FINANCIAL REPORTING COUNCIL

MONTHLY UPDATES (August 2026) – What's new from the International Federation of Accountants (IFAC)

The main topics for discussion at the IFAC during the month of August 2026 were with respect to the following:

August 2026

1. **IAASB PROPOSES REVISIONS TO CORE STANDARDS TO ENHANCE RISK-BASED AUDIT FRAMEWORK AND ADDRESS TECHNOLOGICAL ADVANCES**

2. **IFAC CONGRATULATES NEW IFRS FOUNDATION LEADERSHIP APPOINTMENTS**

3. **IAASB ANNOUNCES ADDITIONAL WAYS TO ENGAGE ON AUDIT EVIDENCE AND RISK RESPONSE PROPOSALS**

1. IAASB PROPOSES REVISIONS TO CORE STANDARDS TO ENHANCE RISK-BASED AUDIT FRAMEWORK AND ADDRESS TECHNOLOGICAL ADVANCES

Proposed Revisions, When Finalized, Will Complete Important Phase of the IAASB's Modernization of the International Standards on Auditing

- Address revisions related to audit evidence and risk response, foundational aspects of an audit
- Further embed a principles-based, risk-based audit framework to support consistent, high-quality audits
- Supports rapid digital innovation in an evolving business reporting and technology environment

The International Auditing and Assurance Standards Board (IAASB) has on 05 August 2026 released for public consultation proposed revisions to three International Standards on Auditing (ISAs): *ISA 330, The Auditor's Responses to Assessed Risks; ISA 500, Audit Evidence; and ISA 520, Analytical Procedures.*

The proposed revisions, when finalized, will complete an important phase of the IAASB's decade-long modernization of the International Standards on Auditing, building on recent revisions, including ISA 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement. The proposals further embed, clarify and strengthen a principles-based, risk-based audit framework. The revisions also address the increased use of technology in business, financial reporting, and auditing.
"Over the past decade, the IAASB has modernized the International Standards on Auditing to strengthen audit quality and respond to an evolving environment," said Tom Seidenstein, IAASB Chair. "These proposals are an important milestone in that work. With the benefit of stakeholder input and when finalized, the revised standards will further enhance a principles-based, risk-based audit framework that provides a stable foundation for high-quality audits while remaining flexible enough to support innovation as technology continues to evolve."

The proposed revisions establish a comprehensive basis for auditors' judgments about audit evidence.

They include:

- a revised definition of audit evidence to reflect today's digital environment;
- greater emphasis on the intended purposes of audit procedures;
- strengthened requirements for evaluating the relevance and reliability of information used as audit evidence;
- clarification of key concepts; and
- reinforced application of professional skepticism throughout the audit.

The proposals also strengthen auditors' responses to assessed risks by clarifying the role of tests of controls, substantive procedures, and analytical procedures—promoting more consistent and effective audit responses. The proposals reflect the IAASB's conclusion that a principles-based rather than technology-specific approach is the best way to maintain robust and relevant standards in the face of rapid technological evolution. They enable innovation while preserving the core principles of

high-quality auditing. In addition, the proposals include guidance to help auditors exercise professional judgment about appropriate use of technology.

The proposed revisions also improve the alignment of concepts and principles across the auditor's risk assessment, responses to assessed risks, and evaluation of whether sufficient appropriate audit evidence has been obtained.

The IAASB encourages auditors, regulators, investors and other users of financial statements, preparers, those charged with governance, academics, and other stakeholders to provide feedback on the proposals. Responses are requested by December 15, 2026.

The Exposure Drafts and Response Form are available on the IAASB website. The IAASB will offer additional opportunities to engage—including a user survey and webinar series—during the consultation period. The IAASB will share details on its website, by email to subscribers, and on LinkedIn and X/Twitter.

2. IFAC CONGRATULATES NEW IFRS FOUNDATION LEADERSHIP APPOINTMENTS

The International Federation of Accountants (IFAC) congratulates **Steven Maijoor** on his appointment as the next Chair of the IFRS Foundation Trustees, **Sam Woods** on his appointment as Chair of the International Accounting Standards Board (IASB), and **Laura Forzani** on her appointment as Managing Director of the IFRS Foundation.

Together, these appointments mark an important new chapter for the IFRS Foundation as it continues to strengthen the global financial reporting architecture and support high-quality, internationally accepted standards.

