



INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA

Accountancy House, off Trinity Avenue, Okponglo, East Legon P. O. Box GP 4268 Accra, Ghana
tel: 0544336701/2 | 027780422/3 ext. | email: info@icagh.com | www.icagh.org | GA - 416 - 9898

The Technical Director
International Auditing and Assurance Standards Board (IAASB)
New York

January 25, 2022

Dear Sir,

Comments on Proposed ISA for Less Complex Entities

We are grateful to the IAASB for the opportunity given us to comment on the Exposure Draft (ED) on Proposed ISA for Less Complex Entities (LCEs). We welcome the initiative of the IAASB to develop a standalone standard for auditing LCEs, including detailing any areas of concern in applying the proposed standard, or possible obstacles that may impair this approach. We believe that the outcome of this exposure draft will lead to the development of a more workable standard that could be applied in auditing less complex entities.

Below are our responses to the questions raised in the Exposure Draft

General Comments on Proposed ISA for LCE

Specific Questions

Section 4A – Overarching Positioning of ED-ISA for LCE

1. Views are sought on:
 - a. The standalone nature of the proposed standard, including detailing any areas of concern in applying the proposed standard, or possible obstacles that may impair this approach?

Response: We agree with the standalone nature of the proposed standard. This sets it apart and provides one reference point to go to when performing the audit. There is possibility of practitioners encountering challenge if ISA for LCE is used when auditing entity applying full IFRS accounting framework. This is because full IFRS requires a lot of disclosures which might not be compatible with ISA for SME. There is also the issue of identifying which entities are less complex.

We agree with par. 30 of Section 4A which states; “the possible challenges of using the proposed standard in the future did not outweigh the benefits of a standalone standard. Furthermore, the proposed standard has been developed to help auditors understand the flow of an audit with clear and understandable requirements”.

b. The title of the proposed standard.

Response: We believe the title is appropriate. Whiles maintaining the wording ISA in its title, it distinguishes itself from other standards by referencing its use “for Less Complex Entities”.

Par. 36 “*to avoid confusion about the standalone nature of the standard and ISAs being incorrectly used in conjunction with the standard, the IAASB opted against the placement of ED-ISA for LCE within the existing ISA series*”

c. Any other matters related to ED-ISA for LCE as discussed in this section (Section 4A).

Response: None that we can think of.

d. Do you agree with the proposed conforming amendments to the IAASB Preface (see paragraphs 39-40)? If not, why not, and what further changes may be needed?

Response: We do agree with the proposed conforming amendments to the IAASB Preface (on page 166 of the standard). The proposed conforming amendments fold the ISA for LCE’s into the preface of the IAASB’s preface.

Section 4B – Authority of the Standard

Views are sought on the Authority (or scope) of ED-ISA for LCE (Part A of the proposed standard). In particular:

a. Is the Authority as presented implementable? If not, why not?

Response: Yes. It is very much implementable. It sets out very clear guidelines on what is prohibited quite broadly whiles allowing local jurisdictions the leeway to fine tune what is relevant in their local jurisdictions. There is even a provision for qualitative characteristics which fine tunes the distinction of what is an LCE even further to the engagement level thereby providing for input from individual practitioners (audit firms). The clearly prohibited entities are easily understood and unambiguous in identification. So, it is simple yet allows the standard to be fine-tuned for the various jurisdictions internationally.

b. Are there unintended consequences that could arise that the IAASB has not yet considered?

Response: we cannot think of any unintended consequences that could arise that the IAASB has not yet considered.

c. Are there specific areas within the Authority that are not clear?

Response: All the specific areas within the Authority are very clear.

d. Will the Authority, as set out, achieve the intended objective of appropriately informing stakeholders about the scoping of the proposed standard?

Response: Yes. It would be extremely difficult to define exactly what an LCE is as there are a large variety of industries and corporate forms in the world and therefore, as per the exposure draft guidance provided *“the IAASB had the view that this approach did not clearly capture all the circumstances that may make an entity less complex”*.

A judgment approach (leaving to the practitioner) was considered, but this was not deemed appropriate from a consistency perspective.

