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11 April 2023

International Auditing and Assurance Standards Board  
529 Fifth Avenue, 6th Floor  
New York, NY 10017  
USA

Dear Sirs,

### **The IAASB's Proposed Strategy and Work Plan for 2024–2027**

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the only statutory body in Hong Kong that sets auditing and assurance standards, ethical standards, financial reporting as well as sustainability disclosure standards for professional accountants in Hong Kong. We welcome the opportunity to provide our comments on the captioned IAASB Consultation Paper (CP).

Overall, we support the proposed strategy and work plan set forth in the CP, including the proposed goal, keys to success and the stakeholder value proposition.

The IAASB's proposed goal (page 5) has reflected its public interest mandate. We also consider the IAASB has appropriately identified the strategic drivers (pages 7–9) based on relevant trends and developments which provide a reasonable basis for the IAASB to shape its proposed strategy and work plan. For example, one of the proposed strategic drivers acknowledges the heightened supervisory scrutiny which is the case in Hong Kong as well as around the globe. The IAASB also considers supporting the implementation of its standards as another strategic driver. In this connection, we found the first-time implementation support materials recently developed by the IAASB are of significant value and assistance to stakeholders. We therefore encourage the IAASB to continue its effort on implementation support which would be extremely important to ensure effective and consistent application of new standards, while balancing its time and resources on other standard-setting activities.

In general, we agree with the identified possible new standard-setting projects set out in Table B within the area of audits and reviews (numbered A. to K) (pages 20–22). Consistent with our comments raised in the [IAASB Survey Consultation – The IAASB's Work Plan for 2022 – 2023](#), below are our views with respect to some of the topics which might warrant higher priorities.

- ISA 330, *The Auditor's Responses to Assessed Risks* is one of the fundamental ISAs. Following the revision of ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement* and ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures* and the upcoming finalization of ISA 500 (Revised), *Audit Evidence*, we consider modernizing ISA 330 on responding to assessed risks of prime importance to address today's environment and current practice. This would also clarify the relationships among ISA 330,



the revised ISA 315, 540 and 500, align the conceptual elements used and ensure the coherence of the suite of ISAs as a whole.

- We consider “external confirmations”, “analytical procedures” and “audit sampling” are closely related to “responding to assessed risks”. To ensure the holistic revision of ISAs on a consistent and efficient basis, we propose that revisions to ISA 330, ISA 505, *External Confirmations*, ISA 520, *Analytical Procedures* and ISA 530, *Audit Sampling* be considered as a bundle in the same project.
- The application of ISA 620, *Using the Work of an Auditor’s Expert* has been a common pitfall in audit inspections. Given the increasing use of experts in audit engagements on areas such as valuations and accounting estimates, we consider a revamp of ISA 620 is appropriate following ISA 330, ISA 505, ISA 520 and ISA 530.
- Though the technology workstream continues to develop support material on technology related matters and provide input to other IAASB projects, we propose that the audit of digital assets such as cryptocurrencies and the use of big data in audit engagements be considered in separate projects, or as part of ISA 330, ISA 505, ISA 520 and ISA 530 modernisation.

We also support the identified possible new standard-setting projects set out in Table B within the area of sustainability and other assurance engagements (numbered L. and M.) (pages 20–22).

Sustainability reporting has become a standard practice for many companies and a growing trend is expected in coming years. It is anticipated that the IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB) will be applied widely and become the key reporting framework for sustainability disclosures. Therefore, we support the IAASB to develop an overarching standard for assurance on sustainability reporting, in particular, reports or disclosures prepared in accordance with the ISSB standards.

As noted in the [joint statement](#) by the International Ethics Standards Board (IESBA) and the IAASB, it would be essential to develop necessary assurance and ethics standards to complete the sustainability reporting and assurance standards infrastructure. We therefore urge the IAASB to coordinate this work with the ISSB and IESBA.

If you have any questions regarding the matters raised above, please contact Selene Ho, Deputy Director of the Standard Setting Department ([selene@hki CPA.org.hk](mailto:selene@hki CPA.org.hk)).

Yours faithfully,

**Cecilia Kwei**  
Director, Standard Setting Department