

IAASB

International Auditing
and Assurance
Standards Board®

IESBA

International
Ethics Standards
Board for Accountants®

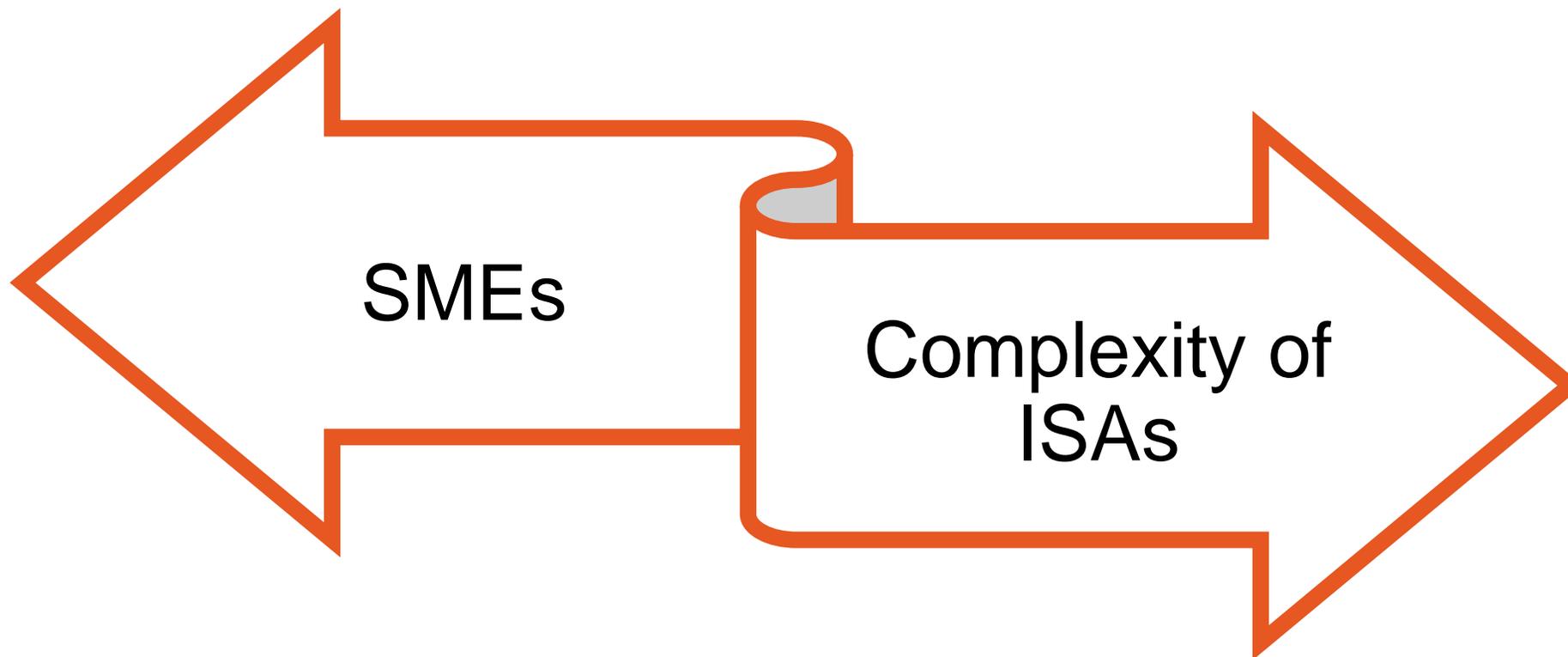
ISA for LCE

The International Standard on Auditing for Audits of Financial Statements of Less Complex Entities

