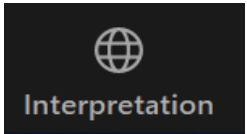


EFAA-IAASB-IFAC Webinar: Audits of Less Complex Entities Update

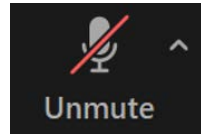
February 16, 2023

Housekeeping

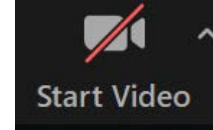
Webinar Length: 60 minutes



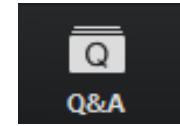
- Click the “globe”
- Select “French” or “Spanish”
- Select “Disable original audio”



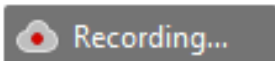
Attendees' microphones are automatically muted



Attendees' videos are automatically turned off



Please use the Questions & Answer (Q&A) button rather than the chat to enter questions for the presenters



The recording will be available shortly after the completion of the webinar and will be located on the dedicated webpage on the IFAC Events page and IFAC's YouTube channel

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Supporting Mental Health: Staff, Members & Stakeholders

Date: Thursday February 4, 2021
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Agenda

- Introductory Remarks
 - Monica Foerster, Partner at Confior & IFAC SMPAG Chair
 - Salvador Marin, EFAA President
- IAASB Audits of LCEs Project Update
 - Kai Morten Hagen, IAASB Member & Audits of LCEs Task Force Chair
 - Jasper van den Hout, IAASB Principal
 - Amy Fairchild, IAASB Principal
- Audience Q&A
 - Moderated by Paul Thompson, EFAA Director
- Closing Remarks



A network diagram background consisting of various sized circles in shades of blue, teal, and grey, connected by thin lines, set against a dark blue gradient background.

Monica Foerster, Partner, Confidor &
IFAC SMPAG Chair
and
Salvador Marin, EFAA President

A network diagram background consisting of various sized circles in shades of blue, teal, and grey, connected by thin lines. The circles are scattered across the right side of the slide, with some larger circles and many smaller ones. The lines form a complex web of connections.

Audits of LCEs Project Update

Kai Morten Hagen, LCE Task Force Chair
Jasper van den Hout, IAASB Principal
Amy Fairchild, IAASB Principal

Background to Project



A Global Solution for Audits of Less Complex Entities

A graphic on a tablet screen. At the top, a green box contains the text 'A Global Solution for Audits of Less Complex Entities'. Below this, a row of pencils is shown, with one yellow pencil standing out in the center. Above the yellow pencil is a white lightbulb icon with rays emanating from it, symbolizing an idea or solution.

