

## FREQUENTLY ASKED QUESTIONS

### *International Standard on Auditing for Audits of Less Complex Entities*

These Frequently Asked Questions (FAQs) are issued by the Staff of the International Auditing and Assurance Standards Board® (IAASB®).

The IAASB developed and issued in December 2023 the *International Standard on Auditing for Audits of Financial Statements of Less Complex Entities* (the ISA for LCE). It is effective for audits of financial statements of less complex entities for periods beginning on or after December 15, 2025.

These FAQs are intended to assist in the adoption and implementation of the ISA for LCE by addressing matters relevant to the application of the standard that were raised during the development of the standard and during certain outreach and implementation activities undertaken. This is an updated version of the FAQs that were published in December 2023.

The FAQs are designed to highlight, illustrate, or explain aspects of the ISA for LCE and thereby assist in the standard's application. They do not amend or override the ISA for LCE, the texts of which alone are authoritative. Reading the FAQs is not a substitute for reading the ISA for LCE. The FAQs are not intended to be exhaustive and reference to the ISA for LCE should always be made. This publication does not constitute an authoritative or official pronouncement of the IAASB.

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## GENERAL

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### **Q1: What is the ISA for LCE?**

The ISA for LCE is the IAASB standard for financial audits of less complex entities. It is a standalone global auditing standard that is proportionate, tailored and designed specifically for smaller and less complex businesses. Built on the foundation of the International Standards on Auditing (ISAs), audits performed using this standard provide the same level of assurance for eligible audits: reasonable assurance. It will help maintain confidence in financial reporting and promote the consistent application of auditing standards to less complex entities.

### **Q2: Why is the ISA for LCE needed?**

In the world of auditing, not all businesses are the same—nor are their audits. The audit of a corner bakery is very different from an audit of a large multinational entity. The IAASB's responsibility to set auditing standards in the public interest covers the entire spectrum of the economy, including multinationals and less complex entities.

Smaller, less complex entities make crucial contributions to the world economy and account for the great majority of audits globally. At the same time, increasingly complex structures and transactions need to be addressed in the ISAs. This complexity in the ISAs could pose challenges for audits of less complex entities and, therefore, the IAASB has developed the ISA for LCE to support these audits.

### **Q3: When does the ISA for LCE come into effect?**

The ISA for LCE is effective for audits of financial statements of less complex entities for periods beginning on or after December 15, 2025. Early adoption is permitted and encouraged.

### **Q4: Is a less complex entity the same as a small and medium-sized entity?**

The IAASB recognizes that there is no global definition for a 'small and medium-sized entity,' and the use and meaning of the term may differ in different jurisdictions. Often this term is used when referring to the size of the entity.

In developing the ISA for LCE, the IAASB decided to focus on complexity instead of size as there could be instances where a small entity still may be very complex. Having said that, in practice, there will be a significant overlap between less complex entities and small and medium-sized entities as most small and medium-sized entities are less complex. The ISA for LCE describes a non-exhaustive list of qualitative characteristics of a less complex entity for the purpose of determining the appropriate use of the standard (see the Authority of the ISA for LCE).

### **Q5: Can the ISA for LCE be applied for audits of entities that use International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME)?**

Whether the ISA for LCE can be applied for audits of entities that use the IFRS for SME will depend on the facts and circumstances of the entity. Generally, both standards are aimed at smaller, often less complex entities (also refer to the previous question and answer), but these standards have different criteria to determine when they are appropriate for use. Regardless of which acceptable financial reporting framework an entity uses to prepare its financial statements, the ISA for LCE can only be used if the auditor determines it is appropriate in accordance with the Authority of the ISA for LCE.

**Q6: Is the ISA for LCE included in Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements?**

Yes. The ISA for LCE is included in the 2023–2024 edition of the Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements.

