

Mexico City September 12, 2019.

Mr. Thomas R. Seidenstein
Chairman
International Auditing and Assurance Standards Board

Dear Mr. Seidenstein

Discussion paper: Audit of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISAs.

The Mexican Institute of Public Accountants, “Instituto Mexicano de Contadores Públicos”, A.C. (IMCP), association founded in 1923, grouping 60 professional colleges and more than 24 thousand of public accountants associated in Mexico, is thankful about the opportunity to submit comments about the Discussion Paper issued by the International Auditing and Assurance Standards Board (IAASB), Audit of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISAs (the Discussion Paper)

The IMCP’s Audit and Assurance Standards Commission (CONAA) analyzed the Discussion Paper contents, informed IMCP membership (and requested comments) about the Discussion Paper, in addition IMCP organized local forums where the IAASB possible actions in regard to Less Complex Entities (LCE) audits were discussed.

As requested in the Discussion Paper Section “Questions for Respondents”, the IMCP prepared a document where the IMCP feedback is provided for the IAASB, for each of the proposed questions. Such document is attached to the present letter, as APPENDIX 1.

In regards to the Discussion Paper question number 4. where the possible actions to be undertake by the IAASB, we provide our comments to each of the 3 possible actions, including positive and negative aspects to consider for each one. In addition, we concluded for such question, that in the IMCP point of view, the best possible action for the IAASB to pursue is a combination of actions:

- C- “Developing Guidance for Auditors of LCEs or Other Related Actions” and
- A- “Revising the ISAs”, mainly focusing such revision on the ISAs that the public considers difficult to apply.

The main factors for our conclusion are the following:

- a) The negative impacts of the audit report user’s perception on the differences of a regular audit and LCE audit
- b) We consider this alternative is the less time and resources consuming alternative
- c) Allowing to continue with one set of audit standards, with worldwide applicability.

We are open to discuss, clarify or widen our comments in this letter per your request.

Very truly yours,

Florentino Bautista Hernández
Chairman
Instituto Mexicano de Contadores Públicos, A.C. (IMCP)