The IAASB-Jurisdictional Auditing and Assurance Standard Setters Liaison Group (IAASB-JSS)
Statement of Purpose

Introduction

The IAASB®-JSS acknowledges that coordination and collaboration are beneficial to furthering their common public interest goals of promulgating high quality international standards for audit, review, sustainability assurance, other assurance and related services engagements, and quality management. Coordination and collaboration also help facilitate global adoption of, or convergence with, IAASB Standards. High quality standards that are adopted or converged globally and implemented effectively strengthen the quality, consistency, and transparency of such engagements and enhance trust and confidence in the information subject to those engagements.

To this end, the IAASB-JSS provides a platform for multi-lateral strategic engagement and project or other activity-level coordination and collaboration.

A.   IAASB-JSS Strategic Purpose

To exchange insights and perspectives on key strategic matters relevant to global standard-setting and related activities for audit, review, sustainability assurance, other assurance and related services engagements, and quality management, and to address common challenges, in the public interest, through effective and timely coordination and collaboration between the IAASB and the JSS, and among JSS.

B.   Objectives

The IAASB-JSS aims to:

1. **Identify Opportunities for Coordination or Collaboration Relevant to the Lifecycle of IAASB Activities:** Focus on projects or activities where the IAASB and JSS can coordinate or collaborate because of broad global interest and common stakeholder needs. The lifecycle of IAASB activities[1] provides an appropriate basis for pursuing IAASB and JSS coordination and collaboration opportunities, including the timely sharing of information and views about, among other matters, convergence and implementation challenges.

2. **Exchange Insights and Ideas**: Regularly exchange insights, perspectives, and ideas, leveraging research and outreach as a datapoint relevant to the IAASB's standard-setting and related activities.

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[1]   The typical IAASB lifecycle of activities includes recurring work such as developing its strategy and work plan and outreach, as well as the lifecycle of a standard-setting project, which includes information gathering, developing a new or revised standard, supporting the adoption and effective implementation of a standard (e.g., developing or facilitating the development of non-authoritative support materials), and ongoing monitoring of stakeholder needs, including performing post-implementation reviews.

3. **Promote the Adoption of, or Convergence with,[2] IAASB Standards:** Develop strategies that promote the adoption of, and convergence with, IAASB standards. Recognize the factors driving the need for jurisdictions to develop their own standard-setting solutions and work towards reducing fragmentation of standards across jurisdictions.

4. **Support the Effective Implementation of IAASB Standards**: Develop strategies to identify and address areas where implementation support is needed. Coordinate or collaborate in undertaking implementation support activities, including outreach and other stakeholder engagement to identify implementation successes and challenges.

5. **Leverage or Raise Awareness of JSS' Work**: Identify specific areas where one or more JSS can lead IAASB-JSS workstreams, or share resources developed with others, to minimize duplication of effort and fragmented or inconsistent solutions. Additionally, identify where the IAASB can, without undermining its independence, leverage or raise awareness of specific work and resources of JSS to better enable the IAASB to focus on its core competencies and priorities.

C. Accompanying Items

Appendix 1: Criteria for JSS to Participate in the IAASB-JSS

Appendix 2: IAASB-JSS Engagement Model

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[2]   It is recognized that the focus and objective of a JSS generally depends on the mandate it has in the jurisdiction and the resources it has available. It is further recognized that different JSS are at different stages of adopting or converging with IAASB standards.

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APPENDIX 1

CRITERIA FOR JSS TO PARTICIPATE IN THE IAASB-JSS

A "jurisdictional auditing and assurance standard setter" (a JSS) refers to a body at the jurisdictional or national level (a local body) with auditing or assurance standard-setting authority, i.e., that is authorized or recognized to develop auditing or assurance standards. A JSS may also have other functions, for example, auditing or assurance oversight.

The IAASB-JSS comprises IAASB leadership and staff, and JSS that the IAASB has assessed:

1. Meet at least two of the following criteria:

   o Are significantly active in the development of jurisdictional auditing and assurance standards, or by way of contributing to the development of IAASB Standards.

   o Have adopted or plan to adopt IAASB Standards, as applicable, or are demonstrably committed towards the achievement of convergence of international and jurisdictional standards.

   o Represent the world's largest economies or have significant regional influence.

