AASB

Auditing and Assurance Standards Board

Driving Progress

AASB 2026-2029 Strategic Plan

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LAND ACKNOWLEDGMENT

We, the Auditing and Assurance Standards Board (AASB), acknowledge that the land on which we work and gather is the traditional and unceded territories from coast to coast to coast of First Nation, Métis, and Inuit (“Indigenous”) Peoples, who have stewarded this land for generations.

We recognize and respect the significance of both treaty and unceded lands, and we are committed to recognizing the diverse history and culture of Indigenous Peoples across Canada in our work.

We acknowledge that advancing reconciliation is fundamental to the work of Canadian standard setting, and we commit to engaging and learning from Indigenous Peoples and their communities as we serve the public interest by setting and maintaining high-quality auditing and assurance standards in Canada.

This land acknowledgment is just one step in our journey toward reconciliation. We invite all our interested and affected parties to reflect on their own relationship to the land and Indigenous Peoples, and to consider how their work can contribute to the ongoing journey of reconciliation.

OUR PURPOSE

We operate as independent decision makers with the authority and responsibility to set standards for quality management, audit, sustainability assurance, other assurance and related services engagements in Canada.

OUR MISSION

We serve the public interest by setting high-quality standards and supporting their effective application to address the evolving needs of Canadian interested and affected parties.

SERVING THE PUBLIC INTEREST

We act in the public interest. We follow our due process, which reflects transparency, engagement, accountability and objectivity. This ensures that our standards are in the public interest.

OUR EMERGING ISSUES MONITORING PROCESS

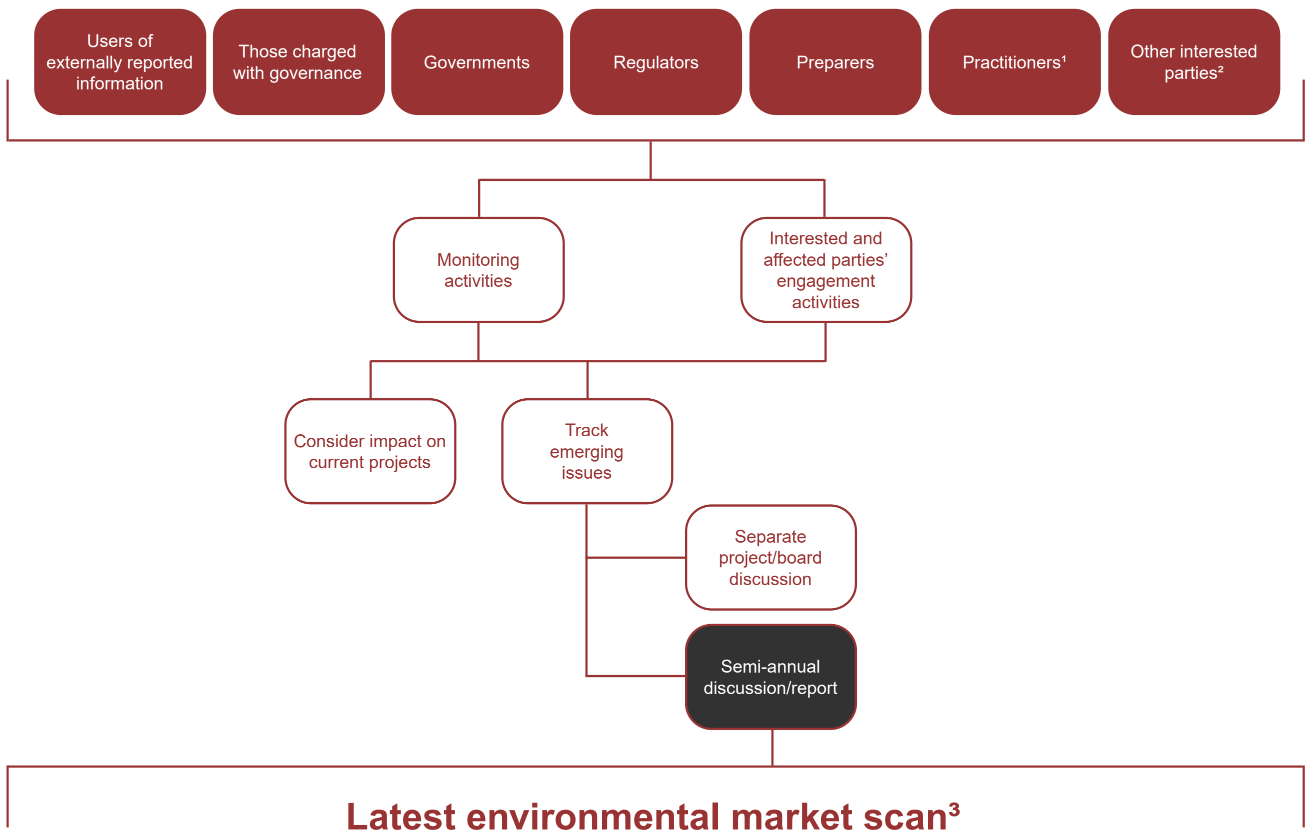
We engage and maintain relationships with our community to identify emerging issues that may potentially impact our standards, guidance or the practitioner community.