Lee White, Chief Executive Officer of IFAC, said:

"*I have been fortunate to work with Steven over many years in different capacities and have always valued his thoughtful leadership, deep expertise, and unwavering commitment to the public interest. I look forward to continuing our close collaboration in his new role as Chair of the IFRS Foundation Trustees.*

I also warmly congratulate Sam Woods on his appointment as Chair of the IASB. His extensive experience in financial regulation and international policy, together with his strong commitment to high-quality global standards, will serve the IASB well as it continues to meet the evolving needs of investors, businesses, and capital markets.

And I congratulate Laura Forzani on her appointment as Managing Director. Her proven leadership and operational expertise will be a tremendous asset to the Foundation as it continues to evolve and deliver on its important mission."

IFAC also extends its sincere appreciation to **Erkki Liikanen** for his outstanding leadership as Chair of the IFRS Foundation Trustees since 2018, guiding the Foundation through a period of significant growth and transformation. IFAC likewise thanks **Andreas Barckow** for his leadership of the IASB and his important contributions to advancing high-quality global accounting standards during his tenure.

In addition, IFAC recognizes **Michel Madelain** for his service as Managing Director, including his leadership of the Foundation's transformation program that has strengthened its operations and positioned it well for the future.

IFAC looks forward to continuing its strong partnership with the IFRS Foundation, the IASB, the ISSB, and the Foundation's leadership team in advancing high-quality international standards that serve the public interest and strengthen trust in global capital markets.

3. IAASB ANNOUNCES ADDITIONAL WAYS TO ENGAGE ON AUDIT EVIDENCE AND RISK RESPONSE PROPOSALS

The International Auditing and Assurance Standards Board (IAASB) is providing additional opportunities for stakeholders to engage with its proposed revisions to ISA 330, *The Auditor's Responses to Assessed Risks*; ISA 500, *Audit Evidence*; and ISA 520, *Analytical Procedures,* during the public consultation period.

A new User Consultation Survey provides a targeted way for users of financial statements to share their perspectives on selected aspects of the proposals, without needing to address the full range of matters covered by the consultation. The IAASB is also hosting a two-part webinar series, open to all interested stakeholders, to provide an overview of the proposals and opportunities to engage directly with IAASB experts.

The exposure drafts are open for public comment until **December 15, 2026.**

User Consultation Survey

The User Consultation Survey is designed specifically for users of financial statements, including investors, analysts, lenders and other creditors who rely on audited financial statements to make resource allocation decisions.

Recognizing that these stakeholders may have particular perspectives on certain aspects of an audit, rather than the full range of matters addressed in the exposure drafts, the survey provides a focused way for them to contribute to the consultation.

The IAASB is particularly interested in users' views on four areas:

- Technology-Driven Enhancements
- Evaluating the Relevance and Reliability of Information Intended to Be Used as Audit Evidence
- Classes of Transactions, Account Balances and Disclosures that Are Material but Not Significant
- Threshold for Evaluating Differences from Auditor's Expectations When Designing and Performing Substantive Analytical Procedures

The IAASB encourages all stakeholders to share the **User Consultation Survey** broadly with users of financial statements across their organizations, jurisdictions, and professional networks to help ensure the IAASB hears a broad range of user perspectives.

The survey is **open until December 15, 2026**, in line with the public consultation deadline**.**

Global Webinar Series

The IAASB will also host a two-part global webinar series open to all interested stakeholders. The webinars are designed to help participants understand the proposed revisions, whether they are preparing a formal response, considering feedback on particular aspects of the proposals, or simply seeking to learn more.

Participants will hear directly from IAASB experts about key aspects of the proposals and have an opportunity to ask questions during Q&A sessions. Each webinar will be offered twice to accommodate participants across different time zones.

Webinar #1: Overview of AE&RR Proposals and Reference Framework – Proposed ISA 500 (Revised)

- September 29, 2026, 10:00 a.m.–12:00 p.m. UTC
- September 30, 2026, 7:00 p.m.–9:00 p.m. UTC

Webinar #2: Performance Aspects of the AE&RR Proposals – Proposed ISA 330 (Revised) and Proposed ISA 520 (Revised)

- October 6, 2026, 10:00 a.m.–12:00 p.m. UTC
- October 7, 2026, 7:00 p.m.–9:00 p.m. UTC

The webinars will be held on Zoom and livestreamed on YouTube. Registration will open soon.

For further information: http://www.ifac.org

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