**BENEFITS OF USING THE STANDARD****Q7: How does the ISA for LCE help auditors who perform audit engagements for less complex entities?**

The ISA for LCE is tailored to the specific needs of an audit of less complex entities. In addition, the ISA for LCE was designed with an intuitive structure, following the flow of an audit and with clear, understandable and concise language. These make it easier to navigate for auditors who support these types of engagements.

All the elements of the standard recognize the importance of smaller and less complex businesses and that their audit needs are different. Not lesser than. Different. This includes the guidance in the standard. The illustrations provided are tailored to less complex entities and condensed to only include what is 'essential' for the auditor.

In short, it will help auditors of less complex entities deliver consistent and effective high-quality audits.

Since so many less complex entities are supported by small and medium-sized audit practices, the standard also takes into account what these firms or practitioners need to use the standard.

**Q8: Why should my jurisdiction adopt the ISA for LCE?**

Adopting the ISA for LCE will help make audits of less complex entities more effective and efficient, while maintaining high quality. It also will promote the consistent application of auditing standards to less complex entities and reduce the risk of jurisdictional divergence by driving consistency and comparability globally.

The ISAs, and the audits conducted using them, provide the trust and confidence markets and investors need when making decisions. Similarly, the ISA for LCE will provide the same trust and confidence in the financial reporting by smaller and less complex businesses. With the new standard, auditors are getting appropriately proportionate, relevant, and focused requirements and guidance that can easily be applied to the audits of less complex entities.

While each jurisdiction sets its own boundaries or thresholds for which entities require an audit of their financial statements, the ISA for LCE provides flexibility to broaden the scope to include less complex entities or, if already included, to require or permit such audits to be conducted in accordance with the ISA for LCE.

**Q9: Does using the ISA for LCE reduce the quality of the audit or mean less work is needed for an audit?**

The ISA for LCE does not reduce the quality of the audit or necessarily mean less work. It is a *different type* of audit, not a *lesser* audit. It helps auditors focus on aspects of the audit that are relevant for less complex entities. It is about doing the right work, including the amount of work, in the right areas, and having proportionate requirements to drive that work. Requirements that are based on the underlying concepts from the ISAs and that are proportionate to the typical nature and circumstances of a less complex entity support the consistent performance of quality audit engagements in this market segment.

**Q10: If using the ISA for LCE does not necessarily reduce the time spent on the audit, what is the advantage of using the standard?**

The ISA for LCE is proportionate and tailored to the needs of an audit for a less complex entity. Given this, the key advantages of the ISA for LCE are that:

- The standard has been written to be clear, understandable and concise, avoiding any unnecessary words, repetition, or ambiguous language.
- The standard is easier to navigate given how it is organized and given its length.
- Auditors can be more certain that they have addressed all requirements as they don't have to read through pages of requirements and guidance that is not relevant to an audit of a less complex entity.

These key advantages support auditors of less complex entities to invest more time executing appropriate procedures that more effectively target the risks of material misstatement. Although the above key advantages may lead to saving time, this ought not be a general expectation, because the auditor's work effort depends on the circumstances of each individual audit. The ISA for LCE will help auditors to deliver consistent and effective high-quality audits.

## OVERARCHING CONCEPTS

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**Q11: What level of assurance is provided under the ISA for LCE?**

The ISA for LCE provides the same level of assurance as an audit performed under the ISAs: reasonable assurance.

**Q12: How can the ISA for LCE provide the same level of assurance as the ISAs while the standard is significantly shorter than the ISAs?**

The level of assurance that is achieved in any audit engagement results from the auditor planning and performing the audit to obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level. The ISA for LCE lays out the audit process for the auditor to achieve this in a manner that is proportionate to the typical nature and circumstances of an audit of a less complex entity. Some of the design factors led to the standard being significantly shorter than ISAs, for example:

- The requirements and Essential Explanatory Material in the ISA for LCE are designed to be proportionate to the typical nature and circumstances of an audit of a less complex entity. Requirements and Essential Explanatory Material that address complex matters or circumstances are excluded from the ISA for LCE.
- The ISA for LCE focusses on what the outcome of the requirement is that the auditor needs to achieve. The requirements describe what the auditor needs to do without including unnecessary granularity.
- The requirements in the ISA for LCE have been written to be clear, understandable and concise, avoiding any unnecessary words, repetition, or ambiguous language.