Relevant issues are assessed and actioned through existing projects, new activities, or assigned for continued monitoring.

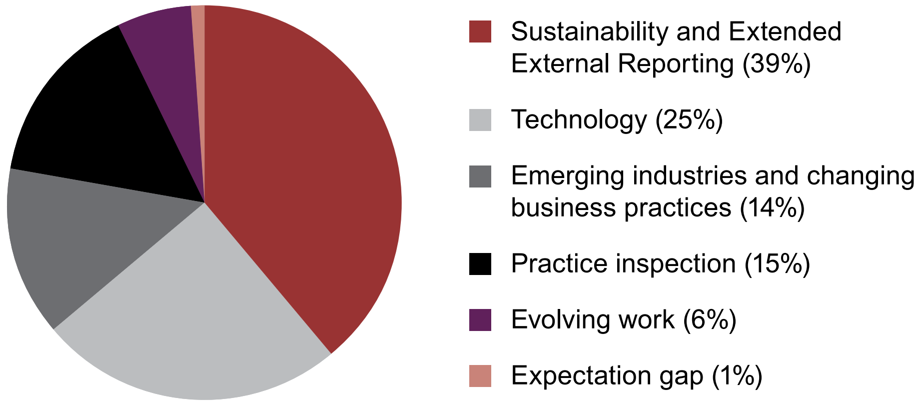
Identified emerging issues may require us to adjust our Annual Plan or Strategic Plan. At least semi-annually, we hold a robust discussion to consider the findings of our emerging issues monitoring process and determine the impact on our current year and future planned activities. This allows us to assess whether the issues identified give rise to any new or revised pervasive risks and whether the Strategic Plan continues to remain relevant and fit for purpose.

Overview of our emerging issues monitoring process

AASB Community



Latest environmental market scan[3]



1 Practitioners include professional accountants and other professionals performing assurance engagements.
2 Other interested parties include other standard setters, professional organizations, academic organizations, official media outlets and other relevant organizations.
3 Covers the period February 2024 to January 2025.

OUR ENGAGEMENT PROCESS

In addition to our ongoing outreach and engagement with our community throughout the year, we engage at key stages of our project activities to ensure a diverse range of views and perspectives are appropriately considered in our standards and standard-setting activities.

To do so, we identify interested and affected parties on a project-by-project basis, developing a tailored outreach strategy that maximizes engagement by party and supports robust and appropriate overall project engagement.

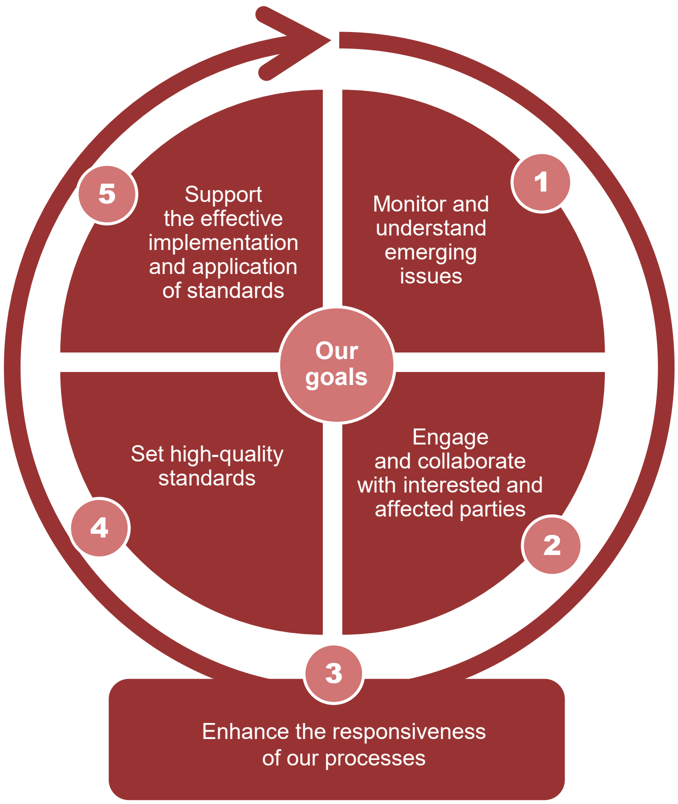
Interested and affected parties that the AASB engages with include:

