

ISAs & OTHER PRONOUNCEMENTS OF IAASB UPDATES

July - September 2022

1. ISA (International Standards on Auditing)

i. New Standards

TITLE	DESCRIPTION	EFFECTIVE DATE
NA		

ii. Exposure Drafts

TITLE	DESCRIPTION	COMMENTS DUE BY
Proposed Narrow Scope Amendments to: ISA 700 (revised) <i>Forming an Opinion and Reporting on Financial Statements</i> ISA 260 (Revised) <i>Communication with Those Charged with Governance</i>	These amendments as a result of the revisions to the IESBA Code that require a firm to publicly disclose when a firm has applied the independence requirements for Public Interest Entities (PIEs)	October 4, 2022

iii. FAQs

IAASB issued new frequently asked questions for reporting going concern matters in the auditor's report.

On 1st August 2022, IAASB has issued a non-authoritative publication to address some of the common questions related to reporting going concern matters in the auditor's report. Specifically, the publication focuses on the use of and interrelationship of the Material Uncertainty Related to Going Concern and Key Audit Matters sections, and the Emphasis of Matter paragraphs, in an auditor's report prepared in accordance with the International Standards on Auditing (ISAs).

This publication does not amend or override the International Standards on Auditing, the texts of which alone are authoritative. Reading the publication is not a substitute for reading the ISAs.

iv. Other Information

IAASB and ISEBA welcomed IOSSO Statement of support for developing standards relating to assurance of sustainability related information

On 15th September 2022, IAASB and IESBA welcomed announcement from the International Organization of Securities Commissions (IOSCO) of its support and encouragement for the IAASB's and IESBA's work on developing standards relating to assurance of sustainability-related information. The IAASB and IESBA acknowledge that stakeholders are increasingly seeking assurance of sustainability-related information and that it is important to respond to market demands with robust standards applicable to all sustainability assurance providers.

New implementation guide available for identifying and assessing the risks of material misstatement in an audit of financial statements.

On 27th July 2022, IAASB released its First-Time Implementation Guide for ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*. The guide focuses on the more substantial changes that were made to ISA 315 (Revised 2019) and will help stakeholders understand and apply the revised standard as intended.

ISA 315 (Revised 2019) is effective for audits of financial statements for periods beginning on or after December 15, 2021. This publication does not amend or override ISA 315 (Revised 2019), the text of which alone is authoritative. Reading this publication is not a substitute for reading the standard.

ISAAB offered support for ISSB proposals and comments on assurability of the two draft sustainability reporting standards.

On 26th July 2022, IAASB has submitted a response to the International Sustainability Standards Board (ISSB) on its exposure drafts on sustainability- and climate-related disclosures. In its response, the IAASB noted the importance of reliable, high-quality, globally consistent sustainability reporting that investors and regulators are able to trust.

Further IAASB highlighted the value of long-term cooperation between the IAASB and ISSB, as well as the International Ethics Standards Board for Accountants, to strengthen the connectivity between sustainability reporting external sustainability assurance, and ethical standards—especially as standards become increasingly refined and enhanced. External assurance should play a crucial role in enabling organizations to demonstrate that the sustainability information reported is reliable and credible.

Spearheading change to enhance confidence in audits and assurance

On 19th July 2022, IAASB published its Public Report detailing its support for the public interest for the year ended December 31, 2021. During this 12-month period, the IAASB approved the final revised standard on group audits, agreed its Work Plan for 2022-2023 that included a dedicated workstream on enhanced sustainability assurance standards, and developed and implemented its Framework for Activities, among other actions.

The year 2021 also included the transformational milestone of launching IAASB's first fully digital handbook, in collaboration with the International Federation of Accountants. The new online platform, e-International Standards (eIS), highlights the IAASB's commitment to improving the usability of, and access to, its standards by harnessing technology.

IAASB proposed narrow scope amendments to operationalize changes to the IESBA code that enhance transparency about independence

On 6th July 2022, IAASB released proposed narrow scope amendments to International Standard on Auditing 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* and ISA 260 (Revised), *Communication with Those Charged with Governance*. The proposed amendments will help operationalize recently approved changes to the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) related to listed and public interest entities. The changes to the IESBA Code require firms to publicly disclose when the independence requirements for public interest entities have been applied in an audit of financial statements.

2. ISSB (International Sustainability Standards Board)

i. New Standards

TITLE	DESCRIPTION	EFFECTIVE DATE
NA		

ii. Exposure Drafts

TITLE	DESCRIPTION	COMMENTS DUE BY
NA		

iii. FAQs

NA

iv. Other Information

IFRS Foundation announced appointments to Sustainability Consultative Committee

On 6th September 2022, the Trustees of the IFRS Foundation have confirmed the appointment of seven organisations and representatives to the Sustainability Consultative Committee (SCC). This follows the completion of the ISSB member appointments announced in August.

The SCC is formed of four permanent multilateral member organisations—the International Monetary Fund, the Organisation for Economic Co-operation and Development (OECD), the United Nations and the World Bank. Alongside these permanent organisations, seven additional expert members have now been appointed.

ISSB has received more than 1,300 comment letters on its two proposed sustainability disclosure standards.

On 5th August 2022, The ISSB has received more than 600 responses to its draft Climate disclosure standard and close to 700 responses to its draft General Requirements disclosure standard. During the 120-day comment period, ISSB representatives participated in more than 400 outreach events, engaging with thousands of stakeholders globally.

IFRS Foundation completed consolidation with Value Reporting Foundation

On 1st August 2022, the IFRS Foundation has today announced the completion of the consolidation of the Value Reporting Foundation (VRF) into the IFRS Foundation. It follows the commitment made at COP26 to consolidate staff and resources of leading global sustainability disclosure initiatives to support the IFRS Foundation’s new International Sustainability Standards Board’s (ISSB) work to develop a comprehensive global baseline of sustainability disclosures for the capital markets.

3. ISAE (International Standards on Assurance Engagements)

i. New Standards

TITLE	DESCRIPTION	EFFECTIVE DATE
NA		

ii. Exposure Drafts

TITLE	DESCRIPTION	COMMENTS DUE BY
NA		

iii. FAQs

NA

iv. Other Information

NA

4. ISRE (International Standard on Review Engagements)

i. New Standards

TITLE	DESCRIPTION	EFFECTIVE DATE
NA		

ii. Exposure Drafts

TITLE	DESCRIPTION	COMMENTS DUE BY
NA		

iii. FAQs

NA

iv. Other Information

NA

5. ISQC (International Standard on Quality Control)

i. New Standards

TITLE	DESCRIPTION	EFFECTIVE DATE
NA		

ii. Exposure Drafts

TITLE	DESCRIPTION	COMMENTS DUE BY
NA		

iii. FAQs

NA

iv. Other Information

NA

6. ISRS (International Standard on Related Services)

i. New Standards

TITLE	DESCRIPTION	EFFECTIVE DATE
NA		

ii. Exposure Drafts

TITLE	DESCRIPTION	COMMENTS DUE BY
NA		

iii. FAQs

FA

iv. Other Information

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