2. Are sufficiently resourced to participate actively in coordination and collaboration efforts identified through the activities of the IAASB-JSS Liaison Group as contemplated in its Statement of Purpose and the IAASB-JSS Engagement Model (see Appendix 2).

APPENDIX 2

IAASB-JSS ENGAGEMENT MODEL

To achieve the IAASB-JSS Strategic Purpose and Objectives (see Statement of Purpose), coordination or collaboration between the IAASB and JSS may focus on the activities within the lifecycles of the strategy and work plan, standard-setting projects or non-authoritative materials (NAM). The following diagram depicts the activities that are common to each of these three lifecycles:

Common Activities Within the Lifecycles of the IAASB
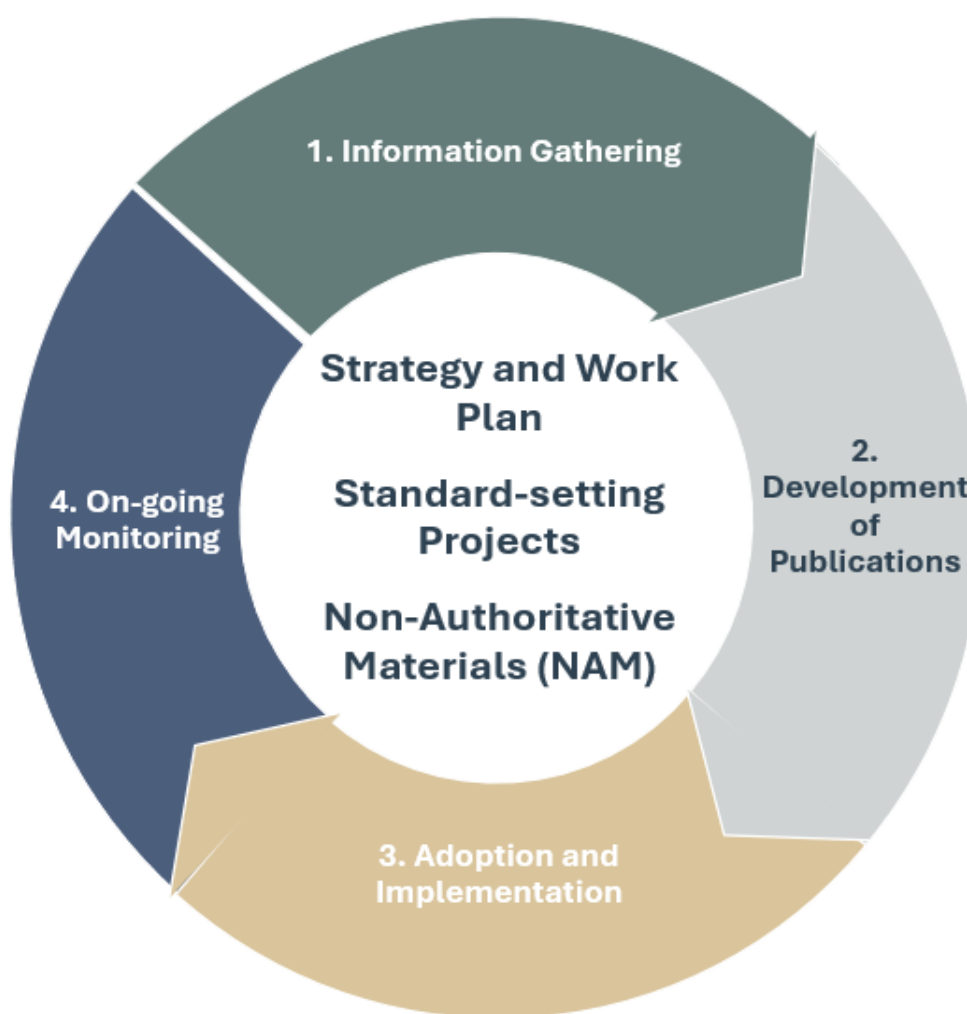
The activities that are common to each of the lifecycles of the IAASB can be summarized as follows:

1.   **Information Gathering** that is aimed at informing strategic thinking and strategy development, potential work plan decisions and supporting future work of the IAASB by assisting the IAASB to identify emerging areas that may require focus, determining future work activities and scoping standard-setting projects and other workstreams. See also Component I of the IAASB Framework for Activities, *Information Gathering and Research Activities*.

