



ASB strategic plan

2021–25



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The Auditing Standards Board (ASB) is the senior technical committee of the AICPA designated to issue auditing, attestation and quality control standards applicable to the performance and issuance of audit and attestation reports for nonissuers.

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Our mission and keys to our success

Our mission

To serve the public interest by developing, updating, and communicating comprehensive standards and guidance that enable practitioners to provide high-quality, objective audit and attestation services to nonissuers effectively and efficiently

Keys to our success

Keys to successfully meeting our mission include:

- Developing and updating auditing, attestation, and quality control standards that inspire public trust and communicating related changes and implications to stakeholders
- Responding timely to the need for clear guidance for the profession and users
- Contributing to the development of high-quality international auditing and assurance standards and guidance the IAASB issued

Our opportunities and challenges: factors driving our strategy

Understanding our key opportunities and challenges is crucial to the development and effective implementation

of our standards. The most significant factors that have shaped our strategy include the following:

Advancement in, and use of, technology

- Businesses and economies are increasingly affected by rapidly changing and evolving technologies (for example, artificial intelligence, robotics, blockchain, cloud computing, social networks and new digital payment platforms).
- Rapid developments in technologies are having a profound effect on audit and assurance engagements, including the use of automated tools and techniques and changes in how engagement teams are structured and interact.
- The remote working environment as a result of COVID-19 has accelerated the use of technology, changing how audit and attestation engagements are conducted.

Increasing complexity and its implications

- The business environment is becoming increasingly complex because of, for example, ongoing globalization and advancing technologies.
- Financial reporting standards are becoming more complex; for example, more estimates and management judgments are needed.
- Auditing and attestation standards need to be adaptable and scalable to engagements for both complex and less complex entities

Changing information needs of users

- External reporting is evolving, with many users of reports increasingly looking for information beyond financial statements (for example, information about sustainability, cybersecurity, governance and internal control) and seeking assurance thereon.
- Reporting concerning emerging subject matters raises questions about the adaptability of our existing standards for performing such engagements.

Changing expectations of stakeholders

- Peer review and other inspection results, including repeat findings in certain areas, have raised questions about whether changes to standards or additional implementation guidance are needed.
- Stakeholders' expectations are increasing about what the auditor does and should do, for example, concerning the detection and reporting of fraud and the consideration of going concern issues.

Our strategic initiatives

Our strategic initiatives are the foundation of how we serve the public interest by developing standards and guidance that enable practitioners to provide high-quality, objective audit and attestation services to nonissuers effectively and efficiently. The strategic initiatives drive

our planned strategic actions in responding to the current environment and anticipated future challenges. Our focus on quality and our ability to be nimble and react timely to emerging developments are key to our success.



Initiative A: Develop high-quality standards in the public interest.

Identifying the topics and priorities for the ASB's standard-setting agenda that best serve the public interest in the United States, including obtaining timely input from stakeholders, is becoming increasingly important in this rapidly changing environment. The ASB remains committed to its strategic objective of converging its standards with those of the IAASB while taking into consideration the standards of other U.S. standard-setters and the particular needs of ASB standards' stakeholders.

Initiative B: Enhance communications with our stakeholders.

Input and feedback from our stakeholders are critical to the ASB's processes for setting its agenda and developing high-quality standards and guidance. Ongoing liaison and engagement with our key stakeholders, including other standard setters in the United States and internationally, are critical to our success.

Initiative C: Think and operate more strategically.

Innovatively using our resources in the most efficient and effective ways while focusing on achieving the ASB's mission will provide opportunities to improve the "time to market" for new or revised standards and guidance. Working faster and smarter — including using technology to the fullest extent possible — will enable us to be more proactive in adapting our strategies in response to a rapidly changing environment and emerging needs and developments.

Initiative D: Keep our standards relevant in a changing environment.

The increasing use of new and innovative technologies by companies, and by practitioners in performing engagements, has increased the need for the ASB to monitor the development and use of such technologies, including the shift to remote work, and consider whether our standards remain fit for purpose in supporting their use. In addition, new and emerging service offerings by firms create the need for the ASB to evaluate whether appropriate standards and guidance are in place for the acceptance and performance of these services.