The IAASB has settled on explaining the scope through *“prohibiting the use of the proposed standard for certain classes of entities (negative approach), and further describing those qualitative characteristics that would make the standard inappropriate to use (i.e., collectively describing when the proposed standard is inappropriate for use because the audit would not be considered an audit of an LCE).”*

As such, it is simpler and more direct to define what is not an LCE. Therefore, a clear description of the types of entities for which the ISA for LCE is not intended—as set out in the Authority of the Standard and described in paragraph 50 —is essential so that:

- (i) The IAASB could decide on the requirements that are appropriate for an audit of an LCE based on the typical nature and circumstances of such entities.
- (ii) Legislative or regulatory authorities or relevant local bodies with standard-setting authority, firms and auditors will be informed of the intended scope of the proposed standard.

e. Is the proposed role of legislative or regulatory authorities or relevant local bodies with standard setting authority in individual jurisdictions clear and appropriate?

Response: We believe so. Certain classes of prohibited entities need no interaction from relevant local bodies or standard setting authorities such as listed entities or group audits. Others, such as those prohibited by law or regulation and public interest entities, where there is some judgment from legislative/regulatory authorities or relevant local bodies are clearly defined in the draft.

The role through law or regulation is obvious. The role through public interest entities allows relevant local bodies/standard setting authorities to;

- i. Add a class of entities to the list of prohibited entities
- ii. Permit specific sub-sets within a set to be able to use the standard
- iii. Use quantitative thresholds to prohibit use of the standard for certain entities.

They may remove or amend modifications that they have made.

f. Do you agree with the proposed limitations relating to the use of ED-ISA for LCE? If not, why and what changes (clarifications, additions or other amendments) need to be made? Please distinguish your response between the:

- a. Specific prohibitions; and
- b. Qualitative characteristics.

If you provide comments in relation to the specific prohibitions or qualitative characteristics, it will be helpful to clearly indicate the specific item(s) which your comments relate to and, in the case of additions (completeness), be specific about the item(s) that you believe should be added and your reasons.

Response: (a) The limitations related to Specific prohibitions all seem to be in order. The Specific prohibitions are;

- a. Prohibition by law or regulation. Local bodies can particularize the implementation of the standard to their own peculiar needs.
- b. A specific category of Public interest entities (Listed entities).
- c. Other Public interest entities – such as
 - i. Entities who take deposits from the public
 - ii. Entities who provide insurance to the public
 - iii. Entities who provide post-employment benefits
 - iv. Entities who act as collective investment vehicles and issue redeemable financial instruments to the public.
- d. Group entities

All the entities listed above seem to have a degree of complexity to them that would not be appropriate for this ED-ISA for LCE. We agree with their exclusion. We do not have any additions or subtractions to this group of specific prohibitions.

- g. With respect to qualitative characteristics, the guidance points out certain qualities that we agree add an air of complexity to the engagement. The guidance points to:
 - The entity's business activities, business model or the industry in which the entity operates
 - The organizational structure is not relatively straightforward or simple
 - The entity's operations are subject to a higher degree of regulation or to significant regulatory oversight.....
 - **Transactions and Information Processing**

There is complexity in data collection and processing....

- *The Entity's IT Environment and IT System(s)*

The IT organizational structure involves a dedicated IT department(s) that have structured processes, develop and implement program changes, manage access rights and are supported by

personnel that have software development and IT environment maintenance skills. Alternatively, the entity may use internal or external service providers to manage certain aspects of, or IT processes within, its IT environment to meet its IT needs as indicated by the nature and extent of its business activities and related transactions and events.

The entity has numerous IT systems and applications where information is passed from one IT system/application to another with complicated data interface.

The entity's IT environment includes highly-customized or highly-integrated IT applications, including financial reporting processes or IT applications that may be integrated with other applications (such as ERP systems).

- ***The Entity's Accounting Estimates***

The entity's accounting estimates are subject to a higher degree of estimation uncertainty

We are not sure why complex Revenue Recognition would not be a part of qualitative complex characteristics. Other than that, we do not have any additions or subtractions to these qualitative restriction on the usage of the draft LCE.

h. Regarding the Authority Supplemental Guide:

- a. **Is the guide helpful in understanding the Authority? If not, why not?**

Response: The Supplemental Guide is very helpful. It jumps right into the draft standard from the first sentence and directly provides guidance in simple language with no frills. It purposely focuses on the major concepts therefore simplifying the guidance. We also like the fact that it goes through in detail jurisdictional determinations (areas where legislative or regulatory authorities may consider and have an impact when it comes to the implementation of this draft exposure draft for LCE's.) We would like to however suggest that there be a table of contents or some sort of direction at the beginning to enable readers more easily transverse this guidance.