Although certain design factors have resulted in the standard being significantly shorter than the ISAs, the requirements still enable the auditor to achieve the auditor's overall objectives as set out in paragraph 1.3.1 of the ISA for LCE.

**Q13: How did the IAASB ensure that all important aspects have been covered in the ISA for LCE?**

The requirements in the ISA for LCE enable the auditor to achieve the auditor's overall objectives as set out in paragraph 1.3.1 of the ISA for LCE.<sup>1</sup> In developing the ISA for LCE the IAASB took into account this overall objective and reviewed all requirements in the ISAs and for each requirement it was determined whether it should be included, adapted or excluded. For those requirements in the ISAs that the IAASB decided to be included, the requirements were adapted as necessary to be proportionate to the typical nature and circumstances of an audit of a less complex entity (see [First-Time Implementation Guide](#), Appendix 1 for more information). In the IAASB's view, all important aspects for an audit of a less complex entity have been covered in the ISA for LCE.

**Q14: In developing Part 10 of the ISA for LCE, has the IAASB considered all requirements in ISA 600 (Revised)?<sup>2</sup>**

All the requirements in ISA 600 (Revised) were considered when developing ISA for LCE (see also the previous question and answer). Requirements that relate to the following matters were not included:

- *The involvement of component auditors.* Requirements that are applicable when component auditors are involved in the audit of group financial statements are not included in Part 10 of the ISA for LCE as the Authority of the ISA for LCE prohibits the use of the standard when component auditors are involved, except when the component auditor's involvement is limited to circumstances in which a physical presence is needed for a specific audit procedure for the group audit.
- *Complex matters.* Requirements relating to complex matters (e.g., restrictions on access to information or people) are not reflected in the ISA for LCE as they relate to matters that are not contemplated as part of the qualitative characteristics for group audits in paragraph A.3 of the ISA for LCE.

## THE SCOPE OF THE STANDARD: WHO CAN USE THE STANDARD

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Also see [Authority Supplemental Guidance](#)

**General****Q15: When can the ISA for LCE be used?**

It is the *nature* of the entity that determines if this standard can be used. Are the business activities, organizational and ownership structures, finance function, information technology, accounting and financial reporting *less complex*? Does your jurisdiction and firm allow it to be used? If so, the standard can likely be used.

<sup>1</sup> Paragraph 1.3.1. of the ISA for LCE states that: The overall objectives of the auditor when conducting an audit of financial statements using the ISA for LCE are to:

- Obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, to enable the auditor to express an opinion on whether the financial statements are prepared, in all material respects in accordance with an applicable financial reporting framework; and
- Report on the financial statements, and communicate as required by this standard, in accordance with the auditor's findings.

<sup>2</sup> ISA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

If the entity audited is a listed entity or an entity that has public interest characteristics, the standard cannot be used.

The ISA for LCE also can be used to perform audits of group financial statements, if eligible. The group and its entities or business units are evaluated under the same criteria as discussed above, including the same qualitative characteristics, but in the context of the group. In addition, the group structure, access to information or people and the consolidation process cannot be complex. However, the use of the ISA for LCE is prohibited for group audits when component auditors are involved, except when the component auditor's involvement is limited to circumstances in which a physical presence is needed for a specific audit procedure for the group audit (e.g., attending a physical inventory count or physically inspecting assets or documents).

The ISA for LCE includes additional details and specifics on when an auditor can use the standard. These details and specifics are included in the Authority of the ISA for LCE and address specific prohibitions, qualitative characteristics, and quantitative thresholds.

