7. SECTION III: ABOUT THE RESPONDENT

1. From which perspective are you providing this feedback:

The view of an organization.

Please Indicate:

2. Please complete

Name of Organization: : PricewaterhouseCoopers International Limited
Name or Person submitting Survey on behalf of the organization: : Jamie Shannon

3. Select from the following options that describe your organization:

Accounting Firm

4. Is this a/an:

Global network Some audit firms operate internationally through a network of firms. Network firms often share common methodologies and quality control and monitoring policies and procedures. Some networks also share guidance in relation to values, ethics, and attitudes, and have programs to enhance the knowledge and experience of partners and staff. (or firm within such a network)

5. Is this response on behalf of the global network?

Yes

Is this response on behalf of a regional or national firm?

Other Firm?

IFAC Member Body or Other Professional Organization

National auditing standards same as, or based on, the IAASB's current International Standards on Auditing

Please specify which standards are used:

Other national standards same as, or based on, IAASB's other standards (i.e., assurance, related services and reviews)

Please specify which standards are used:

Are you a listed or non-listed entity?

Small or Medium-Sized The concept of 'smaller or less complex entities' varies country by country, but ordinarily exhibits one or more of the following characteristics:Concentration of ownership and management in a small number of individuals.One or more of the following:Straightforward or uncomplicated transactions.Simple record keeping;Few lines of business and few products within business lines;Few formal internal controls; Few levels of management with responsibility for a broad range of controls; orFew personnel, many having a wide range of duties.
.Entity?

Please Indicate:

Do you apply International Standards of Supreme Audit Institutions (ISSAIs) for financial audits

Those Charged with Governance

Private Sector

Please specify in the box below.

Are you any of the following?

6. Please select the geographical region where you are based:

Europe

8. SECTION IV - QUESTIONS FOR RESPONDENTS ABOUT THE IAASB'S STRATEGY FOR 2020-2023

7. 1. In your view, will the strategic environment affecting the needs of the IAASB's stakeholders look like in 2020 onward and what will be the impact on the IAASB's International Standards (for example, will the audit market change significantly; will other services dominate stakeholders needs – including what the needs may be for different types of evolving services; how evolving technologies, such as cryptocurrency, artificial intelligence or blockchain , will impact the environment in which the IAASB's stakeholders operate, etc.).

The world and the environment in which business is being conducted is changing rapidly. Technological advancements are changing the way organisations operate as well as changing approaches to audit and assurance. The advent of artificial intelligence will impact how an audit is performed – changing how we identify and assess risks to be more data-based. Likewise, the growing trend for audit evidence to only be available in electronic form and the assurance questions that gives rise to, of which cryptocurrency and blockchain are but two examples, are issues that need to be addressed. Blockchain could have a fundamental impact on the way an entity and auditor seek evidence over transactions. It is important that these issues are addressed sooner rather than later and we believe deferring until post 2020, is too far in the future. The IAASB's current proposed Evidence project should not shy away from addressing these critical issues and the work involved not underestimated. Alongside the Evidence project, the IAASB needs to continue its efforts to develop its thinking on how to best address emerging technologies and these wider issues in the ISAs, reflecting evolving practices without inappropriately inhibiting innovation. It is not an easy task given the pace of change. However, it is important that the ISAs and the audit model itself do not begin to look obsolete.

We see two other trends of significant importance. Firstly, while the current project on emerging forms of external reporting is addressing assurance over broader reporting by entities, there continue to be demands for elements of an entity's broader reporting to be covered by the audit itself. The post-implementation review of ISA 720 (Revised) could usefully better understand global developments in this area.

Secondly, the concerns about the focus of the ISAs on listed or other public-interest entities, the ever-increasing length and complexity of the standards, and the resulting implications for audits of smaller-to-medium sized ("smaller and less complex") entities is a growing threat to the continuing adoption of the ISAs. There are already examples of jurisdictions actively considering de-recognising the ISAs in some instances because they are no longer seen as fit-for-purpose. Changes to address "scalability" in standards under revision may not be seen as going far enough, or as simply acknowledging but not really addressing the issue, due to the competing demands of different stakeholders. Broader thinking may be needed to find a solution.

1. In your view, will the strategic environment affecting the needs of the IAASB's stakeholders look like in 2020 onward and what will be the impact on the IAASB's International Standards (for example, will the audit market change significantly; will other services dominate stakeholders needs – including what the needs may be for different types of evolving services; how evolving technologies, such as cryptocurrency, artificial intelligence or blockchain , will impact the environment in which the IAASB's stakeholders operate, etc.). - Text Analysis

8. 2. Section II. Describes the additional challenges and opportunities that the IAASB has identified relating to its people, processes and technology, including possible changes that may arise from the MG consultation. In your view, as the IAASB develops its Strategy for 2020–2023, what are the:

(a) Key challenges and other factors that may impact the IAASB's activities and focus; and(b)
(b) Main opportunities for changing the way it undertakes its activities.