- users of externally reported information;
- those charged with governance;
- governments (federal, Indigenous, provincial and municipal);
- regulators;
- preparers;
- practitioners, including:
  - professional accountants, both from larger firms and smaller firms, and
  - other professionals performing assurance engagements;
- other Canadian, national and international standard setters; and
- other interested parties.

Engagement activities vary from frequent robust outreach throughout the project to targeted outreach at key stages or on specific matters.

OUR GOALS

Our goals reflect our environment and have been developed to direct our annual plans for fiscal years 2026 to 2029.



Goal 1: Monitor and understand emerging issues in the changing environment to better anticipate their impact on our standards and standard-setting activities

Today's current environment and the evolving assurance landscape require agility and responsiveness. We will continue to execute our emerging issues monitoring process to monitor and understand evolving areas, including sustainability reporting and technology, to anticipate and respond to their impact on our standards and standard-setting activities.

To better anticipate and respond to standard-setting impacts arising from these developments, we will consider the following objectives:

- Understand whether current standards are capable of being responsive to issues specific to emerging industries, evolving uses of technology and changing business practices.
- Understand the needs of various types of interested and affected parties for new or different assurance services.

Goal 2: Engage and collaborate with interested and affected parties to understand their needs and expectations

We operate in an assurance ecosystem. Robust and meaningful engagement and collaboration with our community on our activities, including our standard-setting projects, is integral to achieving our mission. One of the ways we do so is through our engagement process where we develop tailored project engagement strategies that seek to understand the needs and expectations of interested and affected parties. The execution of our engagement process will ensure ongoing communication and targeted outreach to support the development of high-quality standards.

In understanding our interested and affected parties' needs and expectations, we will consider the following objectives:

- Enhance our engagement and collaboration to ensure a broad range of perspectives to inform our activities and address unique challenges faced by:
  - small- and medium-sized entities, as well as practitioners who perform engagements for such entities; and
  - other relevant interested and affected parties.
- Collaborate with our interested and affected parties in outreach activities and, when appropriate, actively participate in their initiatives.

Goal 3: Enhance the responsiveness of our standard-setting processes

We need to ensure we deliver standards under the timelines needed by our community. To continue serving our interested and affected parties, we will identify further ways to enhance our responsiveness, including finding efficiencies and opportunities to increase the effectiveness of our work. The actions we take will depend on whether the standards are adopted from the International Auditing and Assurance Standards Board (IAASB), subject to its timelines, or developed domestically.

To ensure that our standard-setting processes remain responsive, we will consider the following objectives:

- Provide input on the direction and timelines of IAASB standard-setting activities, particularly for standards we adopt in Canada.
- Explore how the use of new technologies and involving subject matter experts can help us to address rapidly emerging issues.
- Identify opportunities to enhance our processes for developing domestic standards and to contribute more effectively to the development of IAASB standards and guidance.

Goal 4: Set high-quality standards that respond to the needs and expectations of interested and affected parties

