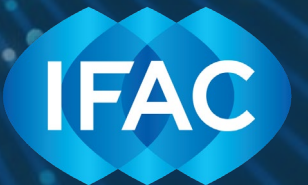


The new Standard "ISA for LCEs"

The International Standard on Auditing for
Financial Statements of Less Complex Entities
("ISA for LCEs")

Monica Foerster – Confidor - Brazil

Noviembre 2024



The IAASB Pathway for Standard Development



ISA FOR LCE

PRINCIPLES OF “DESIGN”

Risk-Based Approach

Based on Principles

Focus on the expected outcome

Intuitive structure

Clear, understandable & concise

Use of key (base) concepts of ISAs

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1

Independent, proportional, and tailored to the specific audit needs of LCE

2

Promotes a unified application of auditing standards to LCE audits: a global solution

3

Helps auditors deliver consistent and effective high-quality audits to LCEs

4

Easier to navigate: a 10-part standard versus 37 ISAs

5

Maintains confidence in the financial information of LCEs

6

Structured to follow the flow of an audit

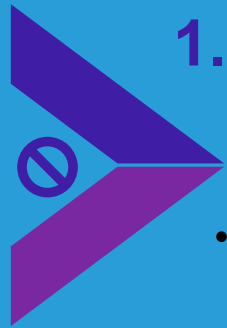
7

Provides the same level of assurance performed under the ISAs: reasonable assurance



Beneficios

Authority

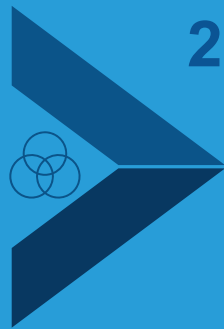


1. Specific Prohibitions

- Entities with characteristics of public interest
- Specific entities according to jurisdictional prohibitions

Group Audit Considerations

- Use of component auditors not accepted, except in limited circumstances



2. Qualitative Characteristics

- Activities and business model
- Organization and corporate structure
- Nature of the financial function
- IT
- Framework for financial reporting and accounting estimates

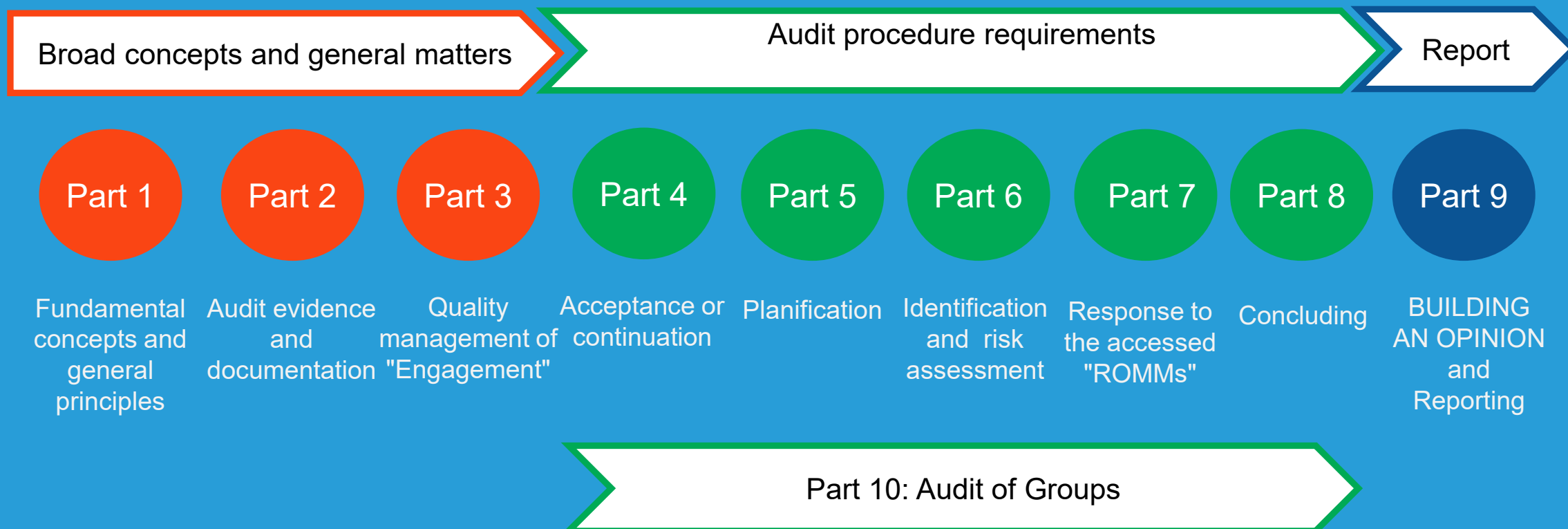
- Group Structure
- Access to Information or People
- Consolidation Process



3. Qualitative limits

- According to each jurisdiction

The Flow of the Standard



Potential Stages of Adoption

1
INTERACTION WITH
STAKEHOLDERS TO
BUILD CONSENSUS

2
ESTABLISH A
ROADMAP AND A
PLAN FOR
ADOPTION

1

2

PROMOTE THE
USE OF ISA FOR
THE
IMPLEMENTATIO
N AND SUPPORT
OF THE LCE

5

3
Policy decision made by the
legal authority to require or
allow the use

3

4
ADAPT THE AUTHORITY

4

MOVING
FORWARD →

Rols of the IFAC in “A&I”



PROMOCION

Promote knowledge and visibility in ISA for LCE, and support adoption and implementation



DATOS

Tracking the adoption & exchange of examples and data



COORDINACION

Close coordination and support with IAASB



INTELLECTUAL PROPERTY

Facilitate reproduction and translation requests

Material Soporte

Disponibile actualmente



- ✓ General Factsheet
- ✓ FAQ
- ✓ Overview presentation deck
- ✓ Video Series – Navigating the ISA for LCE
- ✓ Global & Regional Webinar Recordings
- ✓ Adoption guide
- ✓ Supplemental Guides on Authority and Reporting

LLEGANDO EN
Q4 2024



- ✓ First time implementation guide

3 key messages



The ISA standard for LCE will help auditors provide consistent and effective high-quality audits for less complex entities.

PAOs in different jurisdictions are critical for the support and assistance in adoption and use.

Materials of IFAC and IAASB available