Your response may include views about the matters identified by the IAASB as set out in Section III, but any views about matters that have not been mentioned are particularly welcome.

Clearly, the outcome of the Monitoring Group reform will likely introduce a period of significant change for the Board. We support the premise of the Board operating in a more strategic manner, making better use of Board time to debate the key issues and giving direction to Staff. A consequence of such change, and key challenge that may bring, is around Staff resourcing and ensuring that appropriate technical expertise is brought to bear in developing content, which in the short term may prove a barrier to the Board acting in a swifter manner to address emerging issues.

Identifying ways to better utilise technology to develop meeting materials and standards should be a priority. Collaboration tools would help reduce elements of inefficiency in the current processes, freeing up valuable Staff and Board Member time. We would also encourage greater use of technology to gather feedback from stakeholders and to assist in analyzing, and sharing in a transparent manner, the feedback on consultations, which may help Task Forces and the Board respond in a more timely manner.

Although considered several times in the past, the Board may wish to revisit again the possibility of establishing a rapid response mechanism, or annual (or bi-annual) improvements process, to address identified specific issues that are capable of being addressed without a major standard-setting project. This would help address perceptions that the Board's due process is too slow to address emerging issues.

As we have commented in the past, while we acknowledge the efforts of the IAASB and IESBA to better coordinate activities, we believe there remains room for improvement. Seeking strategic alignment only by 2023 appears to lack ambition and a missed opportunity to demonstrate a more integrated approach on a more timely basis. We encourage both Boards and IFAC leadership to increase efforts to demonstrate collaboration and working together. The current IESBA strategy consultation identifies proposed projects that will have a direct bearing on the IAASB's standards and we encourage proactive, rather than reactive, involvement to ensure balanced decisions are reached. For example, it is vital that the IAASB be engaged in projects relating to revising the definitions of PIE and listed entity, materiality and communications with those charged with governance.

Likewise, IESBA needs to be fully engaged in relevant IAASB projects impacting the Code. The recent IESBA strategy consultation notes projects looking at evolving technologies and service delivery models. These are clear overlapping areas of current IAASB projects and both Boards should leverage each other's work.

In a similar vein, we encourage continued effective collaboration and coordination with the PCAOB and US ASB. It is important to maintain the advantages brought by convergence following the ISA Clarity project. Implementation challenges from recent projects are being identified, for example in relation to Key Audit Matters vs Critical Audit Matters and Other Information for dual-reporters. We also foresee challenges in the proposed revised ISA 315 risk assessment model. Seeking to minimize unnecessary differences should be an objective.

Lastly, as we note in our response to question 1, identifying a solution to addressing the questions about the relevance of the ISAs for smaller and less complex entities, while balancing concerns over public-

interest entity audits may have a bearing on how the IAASB prioritises its activities in the coming period. Recent changes to ISA 540 and proposed ISA 315 have not, in our view, successfully addressed this issue and more needs to be done to find new approaches to achieve this critical objective.

9. 3. Are there specific initiatives within the stakeholder group to which you belong, or of which you are aware, that you believe the IAASB should actively monitor in light of their potential to inform the IAASB's future agenda? If so, what are they, and why do you think they are relevant to the IAASB?

No specific comment

9. THE FOCUS OF THE IAASB's ACTIVITIES IN 2020–2023

10. 4. Section II Illustrates that the IAASB has, and will continue to, focus a significant part of its efforts in 2015–2019 on revising and developing standards addressing the audit of historical financial information and quality control. With respect to new standard-setting projects for the period 2020–2023, in light of where you believe IAASB actions are needed and to continue to serve the public interest, in your view what proportion of effort should the IAASB allocate to each of the following? (Allocation should total 100%)

Quality control : 10%
Audits and reviews of historical financial information : 35%
Other assurance- EEREmerging Forms of External Reporting (EER) refers to emerging forms of external reporting by entities that increasingly provide non-financial information that goes beyond the traditional (financial statement) focus on the entity's financial position, financial; performance and impact on its financial resources. engagements : 15%
Other assurance (and related servicesRelated services pronouncements include:ISRS 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information (currently being revised); ISRS 4410 (Revised), Compilation Engagements.) - other than EER engagements : 0%
Professional skepticism : 5%
Matters relating to audits of smaller and less complex entities : 35%