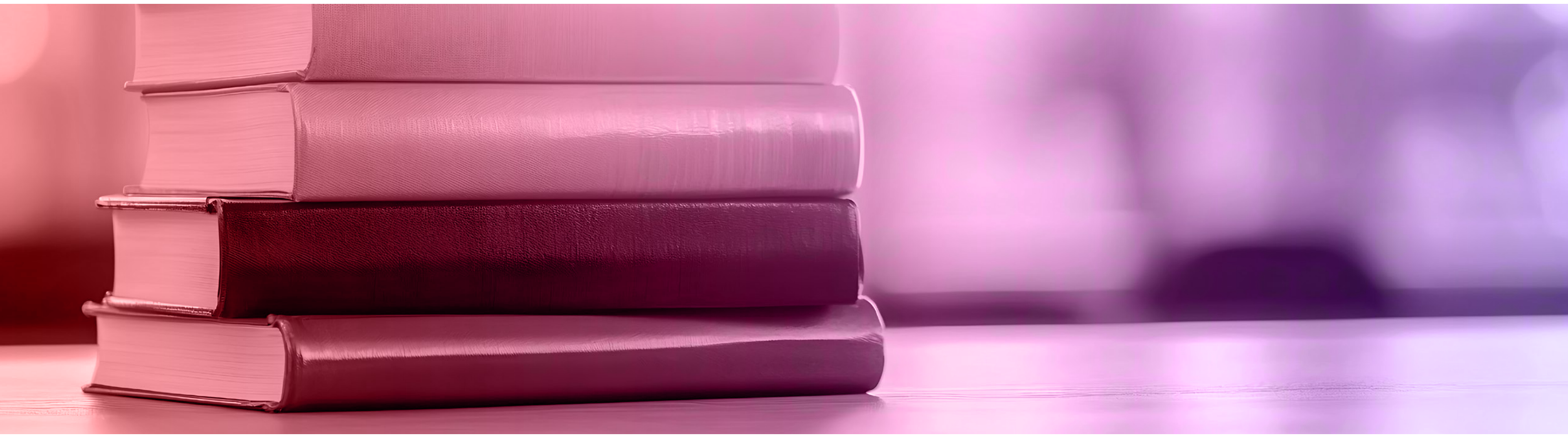
Setting high-quality standards in the public interest is the core of our work. Through this work, we need to be responsive to the changing needs, expectations and shifting priorities of all those interested and affected by our standards. This includes considering:

- scalability and proportionality in our standards to engagements of all sizes and complexity;
- current use of technology by both practitioners and entities and the rapidly changing technological environment; and
- other emerging issues.

By monitoring and understanding emerging issues (see Our Emerging Issues Monitoring Process) and engaging and collaborating with interested and affected parties (see Our Engagement Process), we will continue to set high-quality standards to respond to the needs and expectations of our community.

To respond to our interested and affected parties' needs and expectations, we will consider the following objectives:

- Continue elevating Canadian views to the IAASB on its standard-setting activities, particularly for the standards we adopt as Canadian standards.
- Provide ongoing feedback to the IAASB regarding the scalability and proportionality of proposed new and revised standards.
- Undertake domestic standard-setting activities to address unique needs and expectations of Canadian interested and affected parties.
- Participate with other national standard-setters in global discussions on matters that are affecting our respective standard-setting environments.
- Undertake activities to respond to high-priority emerging issues impacting Canadian interested and affected parties (such as advances in technology (including artificial intelligence) and sustainability).



Goal 5: Support the effective implementation and application of standards to enhance consistency and quality in engagement performance

Effective implementation and application of our standards is critical to the quality of audit and assurance engagements and in the public interest. We collaborate with others in the assurance ecosystem who help support the implementation and application of our standards. By continuing to monitor application challenges and working with our partners in the assurance ecosystem, we can maintain fit-for-purpose standards and help practitioners better understand and consistently apply them.

To enhance the consistency and quality of engagement performance, we will consider the following objectives:

- Support and collaborate with those who develop guidance to help promote the consistent implementation and application of our standards.
- For audits of less complex entities, pursue actions to help practitioners apply our auditing standards, effectively and efficiently, while maintaining audit quality.
- Undertake post-implementation reviews of standards, whether in connection with related reviews conducted by the IAASB on standards we have adopted or on domestic standards.

RISKS AND ACCOUNTABILITY

Effective risk management is central to fulfilling our mandate. We identify pervasive risks, implement mitigating activities and monitor environmental developments to ensure the AASB remains aligned with its mission.

We are also accountable to our interested and affected parties and our oversight body, the Reporting and Assurance Standards Oversight Council, for the achievement of our Strategic Plan. This is assessed by measuring achievement of our strategies and fulfillment of our mission and goals. We report annually to the Oversight Council on our performance.

We measure achievement of our strategies by:

- setting out the specific activities to support the achievement of our strategies in our annual plans; and
- measuring and reporting on our performance based on our annual activities and our strategic goals.