

Supplement 2-14 to Agenda Item 6

Audits of Less Complex Entities – ED-ISA for LCE – Q6 – Are there any other matters related to the Authority that the IAASB should consider as it progresses ED-ISA for LCE to finalization?

Section 4B – Authority of the Standard\Question 6 - Are there any other matters in the Authority that the IAASB should consider\1) No

3. Regulators and Audit Oversight Authorities

Botswana Accountancy Oversight Authority

No other matters noted.

4. National Auditing Standard Setters

Australian Auditing and Assurance Standards Board

No additional matters to raise.

Austrian Chamber of Tax Advisors and Public Accountants (KSW)

No, not aware of any other matters.

Canadian Auditing and Assurance Standards Board

We did not identify any other matters related to the Authority.

Hong Kong Institute of Certified Public Accountants

We do not have any additional comments.

Institut der Wirtschaftspruefer in Deutschland e.V. (IDW)

We have no further comments on the Authority.

Japanese Institute of Certified Public Accountants

Response: –

Malaysian Institute of Accountants

Response: No.

New Zealand Auditing and Assurance Standards Board

The NZAuASB does not have any further comments.

Public Accountants and Auditors Board Zimbabwe

Non- identified

5. Accounting Firms

Azets Audit Services

urther comments.

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BDO International

We have no further suggestions

Crowe Global

There are no other matters relating to the Authority that the IAASB should consider.

Duncan & Toplis Limited

We have no further comments on this area.

ETY sas

Refer to our response to question 3(a).

Famme & Co. Professional Corporation

Nothing to note

HLB International

No comment offered by network.

MHA Monahans

No comments.

PKF International Limited

We have no other comments in this regard.

Price Bailey LLP

No further matters.

PriceWaterhouseCoopers

No further matters noted.

RSM International

We have no other matters to note on the Authority.

6. Public Sector Organizations

Audit Scotland

No.

Auditor-General of New Zealand

We have not identified any other matters for IAASB consideration in relation to the Authority.

Government Accountability Office (USA)

The matters we identified in responses to prior questions on the Authority section are the only matters that we have identified for consideration for this section.

Office of the Auditor General of Alberta

We have no other matters related to the Authority for the IAASB to consider at this time.

7. Professional Accountancy and Other Professional Organizations

Accountancy Europe

We have no other comments with regards to the authority of the ISA for LCE.

Association of Practising Accountants

Nothing specific to add here.

Belgian Institute of Registered Auditors (IBR-IRE)

We have no specific comment in this area.

Botswana Institute of Chartered Accountants

None noted.

Chamber of Auditors of the Czech Republic

We have no comments.

Chamber of Financial Auditors of Romania

We have not identified other matters to be considered.

Chartered Accountants Australia and New Zealand and the Association of Chartered Certified Accountants

No.

Confederation of Swedish Enterprise

N/A

Federation of Accounting Professions of Thailand

None.

Finnish Association of Authorised Public Accountants

No specific comments

Indonesian Committee on Public Accountant Profession (KPAP)

The essential points regarding the Authority have been explained clearly in the ED-ISA for LCE.

Institute of Certified Public Accountants of Rwanda

We believe that matters covered address key implementation requirements of the Standard.

Institute of Certified Public Accountants of Uganda

No, additional comments.

Institute of Chartered Accountants of Jamaica

No other matter noted.

Institute of Chartered Accountants of Pakistan

No further comments.

International Federation of Accountants' Small and Medium Practices Advisory Groups

We could not come up with any additional matters related to the Authority that the IAASB should consider at this time.

Nordic Federation of Public Accountants

We have no further comments.

Polish Chamber of Statutory Auditors Warsaw (Regional Branch)

Response: No.

Self-Regulatory Organization of Auditors Association (SRO AAS)

We didn't notice any other matters related to the Authority that the IAASB should consider as it progresses ED-ISA for LCE to finalization.

Society of Certified Accountants and Auditors of Kosovo (SCAAK)

We do not have any matters that should be considered.

8. Academics

Argentine institute of Auditing Professors

We did not discover any matter not contemplated in this ED.

9. Individuals and Others

Rodoula Roussou

No comments to be noted.

Vera Massarygina

No comments.

Section 4B – Authority of the Standard\Question 6 - Are there any other matters in the Authority that the IAASB should consider\2) No - Ref to Prev comments only

4. National Auditing Standard Setters

Institute of Chartered Accountants of India

Please see our views on questions 3(a) to (d) above

5. Accounting Firms

Baker Tilly International

See above.

Grant Thornton International Limited

As noted in our response to question 3(a), we are of the view that the Authority should be developed on the basis of when it is appropriate to use ED-ISA for LCE rather than on the basis of when the use of ED-ISA for LCE is prohibited.

KPMG IFRG Limited

Please see our responses to Question 3 above.

7. Professional Accountancy and Other Professional Organizations

Chartered Governance and Accountancy Institute in Zimbabwe

other matters expect the title of the proposed standard as per our response to 1(b).

Institute of Certified Public Accountants of Cyprus

We have articulated the matters to be considered in our response to question 4.

Institute of Chartered Accountants of Namibia

As mentioned above.