Initiative E: Support the effective implementation and application of our standards.

Helping practitioners better understand and consistently apply our professional standards will help foster quality in the performance of audit and attestation engagements. Identifying areas where guidance is needed, such as applying our standards on engagements for less complex entities, is fundamental to our success.

Our strategic actions

Initiative A: **Develop high-quality standards in the public interest.**

Strategic actions – We will do the following:

- Determine the drivers of our future standard-setting agenda and other activities, taking into consideration the needs of stakeholders and environmental factors, including financial reporting developments, results of postimplementation reviews, and the use of emerging technologies and services.
- Explore ways to improve convergence with IAASB projects, with due consideration of the needs of the users of ASB standards, and innovate our processes for obtaining feedback from stakeholders in our jurisdiction to inform our timely input on IAASB projects in process.
- Leverage current relationships and ongoing liaison meetings to obtain more direct and timely input from a broad range of stakeholders on potential topics for the ASB agenda and on current projects.
- Establish ongoing mechanisms for obtaining further input from small- and medium-sized practices (SMPs) and consider the best ways to make the ASB's standards scalable and capable of consistent application for audits of less complex entities.

Initiative B: **Enhance communications with our stakeholders.**

Strategic actions – We will do the following:

- Explore new and creative means of communicating with our stakeholders, including more direct involvement in outreach by current ASB members.
- Identify key stakeholders specific to each ASB project and, in connection with a formal project proposal, plan for outreach with those key stakeholders.

- Consider innovative uses of technology and other methods to obtain input and feedback on ASB projects and other activities.
- Continue our active role and ongoing liaison with other standard setters in the United States and around the world, and seek ways to take the lead on standard-setting projects that can be leveraged by the IAASB and others.
- Explore enhancements and updates to Auditing Standards Board webpage to provide easier access to information.

Initiative C: **Think and operate more strategically.**

Strategic actions – We will do the following:

- Anticipate future challenges and strategically evaluate topics and issues on the agenda. Explore ways to work better and faster and effectively manage our priorities, including considering the optimal size and composition of the board, frequency of meetings, and focus of discussions, and most effective use of our resources.
- Develop formal project proposals for each ASB project that focus on the public interest issues to be addressed and plans to address those issues, along with plans for outreach with key stakeholders during the project.
- Consider ways to periodically evaluate or measure the effectiveness of our actions to carry out our strategic initiatives.

Initiative D: **Keep our standards relevant in a changing environment.**

Strategic actions – We will do the following:

- Monitor the changing business environment and emerging industries and evaluate how audit and attestation services may be affected.
- Continue to identify and monitor emerging technologies and how preparers and practitioners use them, through liaison with the Assurance Services Executive Committee and other AICPA committees and groups, as well as through feedback from stakeholders.
- Determine whether guidance is needed to promote or support the use of emerging technologies by practitioners and determine the best methods to provide such guidance.
- Monitor emerging service offerings and evaluate whether existing ASB standards sufficiently address such services. Continue to coordinate as necessary with the AICPA's Professional Ethics Executive Committee regarding issues or concerns related to independence and other ethical requirements.

Initiative E: **Support the effective implementation and application of our standards.**

Strategic actions – We will do the following:

- Consider alternative ways to provide and promote access to materials available on the AICPA website to support the implementation and application of ASB standards.
- Evaluate the extent to which existing materials are valued by practitioners and what additional implementation guidance would be most helpful, including whether a variety of delivery models would help support different learning styles.
- Consider the need for a more formal post-implementation review of ASB standards to determine whether the standards are meeting the intended objectives. This could be done in connection with, or as a supplement to, related post-implementation reviews conducted by the IAASB.
- Work with AICPA groups and resources, such as the Peer Review Board and the Enhancing Audit Quality initiative, to determine the root cause of quality issues and to improve ASB awareness of issues that may warrant a need for revisions or interpretations to our standards or additional guidance for practitioners.

**Auditing Standards Board
(2020–21)**

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