

11 April 2023

Willie Botha  
Technical Director  
International Auditing and Assurance Standards Board  
529 Fifth Avenue  
New York, NY 10017  
USA

Dear Sir,

**RESPONSE TO INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)'S CONSULTATION PAPER (CP) ON THE IAASB'S PROPOSED STRATEGY AND WORK PLAN FOR 2024 – 2027**

The Institute of Singapore Chartered Accountants (ISCA) appreciates the opportunity to comment on the above CP issued by the IAASB in January 2023.

For this ED, ISCA sought views from its members through a one-month public consultation and from the ISCA Auditing and Assurance Standards Committee which comprises technical professionals from audit firms, representatives from the public sector and other stakeholders.

We support the IAASB's proposed strategy and work plan for 2024 – 2027, which takes into account expectations of stakeholders and relevant current developments. The work plan also emphasises effective deployment of the IAASB's resources to fulfil its mandate of setting high quality international standards to serve the public interest.

We share our specific comments to selected questions in the CP as follows:

Question 4

Do you support the identified possible new standard-setting projects as set out in **Table B** (see pages 20–22) within the area of **audits and reviews** (numbered A. to K.)? Please share your views on the individual topics, including, if relevant, why certain topics may be relatively more important to you, your organization or within your jurisdiction.

We support the actions that have been identified in the work plan, and especially welcome the technology targeted project to update the ISAs for the impact of technology. Such updates would likely impact ISAs beyond the ISA 500 series as proposed in the work plan.

With regards to technology, updates to cover the principles in auditing the following areas should be prioritised, considering their prevalence and risks:

- Complex IT environment (including audit risks arising from cybersecurity risks), present in IT-reliant or IT-intensive industries.

- Digital assets (for example cryptographic assets, digital tokens etc) and their underlying technologies. In particular, recent developments in the space of cryptocurrencies or cryptocurrency-related companies have highlighted the risks surrounding such audits, which are not adequately addressed in the current ISAs.

With a lack of standards and guidance in this area, coupled with the rapid pace at which the related technology is evolving, audit firms are understandably wary of taking on crypto-related engagements. As this space continues to grow and evolve, there may be a growing gap between the demand in the market for such audit services and the pool of auditors who are willing (and able) to take on such audit engagements. We urge the IAASB to take prompt action to address this issue.

Clarity in the standards and supporting application material would help to raise awareness on such risks, so that firms can better assess if they have the capability to undertake such engagements. This also reduces the risk of firms, that do not have adequate capabilities to perform such engagements, accepting them due to a lack of appreciation of the risks involved.

In the intervening period, it would be beneficial for IAASB to provide non-authoritative guidance in these areas.

#### Question 5

Do you support the identified possible new standard-setting projects as set out in **Table B** (see pages 20–22) within the area of **sustainability and other assurance engagements** (numbered L. and M.)? **Topic L.**, *Further Standards for Assurance on Sustainability Reporting*, would involve addressing multiple topics (as part of possible multiple projects). Please provide your views about likely candidate topics for further standards.

We look forward to the exposure draft of ISSA 5000, which is anticipated to drive consistency in the way assurance engagements over sustainability reporting are carried out.

We agree that subsequent to the completion of ISSA 5000 as the overarching standard, there will be a need for the IAASB to develop further standards on more specific requirements on certain aspects of sustainability reporting. This is because the topic of sustainability or sustainability reporting branches out to many individual sub-topics, which may individually warrant separate assurance engagements.

As a case in point, some organisations obtain multiple assurance reports covering various aspects of sustainability or sustainability reporting. For example, on top of an ISAE 3000 report on preparation of selected sustainability information in accordance with a sustainability reporting standard, an entity may also obtain an assurance report in accordance with ISO 14064 on certain greenhouse gas emissions information. The entity may further obtain another assurance report on selected disclosures which have been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures.

While there are merits to each of these assurance engagements, it would generally be confusing to the users of the sustainability information given the variation in frameworks used.

As such, it would be worthwhile for the IAASB to establish ISSA 5000 as the global baseline for sustainability assurance standard and work with other assurance standard-setters, such

as ISO, to have their standards align with the principles of ISSA 5000 and minimise overlapping requirements. This would enhance the clarity for users of the assurance reports.

Should you require any further clarification, please feel free to contact Mr Terence Lam at [terence.lam@isca.org.sg](mailto:terence.lam@isca.org.sg) or Ms Wang Zhumei at [zhumei.wang@isca.org.sg](mailto:zhumei.wang@isca.org.sg).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Kang'.

Mr Wai Geat, KANG  
Divisional Director  
Professional Standards Division