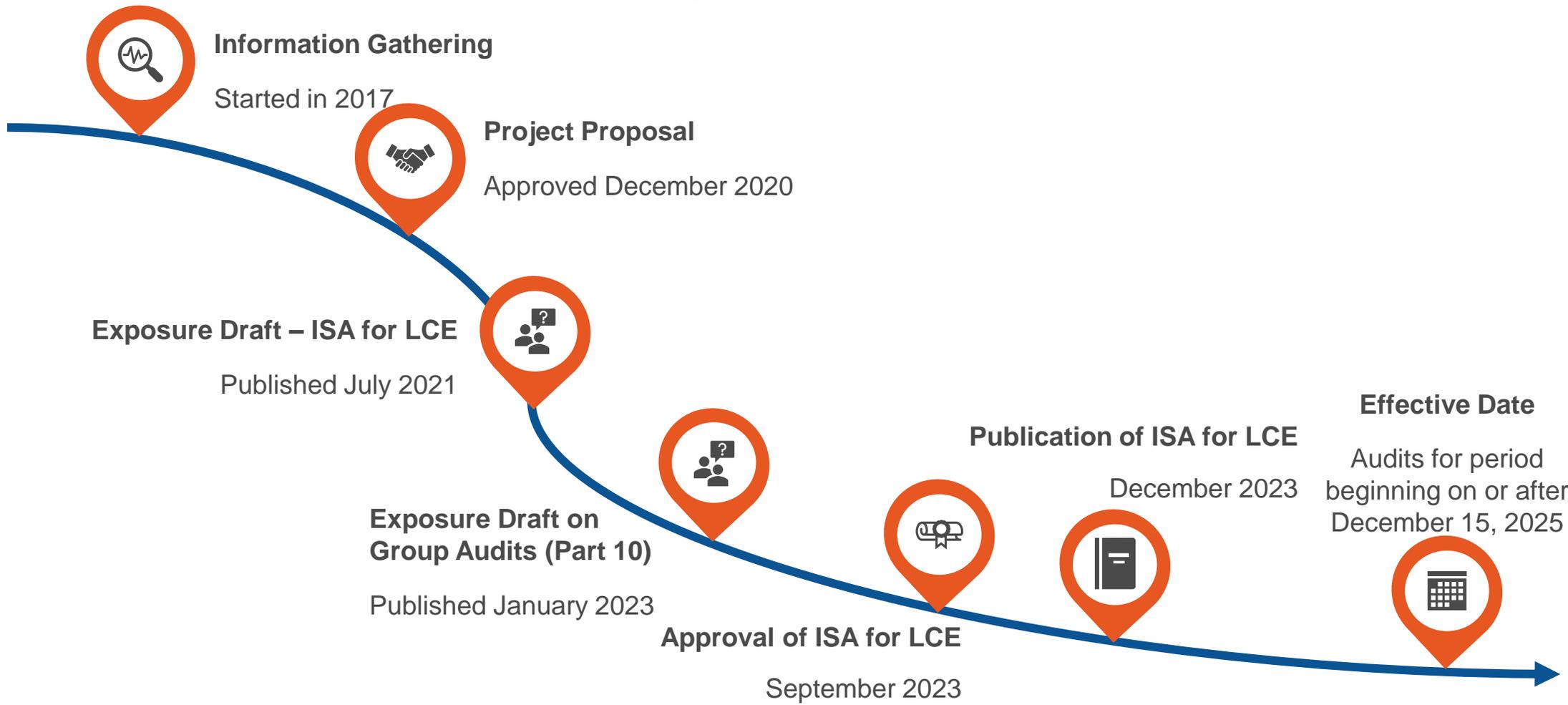
Inaugural Stakeholder
Advisory Council Meeting
April 29-30, 2024
New York, New York

Background and Project Status

The Need for a Global Solution



The IAASB's Journey



What We Have Done to Support



- Factsheet
- Frequently asked questions
- Presentation deck



- Three-part video series



- Global webinar

Coming and Ongoing Support



- Adoption guide
- Supplemental guide on authority
- Supplemental guide on reporting
- First time implementation