#### **Q16: What are the barriers for using the ISA for LCE on my engagement?**

There are three possible barriers for using the standard for an audit engagement:

1. Your jurisdiction has not adopted the standard or prohibits the use of the standard.
2. Your firm has not established policies or procedures for the use of the standard (e.g., methodology) or prohibits the use of the standard.
3. The entity you are auditing is not a less complex entity in accordance with the Authority of the ISA for LCE.

#### **Q17: The legislative body in my jurisdiction has not yet adopted the ISA for LCE, can my firm implement the ISA for LCE and use the standard on its engagements?**

Your firm cannot use the ISA for LCE if law or regulation prohibits the use of the ISA for LCE or specifies the use of auditing standards other than the ISA for LCE for the audit of the financial statements in that jurisdiction (see paragraph A1(a) of the ISA for LCE).

### **Public Sector**

#### **Q18: Can the ISA for LCE be used for audit engagements in the public sector?**

The ISA for LCE can be used for audit engagements in the public sector. The Preface to the ISA for LCE (see paragraph P.18–P.21) recognizes this and states that the ISA for LCE is relevant to engagements in the public sector. In addition, the Preface states that the public sector auditor's responsibilities may be affected by the audit mandate, or by obligations on public sector entities arising from law, regulation or other authority (such as ministerial directives, government policy requirements, or resolutions of the legislature), which may encompass a broader scope than an audit of financial statements in accordance with ISA for LCE. Also, the Preface recognizes that these additional responsibilities are not dealt with in the standard but that they may be dealt with in the pronouncements of the International Organization of Supreme Audit Institutions or jurisdictional standard setters, or in guidance developed by public sector audit agencies.



## Group Audits

**Q19: Assume that a specific jurisdiction has adopted the ISA for LCE and the policies or procedures of the auditor's firm support the use of the ISA for LCE. Could there still be circumstances where it would not be appropriate to use the ISA for LCE for a group audit engagement?**

Yes. If the reporting entity for which group financial statements is prepared or any of the other individual entities or business units (e.g., subsidiaries) that are part of the group structure are not less complex entities in accordance with the Authority of the ISA for LCE, it is not appropriate to use the ISA for LCE for the group audit (see paragraphs A.1(d)(i) and A.3 of the ISA for LCE). In addition, even if all the entities and business units comprising the group are less complex entities as contemplated, but the group auditor determines that a component auditor will be involved in performing audit work at one or more components, other than when the involvement of the component auditor(s) is limited to circumstances in which a physical presence is needed for a specific audit procedure for the group audit, the ISA for LCE cannot be used for the group audit (see paragraph A.1(d)(ii) of the ISA for LCE).

**Q20: Can the auditor of a subsidiary perform the audit of that subsidiary (whether for statutory, regulatory or other reasons) in accordance with the ISA for LCE, assuming that the subsidiary meets the requirements as set out in the Authority of the ISA for LCE?**

Yes. In this scenario, the auditor of the subsidiary can use the ISA for LCE as the audit is a separate engagement from the group audit engagement (i.e., in essence two audits are performed: one on the group financial statements for which the group auditor has responsibility, and one on the financial statements of the subsidiary that the auditor of the subsidiary was engaged to perform).

For the purposes of the group audit, the group auditor is required to determine the components at which audit work will be performed and the resources needed to perform that work (see also question 21 and answer).

**Q21: When a component auditor is performing or has completed an audit of the component financial statements (whether for statutory, regulatory or other reasons) using the ISA for LCE, can the group auditor (who is using the ISAs for the audit of the group financial statements) use the audit work performed by the component auditor for purposes of the group audit engagement?**

Component auditors may perform an audit of the financial statements of a component, whether for statutory, regulatory or other reasons, particularly when a component is a legal entity. When a component auditor is also performing or has completed an audit of the component financial statements using the ISA for LCE, the group auditor in this scenario may be able to use audit work performed on the component financial statements, provided the group auditor is satisfied that such work is appropriate for purposes of the group audit. In addition, the component auditor may adapt the work performed on the audit of the component financial statements to also meet the needs of the group auditor.