Institute of Chartered Accountants of Scotland

As we have noted above, consideration needs to be given as to whether the IAASB will adopt the changes that were made to the definition of a “public interest entity” by the IESBA and we would ask the IAASB to revisit its stance on excluding all groups.

Other than that, we are not aware of any other matters relating to the Authority that the IAASB should consider as it progresses the ED-ISA for LCE to finalisation.

Korean Institute of Certified Public Accountants

There is no consideration needed other than those described in the answers above.

Malaysian Institute of Certified Public Accountants

As indicated in our response to Question 3(c), a list of guiding principles would be useful.

Malta Institute of Accountants

Response: Please refer to above comments

Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso (ONECCA-BF)

Refer to our response to question 3(a).

Pan-African Federation of Accountants (PAFA)

Refer to our response to question 3(a).

Union of Chambers of Certified Public Accountants of Turkey (TURMOB)

As stated above, PIE definition work of IESBA should continue to be considered.

Section 4B – Authority of the Standard\Question 6 - Are there any other matters in the Authority that the IAASB should consider\3) Yes with Comments \Other Comments

5. Accounting Firms

Mazars

In other sections of the ISA for LCE standard there are specific requirements for documentation included. Since the decision to use the standard is fundamental for the auditor and for regulators and quality controls, clarity in documentation needs is important. We suggest that specific requirements for documentation are added to the Authority section.

SRA

No other comments, than above. The question suggests that finalizing ISA for LCE is more or less a formality. We urge the IAASB to reconsider the approach chosen to develop a stand-alone standard.

7. Professional Accountancy and Other Professional Organizations

ASSIREVI

We do not agree with the possibility envisaged in the proposed standard for firms to further limit - in addition to the specific prohibitions defined by the proposed standard or established by local regulations or standard setters - the use of the standard for certain classes of entities or their business sectors by defining internal policies and procedures designed to regulate the application of the draft standard.

Whilst legislative or regulatory authorities or relevant local bodies are best placed to set additional criteria or further prohibitions to that already set out in the Authority, we strongly believe that the firms should not be responsible for determining specific classes of entities to which the use of the proposed standard is restricted. We believe that this will result in inconsistent applications across jurisdictions, networks, countries, etc. resulting from the different choices made by different firms.

In addition, specifically, we do not agree with the emphasis in paragraph 65 of the Explanatory Memorandum (and paragraph 42 of the Authority Supplemental Guide) on the quality risks as a result of the nature and circumstances of the engagements performed as an example for the decision about whether to use the proposed ISA for LCE. This could reinforce the view that an audit of an LCE conducted in accordance with the proposed standard does not provide the same level of assurance as an audit conducted in accordance with the ISAs.

Accordingly, we recommend the approach be reviewed and the statement “The firm may also further limit the classes of entities for which the firm’s engagement teams can use the [draft] ISA for LCE” be removed from paragraph A.12 and paragraph A.13 of the [draft] standard be amended accordingly.

Chamber of Auditors of the Republic of Azerbaijan

Sure enough, testing of the proposed standard may reveal other matters related to the Scope that the IAASB should consider as it progresses ED-ISA for LCE to finalization.

Chartered Accountants Ireland

The IAASB should give consideration to whether the Authority of the standard is appropriately set, particularly given that users of financial statements are familiar with the scope of the IFRS for SMEs standard.

There is a risk that having an auditing standard and an accounting standard which have been designed for application to a similar cohort of entities with different scope or entry points, will cause confusion among users of financial statements and therefore create a new expectation gap.

Furthermore, we are concerned that the scope of the standard as currently cast is so narrow that it will lack scale of application and therefore auditors will not apply the standard and choose to continue to use the ISAs for practical reasons.

CPA Australia

Again, we consider that the post-implementation review will be the test as to whether the Authority has identified the appropriate criteria.

CPA Ireland

CPA Ireland considers that outreach with key stakeholders such as national regulatory authorities, professional bodies etc will be essential to gain local and global acceptance of the proposed standard.

Institute for the Accountancy Profession in Sweden (FAR)

In other sections of the ISA for LCE standard there are specific requirements for documentation included. Since the decision to use the standard is fundamental for the auditor and for regulators and quality controls, clarity in documentation needs is important. We suggest that specific requirements for documentation are added to the Authority section.

Instituto dos Auditores Independentes do Brasil

The IAASB should include an express mention to highlight that large and complete knowledge of the 'full' ISAs is a precondition for the auditor to be capable of deciding which set is more suitable and to properly apply this ISA for LCEs.

Instituto Mexicano de Contadores Públicos (IMCP)

Yes, see previous answers.

In the event that the Group audits matter can be reassessed, material or guides may be required that deal with the applicability of the ISAs for LCE for this type of audits.

Polish Chamber of Statutory Auditors (PIBR)

Yes. 1. Introduction of the classification of units due to the mode of making decisions, the so-called decision classification. 2. Introduction of the representative method as a criterion for meeting the quality requirements and as a separate requirement proving high quality on its own, i.e. without other requirements

South African Institute of Professional Accountants

The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements of an entity. The auditor achieves this by obtaining sufficient appropriate audit evidence to reduce audit risk to an acceptably low level in the circumstances of the engagement and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. It is vital that audits conducted in accordance with the new standard will be widely perceived and recognized as producing an audit that is of the same high quality as that of an audit using the full ISAs.