- Joining regional outreach activities
- Liaison with IFAC

Key Benefits and Challenges to Adopting the ISA for LCE

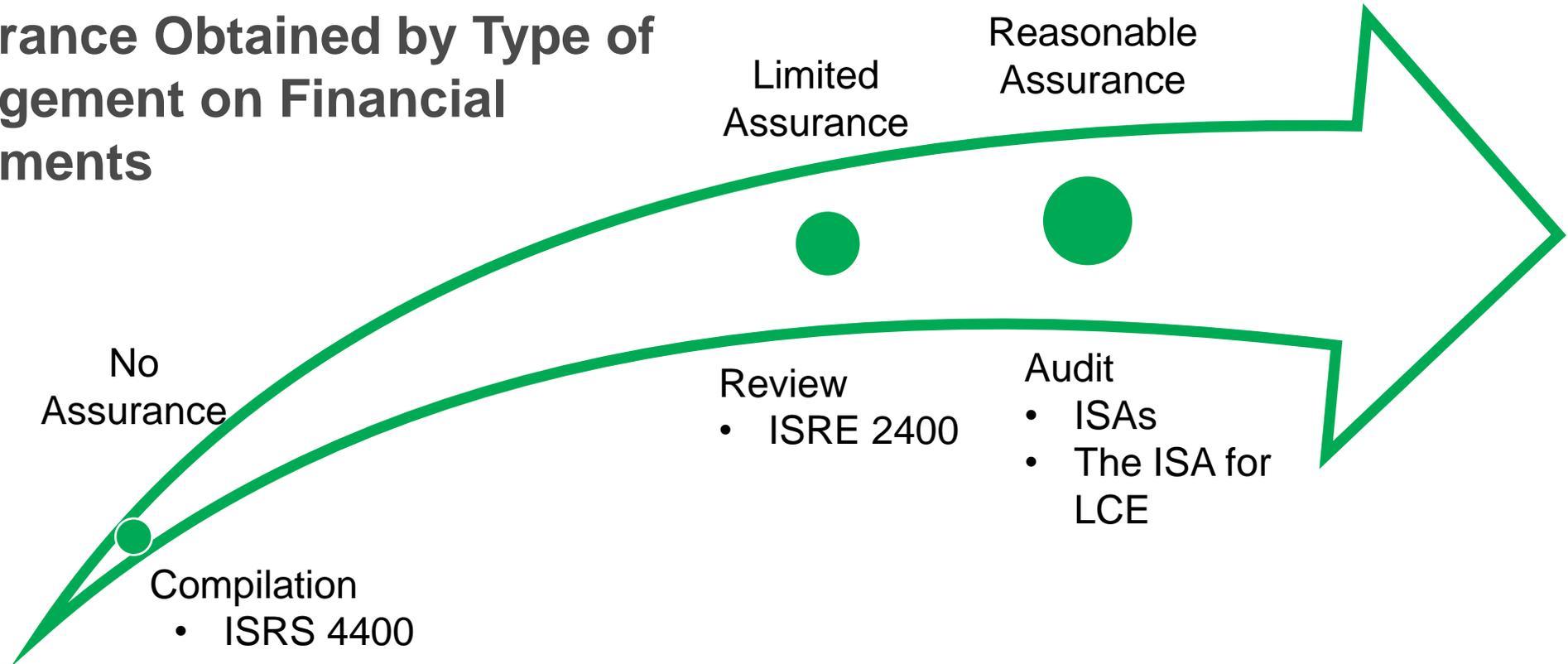
Key Benefits: A Standard Focused on LCEs

Stand-alone, proportionate and tailored to the needs of an audit of an LCE

Easier to navigate for practitioners supporting these engagements

Key Benefits: Reasonable Assurance

Assurance Obtained by Type of Engagement on Financial Statements



Key Benefits: A Global Solution

Maintain confidence in financial reporting of LCEs



Promote consistent application of the auditing standards to audits of LCEs



Challenges: What We Heard

- Questions about the ability to obtain reasonable assurance
- Uncertainty about the potential efficiency gains
- Costs associated with having two sets of auditing standards to maintain and support
- Transitioning in and out of the ISA for LCE



Matter for SAC Consideration

SAC Members are asked for their views on

1. What the challenges are, if any, in their jurisdiction to adopt the ISA for LCE and how these challenges can be mitigated.

Matter for SAC Consideration

SAC Members are asked for their views on

2. How the IAASB can further facilitate and encourage others to promote the adoption of the ISA for LCE, including key stakeholders that the IAASB may reach out to.

Maintenance of the ISA for LCE

Maintenance

Mixed views about the maintenance of ISA for LCE

Important to have

- Consistency between ISA for LCE and ISAs
- Stable platform for ISA for LCE



IAASB is of view

- ISA for LCE must remain up to date
- A period of stability of at least three years once the standard becomes effective would be appropriate

Matter for SAC Consideration

SAC Members are asked for their views on

3. The maintenance cycle of the ISA for LCE.

Matter for SAC Consideration

SAC Members are asked for their views on

4. There are any other matters that the IAASB should consider regarding the adoption and implementation of the ISA for LCE.

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