2. **Development of Publications**, including strategic materials (such as the strategy and work plan), new or revised standards, and NAM. The IAASB's Strategy and Work Plan and International Standards are developed in accordance with the Due Process and Public Interest Framework (PIF) Operating Procedures of the Standard-Setting Boards (SSBs, i.e., the IAASB and IESBA).[3] See also Components II and III of the IAASB Framework for Activities, *Revising and Developing Standards* and *Narrow Scope Maintenance of Standards*.

   NAM is part of the IAASB's activities to support implementation of the IAASB standards and are developed as set out in Component IV of the IAASB Framework for Activities. NAM may be developed by the IAASB or the IAASB may facilitate and support action by others, which may include coordinating or collaborating with JSS for the development of specific materials.

3. **Adoption and Implementation**, that encompasses actions that differ across the three IAASB lifecycles, including execution of the Strategy and Work Plan, adoption and implementation support for standards, and awareness raising for NAM. IAASB Standards impact quality management and engagements through their adoption and implementation at the jurisdictional level. Wide adoption and effective implementation in turn reduce the risk of fragmentation and proliferation of standards and support consistent application and practice, which is in the public interest. Awareness about and the use of NAM facilitate the effective implementation and consistent application of standards and can be used for education or training, and development of other materials.

4. **Ongoing Monitoring** of stakeholder needs is essential to ensure relevant and timely action to support the ongoing relevance and credibility of the IAASB's standard-setting and related activities. Ongoing monitoring includes engaging with stakeholders, as part of the IAASB general outreach program and project- or workstream-specific outreach activities, as well as undertaking formal post-implementation reviews of standards. Such monitoring completes the lifecycle by feeding back into information-gathering activities.

The Context for and Nature of JSS Involvement

JSS understand the structure and practical dynamics of their local auditing and assurance profession, audit and assurance regulation, and the implementation of standards. They are directly involved with or influence local auditing and assurance policy, processes and activities. In addition, JSS have strong technical expertise internally or can access such expertise.

JSS ordinarily have significant reach across stakeholders in the external reporting ecosystem in their jurisdictions. Leveraging this reach could have many benefits in the early identification and understanding of issues relevant to international standards and their application, in soliciting input that could be channeled to the IAASB (and shared among JSS), advocating for the adoption and implementation of international standards and facilitating IAASB outreach activities. Of particular relevance is the proximity of JSS to stakeholder groups at the local level, such as users of financial statements and other external reporting, and preparers and those charged with governance, which often are underrepresented when seeking comments or feedback on standard-setting and related activities.

In the above context, the common activities within the lifecycles of the IAASB provide an appropriate basis for IAASB-JSS coordination and collaboration, by:

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[3]   The SSB Due Process and PIF Operating Procedures are expected to be finalized by the PIOB in Q2 2025. Until then, the extant Due Process applies, which can be accessed on the IAASB website (see "Due Process" under Quick Links).

- Allowing the IAASB to identify whether and, if so, when and how JSS can be involved with such activities, with each JSS participating according to its capabilities and interest; and

- Enabling JSS to input and contribute to the various activities related to those lifecycles, depending on each JSS's priorities and capacity to allocate resources.

Also, through coordination and collaboration among JSS, they are able to leverage the benefits of shared knowledge and experience, including collective action.