As the group auditor is using the ISAs to perform the audit of the group financial statements, ISA 600 (Revised) applies. ISA 600 (Revised) states that any component auditors involved in the group audit are members of the engagement team and, therefore, subject to the group auditor directing and supervising component auditors and reviewing their work. Also, the group auditor ultimately evaluates whether sufficient appropriate audit evidence has been obtained from the audit procedures performed, including from the work performed by component auditors, on which to base the group audit opinion under the ISAs.

## Specific Prohibitions

**Q22: Paragraph A.2 in the ISA for LCE states that legislative or regulatory authorities or relevant local bodies with standard-setting authority can modify each class of entities described in paragraph A.1.(c) but a class cannot be removed. Does this mean that, if the local regulator agrees to allow the ISA for LCE to be used for audits of banks, auditors in that jurisdiction can use the ISA for LCE for audits of banks even though these banks have the characteristic of taking deposits from the public?**

An entity one of whose main functions is to take deposits from the public is a class highlighted in paragraph A.1.(c)(i) of the ISA for LCE. Based on paragraph A.2 this class can be modified but cannot be removed. Therefore, the regulator cannot allow the use of the ISA for LCE for auditing banks in their jurisdiction by simply removing the class in paragraph A.1.(c)(i). However, as the related Essential Explanatory Material explains, modifications can be made to a class described in paragraph A.1.(c) by permitting specific sub-sets within a class to be able to use the ISA for LCE. For example, the regulator may modify paragraph A.1.(c)(i) in such a way that the ISA for LCE may be used for certain banks that are less complex.

## Quantitative Thresholds

**Q23: Is it mandatory for a jurisdiction to determine quantitative thresholds when tailoring the Authority of the ISA for LCE?**

While complexity does not always directly relate to the size of an entity or its activities, complexity often increases when key quantitative measures increase. Therefore, the ISA for LCE (see paragraph A.4.) anticipates that legislative or regulatory authorities or relevant local bodies with standard-setting authority will determine quantitative thresholds for use of the standard in their jurisdictions. See paragraphs 45–49 of the [Authority Supplemental Guidance](#) for further guidance.

The IAASB is of the view that the inclusion of quantitative thresholds will help auditors to better understand the scope of the ISA for LCE and assist with the consistent and appropriate use of the standard. The use of quantitative thresholds may also serve as an additional safeguard to limit the range of entities perceived to be within the scope of the standard.

**Q24: Can the IAASB provide examples of quantitative thresholds?**

The IAASB has not set quantitative thresholds as the quantitative thresholds may differ significantly between jurisdictions. The [Authority Supplemental Guidance](#) (see paragraphs 45–49) provides further guidance on how to set quantitative thresholds.

Among other matters, the [Authority Supplemental Guidance](#) states that, when determining quantitative thresholds, legislative or regulatory authorities or relevant local bodies with standard-setting authority may consider criteria that are commonly used for other purposes such as an entity's:

- Revenue.
- Net assets.
- Total assets.
- Number of employees.

The [Authority Supplemental Guidance](#) also explains that legislative or regulatory authorities or relevant local bodies with standard-setting authority may consider existing definitions of “micro” or “small-sized”



entities in their jurisdiction. While these definitions or thresholds may be used for different reasons (for example, driving the availability of grants or assistance, or for regulatory requirements), they may be appropriate examples of what may be considered “small” in a jurisdiction. The Authority of the ISA for LCE includes two examples of existing definitions or thresholds in a jurisdiction, developed for different purposes, that may be used as quantitative thresholds for when the ISA for LCE is appropriate for use, adjusted for the economic and other circumstances of a jurisdiction.