- b. **Are there other matters that should be included in the guide?**

Response: None that we can think of that should be included in the guide.

- i. **Are there any other matters related to the Authority that the IAASB should consider as it progresses ED-ISA for LCE to finalization?**

Response. The guide should include memo and other demonstration examples for the practitioners.

Section 4C – Key Principles Used in Developing ED-ISA for LCE

Views are sought on the key principles used in developing ED-ISA for LCE as set out in this Section 4C. Please structure your response as follows:

- a. **The approach to how the ISA requirements have been incorporated in the proposed standard (see paragraphs 74-77).**

Response: We agree with the principle and approach used in developing ED ISA for LCE. This will achieve uniformity of the two standards. This mapping approach is similar to what we use when implementing a new reporting framework. We agree with this approach. This was accomplished by replicating or adapting requirements from the ISAs that are considered core to an audit, for the nature and circumstances of less complex entities as contemplated by the proposed standard. Audit procedures that are not relevant to an LCE, as contemplated by the proposed standard (e.g., procedures specific to listed entities), are not included within ED-ISA for LCE. Paragraph 104 further explains how the ISAs have been included within ED-ISA for LCE.

b. The approach to the objectives of each Part of the proposed standard (see paragraphs 78-80).

Response: This seems to be in order. The objectives in ED-ISA for LCE align, where appropriate, to the equivalent ISA objectives. In some Parts there may be numerous topics addressed for which the equivalent ISAs for these individual topics would each have their own objective(s)). Therefore, some of the objectives in ED-ISA for LCE may be more broadly stated than would be found in the ISAs.

The IAASB also considered the intended outcomes of the objectives of all the Parts combined and debated whether the individual objectives would achieve the overall objectives of the auditor (see ED-ISA for LCE paragraph 1.3.1) when combined, and agreed that the overall objectives could be achieved.

Grouping the standard into parts made it easy to read and apply, although we are of the view that it might lead to some important areas of the section to be omitted from the ISA which need to have been included.

c. The principles in relation to professional skepticism and professional judgement, relevant ethical requirements and quality management (see paragraphs 81-84).

Response: We agree with the principle used regarding professional skepticism and professional judgement. The principles in relation to professional skepticism, professional judgement, relevant ethical requirements and quality management mirror the ISA requirements. This is in order and is acceptable.

d. The approach to EEM (see paragraphs 85–91) including:

- (i) The content of the EEM, including whether it serves the purpose for which it is intended.**
- (ii) The sufficiency of EEM.**
- (iii) The way the EEM has been presented within the proposed standard.**

Response: The EEM should be developed just like ISA because it expands the objective and explains the main requirement of the standard.

- (i) ED-ISA for LCE includes “essential explanatory material” (EEM) where it has been considered that explanatory material is crucial to support the requirements or concepts used. The EEM serves a similar purpose to application and other explanatory material in the ISAs, but is much more limited than what is presented within the ISAs, and is targeted

at a higher level (i.e., a conceptual and contextual level), taking into account the typical nature and circumstances of audits for which the proposed standard has been designed.

- (ii) Not every concept or requirement is explained. EEM has only been provided when it is deemed to provide crucial support to the appropriate application of the concept or requirement(s). EEM does not in itself impose a requirement or expand any requirement. Rather it is used when the explanation or guidance it provides is considered to be so important that including it in the proposed standard and positioning it alongside the requirement(s) is deemed necessary and informative for a proper understanding of the requirement(s). Given this, we believe the EEM has sufficiency.
- (iii) To distinguish EEM from the requirements within ED-ISA for LCE, the EEM has been presented in italics (and highlighted in light blue). There are two 'types' of EEM included: general introductory EEM that explains the context of the section that follows and EEM specific to the requirement directly above it. However, there is no difference in the status of each 'type'. The presentation to us seems okay.

Section 4D – Overall Design and Structure of ED-ISA for LCE

- a. **Please provide your views on the overall design and structure of ED-ISA for LCE, including where relevant, on the application of the drafting principles (paragraph 98-101).**

Response: **Structure** - The content (i.e., the requirements and related EEM) of ED-ISA for LCE have been grouped into nine "Parts" that follow the flow of an audit engagement (rather than by subject matter or topic like the ISAs). There is therefore a natural order of this ED-ISA that mirrors more closely an audit and is therefore easier to follow than conventional ISAs. These nine Parts are preceded by a Preface to the standard, and the Authority.