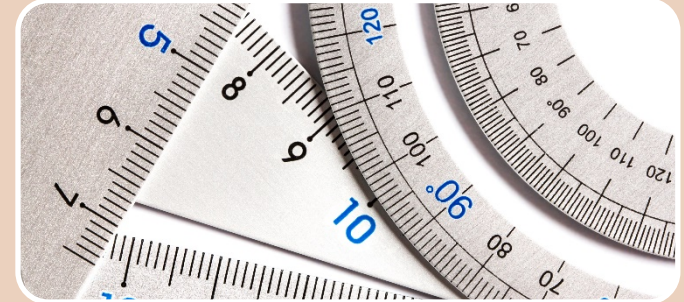
ISA for LCE: Basis of Design



Separate
standalone
standard
developed for
audits of LCEs



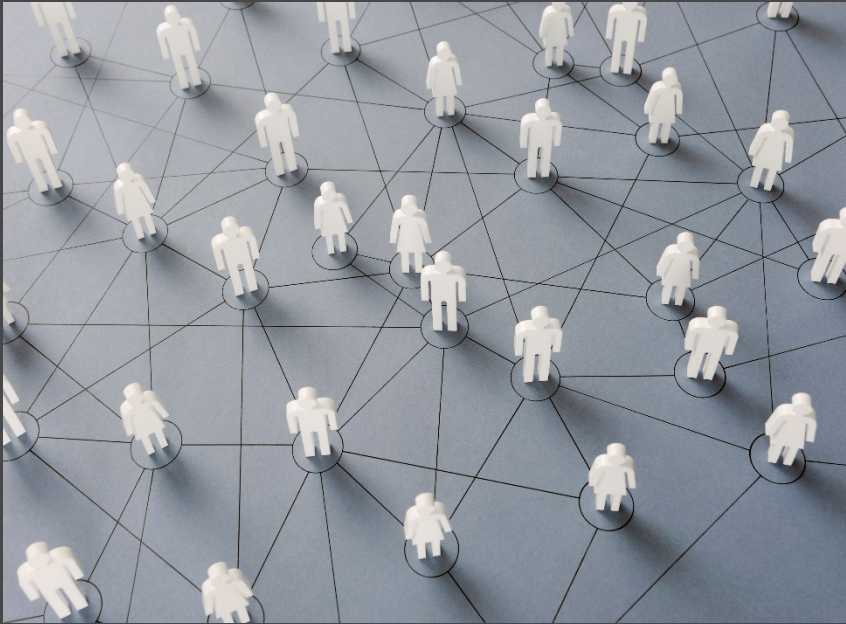
Designed to
achieve
reasonable
assurance



Proportional to
circumstances
of an audit of an
LCE

Exposure Draft: Outreach and Response

Roundtables
Presentations
Linked-In Live



90+ Countries
Reached



145 Comment
Letters



250 Survey
Responses



Paris
Conference



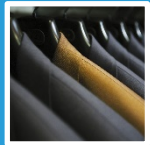
What We Heard: General Feedback



Significant interest shown – illustrates the need for a global solution



Stakeholders supportive of structure, flow and innovative approach



Stakeholders expecting greater difference from the ISAs

What We Heard: Key Themes from Feedback



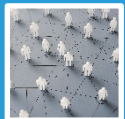
The Nature of the Standard



The Basis for the Design of the Standard



The Authority (Scope) of the Standard



The Inclusion of Audits of Group Financial Statements

Changes to Authority Discussed (Post ED)



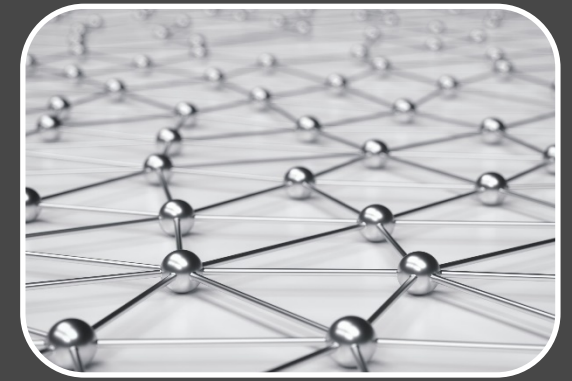
Prohibitions



Qualitative
Characteristics



Quantitative
Thresholds



Other
Revisions

Proportionate Revisions to Standard (Post ED)