## THE STANDARD



Also see [the First-Time Implementation Guide](#)

### **Q25: Are there any phases of the audit where the requirements of the ISA for LCE are different from the ISAs?**

Appendix 1 to the [First-Time Implementation Guide](#) describes, among other matters, the key differences between the ISAs and the ISA for LCE. For example, one area where several key differences between the ISAs and the ISA for LCE are identified is for the risk identification and assessment (see Part 6 of the ISA for LCE). In addition to the key differences identified, several other changes were made to make Part 6 more proportionate to the typical nature and circumstances of an audit of less complex entities. For example:

- Identifying and assessing risks of material misstatement have been combined into a single requirement.
- This requirement was also combined with the requirement to determine the relevant assertions and the related significant classes of transactions, account balances and disclosures.

### **Q26: Does the ISA for LCE allow the auditor to combine the assessment of inherent and control risk?**

No. The ISA for LCE requires a separate assessment of inherent risk and control risk. See paragraphs 6.4.1 (b)(ii) and 6.4.7. of the ISA for LCE.

### **Q27: Will International Standards on Quality Management (ISQM) be applicable to the ISA for LCE?**

Yes. The ISA for LCE is premised on the basis that the firm is subject to ISQM 1<sup>3</sup> or to national requirements that are at least as demanding. See paragraphs P.1 and 1.2.2. of the ISA for LCE.

<sup>3</sup> ISQM 1, *Quality Management for Firms that Perform Audits or Reviews for Financial Statements, or Other Assurance or Related Services Engagements*

## TRANSITIONING OUT OF THE STANDARD



Also see [First-Time Implementation Guide](#)

### **Q28: Is there any guidance for practitioners on how to manage transitioning out of the ISA for LCE due to changes in the complexity of the entity audited?**

Respondents to the [Exposure Draft](#) of the ISA for LCE raised concerns about transitioning out of the ISA for LCE. To address these concerns, the IAASB considered circumstances where a single area of complexity may occur that may not be deemed pervasive to the complexity of the entity as a whole and where, other than for the one area of complexity, it may still be appropriate to use the ISA for LCE. The IAASB identified that accounting estimates are the most common area where this could occur. One or a few complex accounting estimates are not necessarily an indicator of complexity for the entity more broadly. Therefore, the IAASB updated the Authority of the ISA for LCE regarding accounting estimates in the entity's financial statements and added requirements related to more complex accounting estimates in the ISA for LCE. Given these changes to the standard, transitioning to the ISAs would be less likely. Also see the [Basis for Conclusions](#) (paragraphs 32–34, 43–44, 51–54, 117 and 123).

#### *Transitioning mid-engagement*

In the case the auditor needs to transition to the ISAs mid-engagement, the [First-Time Implementation Guide](#) provides guidance on how to do so. Among other matters the guide notes that the incremental procedures needed will vary depending on the facts and circumstances of the audit engagement. Broadly the auditor needs to:

- Re-establish the terms of engagement, for example through the issuance of an updated engagement letter.
- Reissue communications with management or those charged with governance.
- Evaluate whether sufficient work has been performed in the planning phase of the audit.
- Consider whether there are any additional procedures required on opening balances.
- Evaluate the sufficiency and appropriateness of work already performed.
- Design and perform additional procedures necessary to comply with all applicable ISA requirements (or requirements of other applicable auditing standards), with additional documentation as appropriate.
- Undertake other actions as considered necessary to meet the objectives of the ISAs (or requirements of other applicable auditing standards) or to meet the obligations in terms of the firm's policies or procedures.

#### *Transitioning after prior year's engagement*

In the case the auditor needs to transition to the ISAs after the prior year's engagement is completed (i.e., the ISA for LCE was used for the prior period and the ISAs must be used for current period), ISA 510<sup>4</sup> on

<sup>4</sup> ISA 510, *Initial Audit Engagements—Opening Balances*

initial audit engagements and ISA 710<sup>5</sup> on comparative information provide requirements for audit procedures and related guidance. Regarding the auditor's report, when the financial statements include corresponding figures or comparative financial statements and the prior period was audited under a different auditing standard(s), the auditor is not required to include information regarding the auditing standard(s) used for different periods in the auditor's report. Although not required, the auditor may include an Other Matter paragraph to highlight that the previous period was audited using a different auditing standard.