Preface - Explains the **design**, intended use and format of the proposed standard, the responsibilities of management and the approach to future maintenance of the standard, as well as other relevant matters that do not form part of the standard

Authority (Part A) - Sets out the circumstances for which the proposed standard is prohibited or otherwise limited.

Parts 1 – 3 - Set out the broad concepts and overarching matters relevant to the audit performed using ED-ISA for LCE, including the overarching objective of the audit. Section 4E below further explains the detailed content of each individual Part.

Parts 4 – 9 - Set out the core requirements for an audit of an LCE following the typical flow of an audit. Section 4E below further explains the detailed content of each individual Part.

Appendices - Appendices 1 – 6 set out certain specific considerations and matters for an audit of an LCE, and also illustrative documents. Appendices presented within the ED-ISA for LCE have the same status as the EEM.

This to us is a complete and comprehensive approach for such an important standard.

With respect to drafting principles; - The use of long or multiple layers of bullet lists is avoided as this may be perceived as a checklist rather than a principles-based approach. Material that is lengthy, educational or background in nature has not been included. In addition, the IAASB has focused on:

- Simpler numbering.
- Limiting the number of “sub-bullets” where appropriate.
- One thought per paragraph.
- Combining requirements from the ISAs where appropriate and avoiding repetition.
- Articulating the requirements in a clearer and simpler way where feasible.

These are all important in combining the ISAs and simplifying the output to be applied in an audit of LCEs.

IAASB should also develop application and other explanatory material just like it applies to ISAs.

Section 4E – Content of ED-ISA for LCE

- a. **Please provide your views on the content of each of Parts 1 through 8 of ED-ISA for LCE, including the completeness of each part. In responding to this question, please distinguish your comments by using a subheading for each of the Parts of the proposed standard.**

Response: See summary by part below: We reviewed the Mapping document between the complete ISA's to the ISA for LCE's noting any significant issues that might arise.

Part 1: Fundamental Concepts, General Principles and Overarching Requirements

We have no comment.

Part 2: Audit Evidence and Documentation

We have no comments in this section.

Part 3: Engagement Quality Management

We have no comments in this section.

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

We have no comments in this section.

Part 5: Planning

We have no comments in this section.

Part 6: Risk Identification and Assessment

We have no comments in this section. The language in the LCE merely simplifies the language in the ISA's.

Part 7: Responding to Assessed Risks of Material Misstatement –

We have no comments in this section.

Part 8: Concluding –

We have no comments in this section.

- b. For **Part 9**, do you agree with the approach taken in ED-ISA for LCE with regard to auditor reporting requirements, including:
- i. The presentation, content and completeness of Part 9.
 - ii. The approach to include a specified format and content of an unmodified auditor's report as a requirement?
 - iii. The approach to providing example auditor's reports in the Reporting Supplemental Guide.

Response: Part 9: Forming an Opinion and Reporting

- i. This part appears to include all the elements of an auditor's report. It first sets out the requirements for forming an opinion (including the types of audit opinions), the content of the auditor's report and then other information and comparative information.
- ii. In order to ensure consistency in approach as well as compliance with the standards, the ED-ISA for LCE part 9 provides a specified content and format for an unmodified auditor's report that cannot be deviated from. Departures from the wording of the report are not permitted except where required for compliance with law or regulation, or when the opinion or report needs to be modified in response to the specific engagement circumstances. The IAASB has the view that having a specified format for the auditor's report would be easier for users of the proposed standard and improve consistency in application.
- iii. We agree wholeheartedly with the example auditor's reports in the supplemental guide. In addition to the requirements in Part 9, the IAASB has developed a non-authoritative guide (Supplementary Guidance – Reporting (the Reporting Supplemental Guide) that can be found on the ISA for LCE Exposure Draft webpage) to provide further guidance and examples on modifications to the auditor's report, including a number of full illustrative reports. This Reporting Supplemental Guide also addresses changes to the auditor's report for emphasis of matter paragraphs, other matter paragraphs, as well as further guidance as to which reports may be appropriate in various circumstances.

c. With regard to the Reporting Supplemental Guide:

- i. Is the support material helpful, and if not, why not?

Response: It is quite helpful. It goes through the unmodified auditors report element by element explaining what each is, then it goes through modifications to the auditor's report. It discusses the Basis for the opinion and also the emphasis of matter paragraph and other matters paragraph. It discusses "other information" and also material uncertainty related to going concern. Finally, it has appendices showing illustrative auditors reports.