Developing Proportionate Requirements

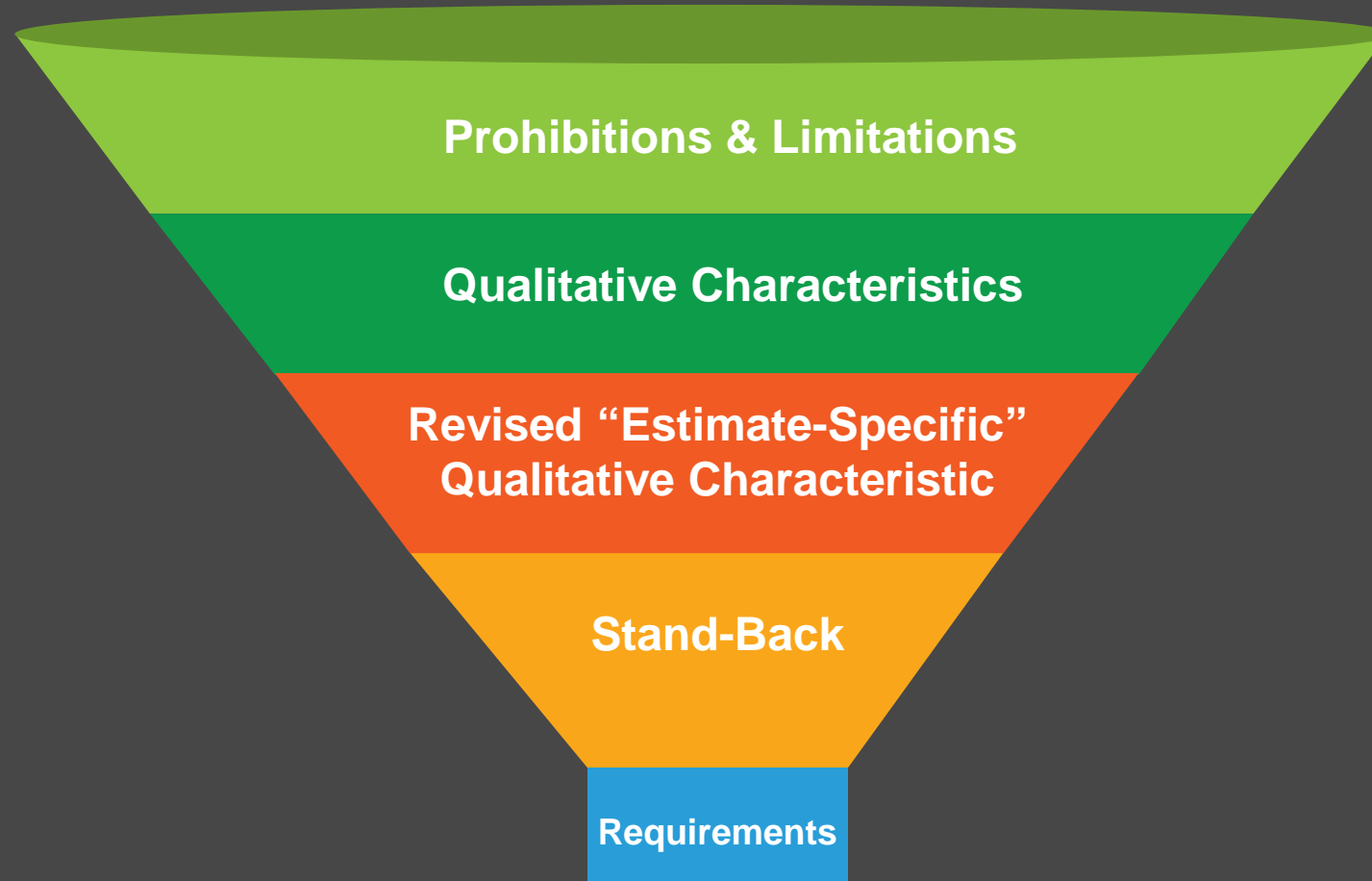
Approach to Revisions

- Targeted based on feedback
- Better tailored to an LCE
- EEM

Focus Areas

- Risk Identification & Assessment
- Quality Management
- Audit Documentation

Addressing Accounting Estimates (Post-ED)



Inclusion of Group Audits: Exposure Draft



Revisions to Authority



**Incorporation of
Requirements: Part 10**



Exposure Draft

ISA for LCE: Way Forward



Q&A
Moderator:
Paul Thompson
EFAA Director



Resources

- Knowledge Gateway:
www.ifac.org/Gateway
- Practice Transformation Hub:
www.ifac.org/practicetransformation
- IFAC SMP Advisory Group:
www.ifac.org/SMP
- EFAA: www.efaa.com
- IAASB
 - www.iaasb.org/less-complex-entities
 - [Audits of Less Complex Entities project page](#)

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