIOB (vs. 18 months proposed in the ED after the approval by the IAASB). Early adoption would be permitted.
- Maintenance of the standard and options to revise it, as needed.
- Implementation guidance, which will be developed by the IAASB and in collaboration with the IFAC's Communication Team.
- Due process considerations: the TF provides a quite detailed analysis of due process, including the main public interest comments from respondents and how they were addressed. The Technical Director also provided a confirmation that due process had been followed (item 6). The TF is of the view that ISA for LCEs does not warrant re-exposure. The IAASB's separate vote on re-exposure will be sought once the IAASB votes for the approval of the standard. *Please see our comments in the PI Issues section.*
- Conforming amendments: mainly reference of ISA for LCEs in the Quality Management Standards and other IAASB's standards.

Revisions in the standard, occurred since the July meeting (item 2-B), do not raise any public interest issue at this stage.

Public Interest Issues

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

PIOB Staff comments on PI

Overall, the PIOB has welcomed the changes made to the ISA for LCEs, both to the main sections of the standard, as well as to Part 10 (Group Audits). The number of

revisions made to the ED are responsive to comments raised in the consultations and subsequent deliberations at the IAASB meetings.

At the July meeting, the PIOB Observer commented: *"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 guidance may create diversity in practice and could be more difficult to enforce. Changes to the standard made since July do not reflect any additions on this specific point.

As noted in the BM prepared for the July meeting, a couple of respondents (IRBA and AICPA) provided feed-back about the need to re-exposure the full standard. We acknowledge the TF's detailed analysis included in the issues paper (item 2), with the elements considered and the conclusions reached. However, for the purpose of completeness of information and transparency, it would be appropriate to mention the comments (and arguments) from the two respondents in that analysis, while there is not such a reference in the document. There is merit in the arguments brought by both respondents, though they are different. We suggest including that piece of information, as well as an explanation, in the Basis for Conclusions which will accompany the final standard. This could be clearly raised and explained at the meeting.

The due process document has been considered by the TF, concluding that no substantial change has occurred to ISA for LCEs since the ED. One may argue that Part 10 (Group Audits), is a substantial addition. It is also true that the addition is a response to (at least one part of) respondents to the first ED, which requested group audits being in scope of the standard, though it followed a different path with a separate ED. Assessing the substance of changes, whether just addressing comments to the ED, is always a matter of judgment. This may be the occasion to re-think the due process document and relevant working procedures, which help making such a decision. This is a public interest matter and merits discussions among the SSBs, the PIOB and the MG. In the discussion, the PIF should also be taken into account as there may be competing factors when deciding about the finalization of a standard (e.g. need/urgency to close the project vs. other steps and qualitative characteristics to be met, as envisaged in the PIF, and compliance with due process).

We have been supporting this project since its inception, for the importance of the LCEs in economies, to address the jurisdictional fragmentation which was occurring, and to ensure that the same level of high quality audits could be performed for LCEs. We recommend the IAASB to continue its dialogue with stakeholders, especially

regulators, which have not been in favor of the standard, also after its approval and in view of its implementation.

3 – 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 documentation includes the redrafted ISA 240 (item 3-A, marked-up from June), the conforming amendments (item 3-C), the Issues paper (item 3).

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.

As it results from ISA 240, mark-up from June (item 3-A), some of the key provisions added include: team discussion about the entity’s culture, commitment to integrity, ethical value, tone at the top; expanded (internal) controls and audit evidence; design and performance of additional procedures to respond to risk of material misstatements, according to ISA 330.

Conforming amendments (item 3-C) 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 as of June, published in the PIOB website:

[IAASB Public Interest Issues](#)

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 option undertaken by the IAASB (fraud under KAM vs. fraud as a separate heading in the auditor's report).

4 – 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 2023. At this meeting, the TF will present an overview of responses, as well as its initial proposals on specific topics. The final standard is targeted for approval in June 2024 (consistent with the revised timing in the SWP - item 5-B).

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

The issues paper (item 4) describes key comments received from respondents to the ED and TF's proposed recommendations to address them¹.

¹ Detailed responses for each question of the ED are included as supplemental information in items 4-A.1 to 4-A.14 and a summary spreadsheet in item 4-B.1-14.

The IAASB has received 70 comment letters, 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 comes from the profession (Firms and PAOs).