## MAINTENANCE

### Q29: How will the standard be maintained?

The IAASB is committed to maintain the ISA for LCE for changes in the audit environment and is of the view that the ISA for LCE must remain up to date and, to the greatest extent possible, consistent with the ISAs. In this regard, the IAASB views the ISA for LCE as an alternative to the ISAs that has been designed to be proportionate to the typical nature and circumstances of an audit of a less complex entity. Therefore, the IAASB decided to update the ISA for LCE for revisions to the ISAs. To avoid having to discuss the same issues twice (e.g., when revising an ISA and when revising the ISA for LCE), the IAASB decided to start working on revising the ISA for LCE after the finalization of an ISA related project. Under this approach, the effective date of the revised ISA for LCE is likely to be at least one year later than the effective date of the revised or new ISA. This provides stakeholders who use the ISA for LCE with more time to prepare for the changes. When revising the ISA for LCE the IAASB will take into account the design principles of the ISA for LCE.

After the ISA for LCE becomes effective on December 15, 2025, there will be an initial period of stability of at least three years. Meaning any possible future revisions to the ISA for LCE would not become effective before December 15, 2028. This initial period of stability will provide stakeholders with time to adopt and implement the standard before introducing any possible revisions. Also see the [First-Time Implementation Guide](#).

### Q30: Considering the unique challenges faced by less complex entities, how can we ensure that the ISA for LCE evolves to not only maintain relevance but also proactively addresses the changing environment, especially in light of emerging technologies and shifting business models.

As noted above, the IAASB is committed to maintain the ISA for LCE for changes in the audit environment and this includes changes because of emerging technologies and shifting business models.

## ADOPTION AND IMPLEMENTATION

### Q31: What implementation support has IAASB provided?

In addition to the standard and this FAQ, the materials below were published to support the adoption and implementation of the ISA for LCE:

- [Basis for Conclusions](#);
- [Fact sheet](#);
- [First-Time Implementation Guide](#);

<sup>5</sup> ISA 710, *Comparative Information—Corresponding Figures and Comparative Financial Statements*

- [Authority of the Standard Supplemental Guidance](#);
- [Auditor Reporting Supplemental Guidance](#);
- [Adoption Guide](#);
- [Overview presentation deck](#);
- [Video series “Navigating the ISA for LCE”](#); and
- [Global Webinar](#).

All materials are published on the IAASB website: [iaasb.org/ISAforLCE](https://iaasb.org/ISAforLCE)

**Q32: Will the IAASB publish a document that maps the requirements in the ISAs to the requirements in the ISA for LCE (i.e., a mapping document)?**

When the IAASB published the [Exposure Draft](#) of the ISA for LCE, [mapping documents](#) were published. These documents illustrated how the requirements from the ISAs had, or had not, been incorporated within the draft ISA for LCE. The objective of the documents was to help respondents to the exposure draft understand the ISA for LCE requirements to inform their comment letters. Now that the ISA for LCE is published, it was decided that such a mapping document is not needed as the ISA for LCE is developed as a standalone standard.

The key differences between the ISA for LCE and the ISAs are highlighted in the [First-Time Implementation Guide](#) (see Appendix 1 of the [First-Time Implementation Guide](#)).

**Q33: Are there illustrative examples to help auditors implement the ISA for LCE?**

The ISA for LCE includes the following illustrative examples:

- Illustrative engagement letter (Appendix 2 of the ISA for LCE)
- Illustrative representation letter (Appendix 7 of the ISA for LCE)
- Illustrative auditor’s report (Section 9.4 of the ISA for LCE)

In addition, the [Auditor Reporting Supplemental Guidance](#) provides illustrative auditor’s reports, for different circumstances such as when the auditor has a qualified opinion.

This document was prepared by the Staff of the International Auditing and Assurance Standards Board (IAASB).

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

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