- ii. **Are there any other matters that should be included in relation to reporting?**

Response: None that we can think of.

- d. Are there any areas within Parts 1–9 of the proposed standard where, in your view, the standard can be improved? If so, provide your reasons and describe any such improvements. It will be helpful if you clearly indicate the specific Part(s) which your comments relate to.

Response: IAASB should include confirmation in the ISA for LCE.

Section 4F – Other Matters

- a. Please provide your views on transitioning:

- i. Are there any aspects of the proposed standard, further to what has been described above, that may create challenges for transitioning to the ISAs?

Response: The simplicity of ISA of LCE could create challenges when faced with transactions such as related parties, going concern and others not anticipated in the initial or recurring audit.

- ii. What support materials would assist in addressing these challenges?

Response: IAASB should provide sufficient guidance to assist practitioners in this instances

- b. Do you agree with the proposed approach to the future updates and maintenance of the Standard and related supplemental guidance?

Response: Yes we do. Per the guidance, the need for a stable platform is balanced by the IAASB's desire to ensure standards are up to date, consistent and that requirements relating to the same topic are not substantially different between ED-ISA for LCE and the ISAs.

Per the guidance, not updating ED-ISA for LCE on the same timeline as revisions to ISAs will create a timing difference in the effective date of requirements applicable to the same topic under both sets of standards. Therefore, on balance the IAASB agreed to commit to propose that amendments to ED-ISA for LCE will be made periodically when projects to revise ISAs are undertaken. As part of each ISA project, it is intended that there will be explicit consideration of when the changes to ED-ISA for LCE will be made, and proposals for those changes that are needed to ED-ISA for LCE developed accordingly.

The IAASB would also consider any specific issues that have been brought to the attention of the IAASB regarding application of ED-ISA for LCE. If there is an urgent matter(s) that would make ED-ISA for LCE inoperable in the circumstance if a change(s) is not made, there is also the ability to process a narrow scope amendment to make such a change. It is expected that updates to the supplemental guidance (Authority and Reporting) will be made using the same timescale as changes to the proposed standard.

For the initial rollout, the IAASB expects that there will be a period of at least eighteen months between when any final amendments to ED-ISA for LCE are issued and the effective date of the updated revised standard, with the option to adopt revisions early (in the same way that newly revised or issued ISAs may be adopted early).

We also proposed centralize email where practitioners could send information on challenges that could assist IAASB collect feedback for future updates.

- c. For any subsequent revisions to the standard once effective, should early adoption be allowed? If not, why not?**

Response: Yes, with the option to adopt revisions early (in the same way that newly revised or issued ISAs may be adopted early).

- d. Should a separate Part on the ISA-800 series be included within ED-ISA for LCE? Please provide reasons for your response.**

Response: Yes, it should. But given the early stages of development of this standard, we agree with the authors that this can be deferred to a later date when the dust has settled. It is anticipated that most SMEs who use ISA -800 might also be classified as less complex entities.

- e. In your view, would ED-ISA for LCE meet the needs of users and other stakeholders for an engagement that enables the auditor to obtain reasonable assurance to express an audit opinion and for which the proposed standard has been developed? If not, why not. Please structure your comments to this question as follows:**

- i. Whether the proposed standard can, and will, be used in your jurisdiction.**

Response: We believe it will. Standard setting bodies are already gearing up for this. Apart from public interest entities as well as large company, SMEs dominate entities in Ghana.

- ii. Whether the proposed standard meets the needs of auditors, audited entities, users of audited financial statements and other stakeholders.**

Response: We believe it does. The guidance is sufficient to provide support for all stakeholders. It will go a long way to enhance the efficiency of auditor and reduce the cost auditing entities.

- iii. Whether there are aspects of the proposed standard that may create challenges for implementation (if so, how such challenges may be addressed).**

Response: We do not think of any aspects of the proposed standard that may create challenges for implementation.

- f. Are there any other matters related to ED-ISA for LCE that the IAASB should consider as it progresses the proposed standard to finalization?**

Response: IAASB should re-evaluate possibility of including related parties and going concern in ISA for LCE because most SMEs are dominated by owner managed and faces going concern challenges.