Total : 100%

Comments: We note that the above figures are a high-level indication only as to relative priorities. Absent an analysis of the resources required to undertake key projects or emerging issues, it is not possible to allocate meaningful percentages. In some cases, our suggested allocations relate solely to implementation support, such as quality control, rather than new standard-setting activities, as further explained in our response to question 5. As ISRS 4400 is under revision and ISAE 3000 and ISRS 4410 recently revised, we do not believe there is any need to focus efforts in the other assurance space at this time. Any focus on assurance on reporting other than the financial statements is, and can, be addressed through the EER project and post-implementation review of ISA 720 (Revised). As noted in our previous responses to questions 1 and 2, we believe the Board needs to dedicate sufficient time to addressing the challenge of audits of smaller and less complex entities and that time allocated to this endeavor should be of equal priority to development of quality standards for audits and reviews. As all the major ISAs have recently been revised or are under revision (assuming the ISA 500 project proceeds), we do not anticipate any major project being required in this area and encourage a period of stability to allow ISAs 220, 315, 540 and 600 to be implemented without further disruption.

11. *Please provide relative %; for each option by category to total 100%*

	(i) Developing new or revised standards	(ii) Undertaking implementation activities	(iii) Apply efforts to both
Quality control	0%	100%	0%
Audits and reviews of historical financial information	30%	70%	0%
Other assurance – EER engagements	0%	100%	0%
Other assurance (other than EER engagements) and related servicesRelated services pronouncements include:ISRS 4400, Engagements to Perform Agreed-0Upon Procedures Regarding Financial Information (currently being revised); ISRS 4410 (Revised), Compilation Engagements.	0%	0%	0%

Comments: As each of the quality control standards are under revision (ISA 220, ISQC1, ISQC2) we do not envisage any new standard setting projects being required, but significant implementation support will be needed. The allocation of time for new or revised audit and review standards reflects the need to devote time to the small and less complex entity matters, as explained in our previous comments. Implementation support will be crucial in respect of ISA 220, ISA 315, ISA 540 and ISA 600. With respect to EER, as the ongoing project acknowledges, the time for standard setting is not yet upon us. However, with the non-authoritative guidance due to be issued, time will be needed to monitor its adoption and how it is being used in practice, to help inform future activities (for the purposes of the above, such time has been considered "implementation activities" even though non-authoritative in nature).

12. 6. In relation to the development of new, or the revision of extant, standards as noted in Question 5, and in keeping an open mind as to the impact of the evolving environment and the challenges and opportunities for the IAASB in 2020–2023, should the IAASB, in your view:

(a)   Focus first on a strategic review of extant standards (for example, consider how the standards could be better structured or presented in light of evolving technologies) before prioritizing projects on new topics. Please provide an explanation for your view.
(b)   Prioritize projects on new topics (as determined by the consultation on the IAASB's future strategy and priorities). Please provide an explanation for your view.
(c)   During implementation of the current standards under revision (i.e., those standards that currently have a committed project plan in place), consider a moratorium on developing new or other revised standards? If so, how long should such a moratorium last? Please provide an explanation for your view.
(d)   Undertake other actions related to the development of new, or revision of extant, standards, and/or implementation support. Please describe what these actions should be and provide an explanation for your view.

In terms of priorities, we believe the IAASB should focus on implementation support of the newly revised ISAs (and ISQCs) and, in due course, conduct post-implementation reviews. This is consistent with the proposed post-implementation review of the revised auditor reporting standards.

As noted above, in light of the proposed significant new revisions to the ISAs we support a moratorium following completion of the remaining projects (including ISA 500), with no further new or significantly revised ISAs for a period of 2-3 years following the last effective date of the standards currently under revision. In the intervening period, the IAASB could undertake a strategic review of the ISAs.

Notwithstanding these comments, we do believe the IAASB needs to enhance efforts to address the topic of emerging technologies and the nature of audit evidence in today's business environment, much of which can be addressed through the ISA 500 Audit Evidence project.

And, as noted in our responses to preceding questions, changes are needed to address the issues related to small and less complex entity audits.

13. 7. If there was a specific topic(s) that, in your view, should be the IAASB's priority(ies) when developing new, or revising existing, standards or related guidance for the period 2020—2023, what would it be, and why?

Where applicable, kindly indicate whether in your view the topic(s) (you have indicated) has particular relevance mainly for engagements for listed entities, small- and medium-sized entities (SMEs), or for entities of all sizes. Views in relation to matters of relevance to developing nations and the public sector are also encouraged.

No specific comment

14. 8. Are there any other topics of interest or matters of relevance that you feel the IAASB should consider when conducting its strategic review, including those related to its the way that the IAASB undertakes its activities (e.g., changes to address matters highlighted in the MG review)?

See response to question 2