



**ACCOUNTANCY  
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# WELCOME



19 November 2021 15:00-17:00 | webinar

# A GLOBAL SOLUTION FOR AUDITING LESS COMPLEX ENTITIES: HOW TO MAKE IT WORK?



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**IAASB**

International  
and Assurance  
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# ED ISA FOR LCE PRESENTATION

Kai Morten Hagen

Chair of the IAASB LCE Task Force



**#LCEAUDIT**

# Audits of Less Complex Entities

**Kai Morten Hagen, LCE Task Force Chair**

**November 19, 2021**

# LCE Standard builds on our Strategic Objectives



Developed on an Accelerated Basis



Commitment to a more Agile Approach



Utilized an International Reference Group for real-time feedback



Innovative thinking – Design & Approach

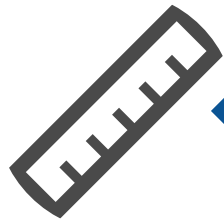
# LCE Audits will be High Quality Audits



Separate standalone Standard developed for Audits of Less Complex Entities (LCE)



Designed to achieve Reasonable Assurance



Proportionate to circumstances of an Audit of an LCE

# When can it be used?

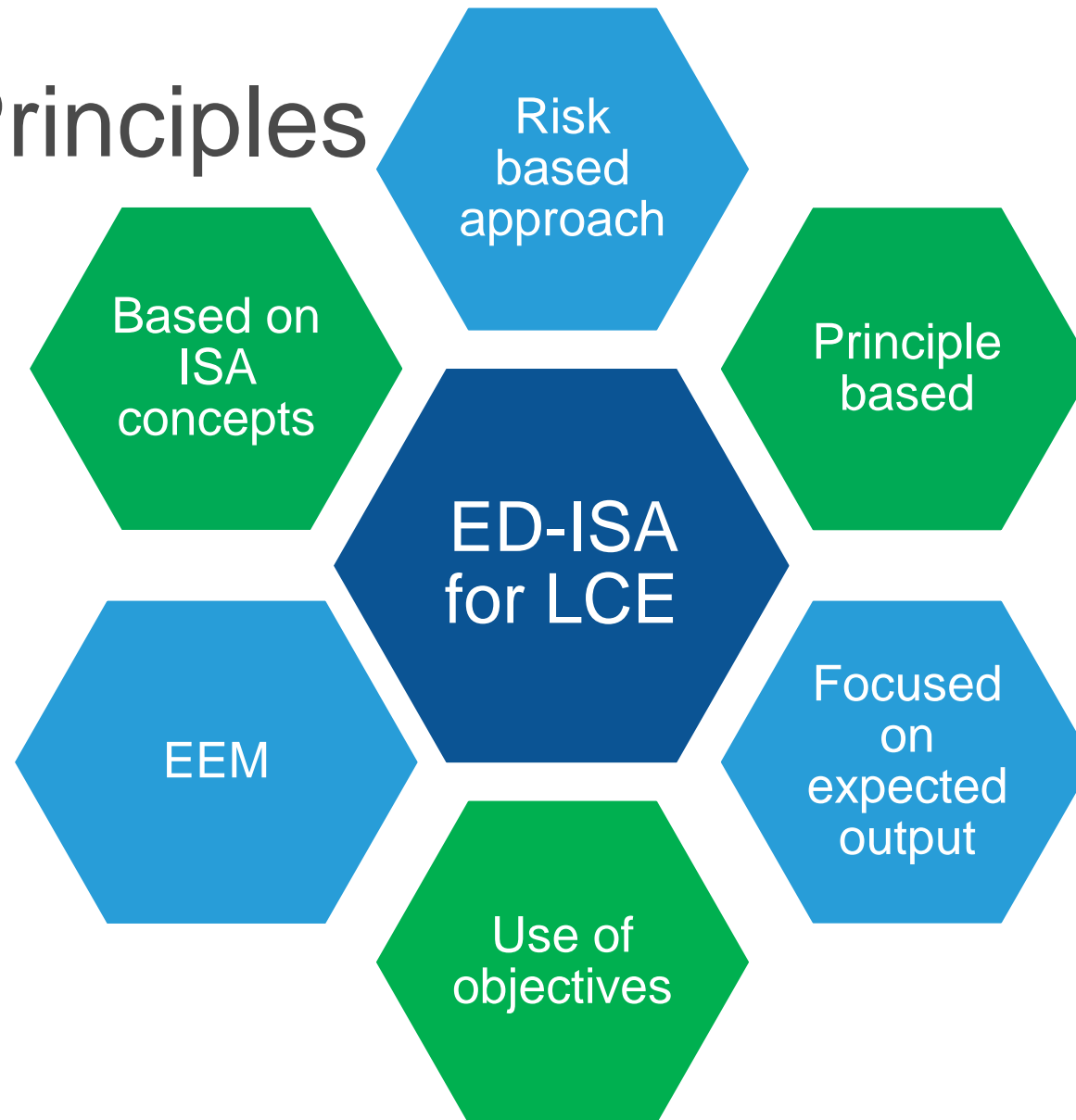
- Specific Prohibitions
  - Listed Companies
  - Classes of Entities with Public Interest Characteristics\*
  - Audits of Group Financial Statements
  - Additional Jurisdictional Limitations
- Firm Policies or Procedures
- Engagement Level Evaluation
- Consideration of **Qualitative Characteristics**



*\*Descriptions of classes may be modified in local jurisdiction*



# Design Principles



# The Flow of the Standard



**Part 1:**  
Fundamental  
Concepts and  
General P



**Part 2:**  
Audit Evidence  
and  
Documentation



**Part 3:**  
Engagement  
Quality  
Management



**Part 4:**  
Acceptance or  
Continuance of an  
Audit Engagement  
and Initial Audit  
Engagements



**Part 5:**  
Planning



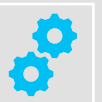
**Part 6:**  
Risk  
Identification and  
Assessment



**Part 7:**  
Responding to  
Assessed Risks  
of Material  
Misstatement



**Part 8:**  
Concluding



**Part 9:**  
Forming an  
Opinion and  
Reporting

# Key Areas for Feedback



The Content, Flow and Structure of the Standard



The Authority and Scope of the Standard



Exclusion of Procedures for Audits of Group Financial Statements



Transition and Implementation Guidance



Maintenance of the Standard (Stable Platform?)

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# FIRESIDE SESSIONS

**Mark Babington**

Financial Reporting Council, UK

**Burçak Inel**

European Banking Federation

**Monica Stefan**

Chamber of Financial Auditors (CAFR), Romania

# THANK YOU FOR YOUR PARTICIPATION!

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