Section 4G - Approach to Consultation and Finalization

- a. What support and guidance would be useful when implementing the proposed standard?**

Response: All mentioned in the guidance such as social media, articles and communiques are good. We also suggest a Common FAQ page and also media where practitioners can ask questions directly and support is available to direct them to the right guidance (related FAQ). IAASB should issue a guide to ISA for LCE with examples and authoritative to provide guidance for practitioners.

- b. Translations—recognizing that many respondents may intend to translate the final ISA for LCE in their own environments, the IAASB welcomes comment on potential translation issues noted in reviewing ED-ISA for LCE.**

Response: None that apply to our jurisdiction. We operate in English. However, there will be problem identifying the list of prohibitions for some jurisdiction as result of different definition for public Interest entities and legal regime. Some SMEs will fall into both the definition of full ISA and ISA for LCE despite the list of prohibition for ISA for LCE.

- c. Effective Date—Recognizing ISA for LCE is a new standard, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning at least 18 months after the approval of a final standard. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA for LCE.**

Response: This appears to be sufficient. This will provide sufficient time for configuration and Integration of auditing software as well as training for auditing staff.

Section 5 – Group Audits

- a. The IAASB is looking for views on whether group audits should be excluded from (or included in) the scope of ED-ISA for LCE. Please provide reasons for your answer.**

Response: Group audits should be included within the scope of ED-ISA for LCE. We are of the view that the qualitative characteristics could be the measure of use. This would make the standard longer, but we believe this would be more representative of the reality of Group audit. On the other hand, we think that the group audit should be excluded because less complex entity by defining do not always prepare group financial statements for audit.

- b. Respondents in public practice are asked to share information about the impact of excluding group audits from the scope of ED-ISA for LCE on the use of the proposed standard. In particular:**

- i. Would you use the standard if group audits are excluded? If not, why not?**

Response: We would still continue to use the standard.

- ii. Approximately what % of the audits within your firm or practice would be group audits that would likely be able to use ED-ISA for LCE (i.e., because it is likely that such group audits could be considered less complex entities for the purpose of the proposed standard) except for the specific exclusion?**

Response: 0% - 5%

iii. What common examples of group structures and circumstances within your practice would be considered a less complex group?

Response: Less complex group will be considered when none of the companies forming the group is public Interest entity, government entity or no multinational entity included in the group.

- c. If group audits are to be included in the scope of ED-ISA for LCE, the IAASB is looking for views about how should be done (please provide reasons for your preferred option):**
- i. The IAASB establishes a proxy(ies) for complexity for when the proposed standard may be used ("Option 1 - see paragraph 169); or**
 - ii. ED-ISA for LCE sets out qualitative characteristics for complexity specific to groups (Option 2 - see paragraph 176), to help users of the proposed standard to determine themselves whether a group would meet the complexity threshold.**

Response: We believe the second option (b) on qualitative characteristics would be more appropriate. This will help users to determine whether to use ISA for LCE or to use full ISA when performing financial statement audit for a group. The group audit should be prohibited from use if one of the company among the group is public Interest Entity or fall into the definition of one or more of the prohibited list. Additionally, IAASB can list some of the Industries or specific Industries which when part of the group, are considered complex to be prohibited from using ISA for LCE.

- d. Are there other ways that group audits could be incorporated into the scope of the proposed standard that is not reflected in the alternatives described above? For example, are there proxies for complexity other than what is presented in paragraph 169 that the IAASB should consider?**

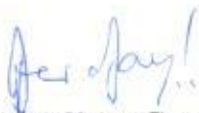
Response: .The standard on group audit could be optional if certain percentage of overall revenue is not greater than a certain value to be defined.

- e. If group audits are included in ED-ISA for LCE, how should the relevant requirements be presented within the proposed standard (please provide reasons for your preferred option):**
- i. Presenting all requirements pertaining to group audits in a separate Part; or**
 - ii. Presenting the requirements pertaining to group audits within each relevant Part.**

Response: We prefer option (a) because it will be easy to implement the content and applied to audit work. Situating all requirements for group audits in a separate part is ideal.

We hope the IAASB finds these comments helpful in further developing its consultations on “Proposed ISA on Less Complex Entities”. In turn, we are committed to helping the IAASB in whatever way possible to build upon the results of this Exposure Draft. We look forward to strengthening the dialogue between us. Please do not hesitate to contact us should you wish to discuss any matters raised in this submission.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Osei Adjaye-Gyamfi".

Osei Adjaye-Gyamfi
(Director, Technical and Research)