The most significant comments identified from the PIOB staff's review of 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 had to 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

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.

to information from different sources (internal vs. external), and concerns about the conditional requirement in para. 10 (see below). Overall, more specific 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 (evaluating AE obtained) - 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’s key initial recommendations include:

- Technology
 - *Scope of the project – not all feedback can be addressed in the current scope*
 - *Proposal to describe ATT*
 - *Enhancing the guidance and examples for technology*
- Conditional requirement for accuracy and completeness (para. 10 of the ED)
 - *Option 1 – Remove paragraph 10 and add essential material to the requirement in paragraph 9*
 - *Option 2 – Replace paragraph 10 with a new requirement to obtain audit evidence about accuracy and completeness for information from sources internal to the entity, supported by essential material*
- “Stand-back” requirement (Para. 13 of the ED)
 - *Paragraph 13(a): Refocus the requirement in the context of ED-500 instead of linking to the overall evaluation in ISA 330*
 - Paragraph 13(b)
 - *Proposal to remove the requirement, given its overlap with ISA 330*

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.

Public Interest Issues

Please refer to the [PIOB's PI issues on the IAASB 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, which 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 enhancing 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. A specific question was included in the Explanatory Memorandum (Question 3). Feedback received shows mixed views. 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 to 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 by several respondents as needing further clarity on the level of work required from auditors.

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). See further comments on the SWP 2024-2027 under agenda item I.

As this is a first high-level presentation of feed-back received from respondents to the ED, further discussions are warranted, with comprehensive proposals from the TF, which will cover the full spectrum of responses. A key decision will be whether to finalize ISA 500 as such, and undertake the other projects envisaged in the SWP (i.e. ISA 500-series), or whether the scope of the current project needs to be expanded, to be reviewed as a package with other standards, especially to address technology considerations.

The issues paper deals with the further changes which may occur in the standard and whether they could be considered under the current scope, as approved in the original project proposal. There seems to be a possibility to further expand ISA 500 on automated tools and techniques (ATT) and automation bias. This could have been considered under the overall concept of “modernization” of ISA 500. The use of Technology grows at an exponential rate, while the standard-setting system, as currently set up, responds quite slowly. The comments raised to the CP, suggesting more agile procedures, need to be carefully considered and developed for topics such as technology, to make sure that standards, once finalized, do not reflect practices which are obsolete, as the real world is much more ahead.

5 - 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 for the first time by the IAASB at this 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 5-B), considering the comments to the Consultation Paper and the outreach held by the IAASB. The issues paper (item 5) includes the comments from respondents and how the Planning Committee intends to address them.

At the meeting, there will be a joint session with the IESBA, with the objective to discuss the SWPs of both Boards and other topics (see agenda item J).

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.

⁴ Eumedion and Norges Bank Investment Management.

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

Some of the key concerns from MG members⁵ and other regulators are as follows⁶. Here we highlight some of regulators' and investors' comments as these groups of stakeholders typically represent a minority of respondents. All views need to be properly considered, as the PIF requires to "reasonably weigh input from the different groups".

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 operating 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

⁵ IOSCO still expresses 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.

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.

Amongst 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 the 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-series⁷; 2) Expanded audit evidence and risk response project⁸, 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,

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).

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.

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, which will be finalized in December 2023.

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. 70% of the resources will be allocated to audit and reviews standards, and 30% to sustainability assurance.

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

Public Interest Issues

⁹ Appendix 3 in the issues paper (item 5) 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.

Please refer to the PIOB's public interest issues as of June, published in the PIOB website:

[IAASB Public Interest Issues](#)

PIOB Staff comments on PI

The proposals in the revised SWP document (item 5-B) need to be discussed at the IAASB meeting as they now reflect the recommendations of the Planning Committee, in response to comments to the CP.

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, PIEs, fraud, use of experts, etc.) and the consistency expected in the outcome of their projects.

As the Framework for Activities helps determine prioritization of projects and the rationale to convert topics into projects, the process and the criteria applied need to be highly transparent to stakeholders. It may be helpful, along with the updates in the IAASB webpage, maintaining this piece of information (e.g. criteria used to assess prioritization and relative priority compared to other projects, resources assigned), making it publicly and accessible on a continuous basis.

Along the same lines, to respond to stakeholders' demand on more detailed information about the status and the resources allocated to the projects, the information could be maintained within the same section in the IAASB webpage.

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.

Specific attention will be devoted to the decision about ISA 500 (Audit Evidence) (whether finalized with its current scope or expanded), and the options envisaged by the Planning Committee, to respond to stakeholders' concerns and demands.

Consideration of an overarching project on Internal Controls should be tabled at the meeting, despite the initial recommendations from the Planning Committee to not pursue it.

J - IAASB-IESBA JOINT SESSION

In this joint session, the two SSBs will discuss their SWPs as well as the strategic approach to their coordination. Among the points discussed, there are: challenges in the coordination on sustainability, any other pervasive issues which may require a joint effort and coordination, projects overlapping. A presentation is provided (agenda item J-1), summarizing also the feed-back received to the two Consultation Papers and key comments on coordination.