The following are examples of JSS involvement that may be applicable to each of the lifecycles of the IAASB (strategy and work plan, standard-setting projects and NAM) and the activities common to each (information gathering, development of publications, adoption and implementation, and ongoing monitoring):

- **Raising awareness** of the IAASB's actions in JSS jurisdictions. JSS engagement with relevant stakeholders in their jurisdictions to raise awareness of the IAASB publications and consultations or other requests for information. Also, **aligning activities** for standard setting or adoption with the timing of IAASB projects and engaging with policymakers and regulators at the jurisdictional level to promote adoption of, or conformity with, new or revised standards.

- **Adopting and adapting**. Adopting, and translating if applicable, new or revised IAASB standards or convergent standards. Sharing, and translating if applicable, NAM and other resources within jurisdictions, including adapting guidance to encompass jurisdictional requirements or developing educational materials to support implementation in a jurisdiction.

- **Responding to IAASB requests for information**, for example, as input to specific information gathering being undertaken (e.g., for a standard-setting project or NAM), to submit information for annual IAASB-JSS meetings, or in advance of a deep-dive session on a particular topic. Responding to IAASB public consultations, for example, exposure drafts, discussion papers, consultation papers, and surveys.

- **Hosting or facilitating outreach activities**, including holding roundtables or arranging other discussion fora. This may include a specific focus on stakeholder groups at the local level, which often are underrepresented when seeking comments or feedback on standard-setting and related activities (as discussed above).

- **Research or information-gathering activities.** Conducting research or gathering information from stakeholders through surveys, interviews, focus groups or other outreach activities in JSS jurisdictions or across jurisdictions. This may also include undertaking more rigorous quantitative and empirical research that is of interest to a range of jurisdictions and the IAASB, which may include where a JSS may have "gone first" in relation to a topic (e.g., expanding auditor or practitioner communication or reporting). Such research or information gathering may be at the instigation of the IAASB, or one or more JSS. The IAASB may also benefit from JSS sharing the results of related own research undertaken or facilitating access and providing additional insight into, for example, existing JSS guidance, thematic reviews and other resources.

- **Monitoring of and possible actions to address implementation challenges.** JSS providing feedback on implementation challenges, including as an "early warning" mechanism to the IAASB. This may include identifying, collating and sharing implementation challenges experienced in jurisdictions (issues, root causes and recommendations for possible actions). JSS can also benefit from sharing among themselves their convergence and implementation learnings. Outreach activities

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in JSS jurisdictions may also be utilized as a mechanism to monitor implementation of standards or to provide feedback related to NAM.

- **JSS NAM and other materials**. JSS identifying, recommending or developing and sharing NAM and educational materials with the IAASB or other JSS. The IAASB can consider whether and how best to leverage or raise awareness of such resources of JSS.

- **Staff or other resources to contribute to IAASB activities**. For standard-setting projects or NAM, IAASB may approach JSS, or JSS may volunteer, to assist by providing staff or other resources (e.g., secondment or co-sourcing of JSS staff or funding), or for a JSS(s) leading the development work for the IAASB with support and oversight by IAASB staff (including, as appropriate, Board members). For NAM, collaboration also could include JSS developing materials under the auspices of the IAASB.

- **Joint standard-setting projects.** The SSB Due Process and PIF Operating Procedures (see footnote 3) contemplate the possibility of joint projects.[4] This refers to a standard-setting project on a particular topic or subject matter that is undertaken simultaneously or in parallel at the global level and the jurisdictional level, and could also include, where practicable, on a multi-national basis whereby two or more JSS or national organizations are involved in the joint project. The international standard and jurisdictional standard would progress through the normal stages of a project, i.e., project proposal, exposure draft and final standard. The final standard approved by the IAASB becomes a final international pronouncement in the normal way. It may differ from the corresponding document(s), if any, approved by the collaborating JSS(s).

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[4] Joint projects are subject to the due process of the IAASB. If exposed separately both internationally and by JSS(s), and where applicable, the SSB may additionally have regard to comments received by the JSS(s), where relevant internationally, and to the extent the process does not result in unnecessary delay in the finalization of the IAASB pronouncement.

This document was prepared by the Staff of the International Auditing and Assurance Standards Board® (IAASB®) in collaboration with representatives of the IAASB-JSS.

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

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