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**STRENGTHENING THE WIDER CORPORATE REPORTING ECOSYSTEM:
ARE WE ENTERING A NEW AUDIT ERA?**

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ACCA IN COLLABORATION WITH HAASOB AND SOEL



Marianna Rogdaki,
Audit and Business
Law manager,
Professional Insights,
ACCA

AUTHOR

Marianna is Audit and Business Law manager at ACCA's Professional Insights team based in London. She has an extensive professional and academic background in the auditing field and her research interests help shape ACCA's policy in Audit and Assurance.

She works within the Business Reporting team, mainly in audit-related projects, while engaging with the ACCA Global Forums in Audit and Assurance and Business Law.

An aerial photograph of a city, likely Singapore, showing a winding road that curves through a dense forest. The road is dark asphalt with white lane markings and a few cars. To the right of the road, there are several high-rise apartment buildings with balconies. The overall scene is a mix of urban development and nature.

ACCA contributes to the evolving role of the profession, via its global thought leadership reports and responses to consultations of standard setters, policy makers and regulators, influencing discussions that impact on all our futures. The ACCA Professional Insights team seeks answers to the big questions around being an accountant and helps to understand where our profession is today and where it is going. ACCA plays a key role in shaping and leading policy developments globally. For more information, please visit: [ACCA Professional Insights](#).

This report outlines some of the key proposals of specific consultation documents and does not express any views on the ACCA's policy position and related responses to these consultations.

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Executive summary

Reform reviews, both in the EU and globally, are currently proposing radical changes of the wider financial reporting ecosystem. These reforms relate to the three main pillars – namely audit, corporate governance and the supervision and enforcement of these (as identified by the European Commission in the EU) – contributing to high-quality and reliable corporate reporting.

Unsurprisingly, the auditing profession is at the heart of these reforms, with proposals expected to reshape it fundamentally. At the same time, and while these reforms mainly focus on public interest entity (PIE) audits and PIE auditors, major developments are taking place in the global audit and assurance standard-setting arena with audits of less complex entities (LCEs) being in the frontline.

This report provides a brief summary of some of the key recent developments by reference to the Business Energy and Industrial Strategy (BEIS) consultation white paper *Restoring Trust in Audit and Corporate Governance: Proposals on Reforms in the UK* (BEIS 2021), the European Commission's consultation paper *Strengthening of the Quality of Corporate Reporting and Enforcement in the EU* (EC 2021) and the newly developed proposed International Standard on Auditing (ISA) for Less Complex Entities issued by the International Auditing and Assurance Standards Board

(IAASB) (IAASB 2021), aiming to raise awareness of their implications for the audit profession.

In addition, the report refers to the relevant skills expected of the future auditor in light of the proposals set out in the above-mentioned reform reviews.

This report is intended primarily to guide and inform audit practitioners, and professional accountants more widely, to:

- keep them abreast of the changes and enable them to understand what these changes mean for the auditor of today
- keep them up to date to support audited entities better
- enable them to understand the implications for new skills, learning and development for the auditor of the future, arising from these changes.

THESE REFORMS RELATE TO THE THREE MAIN PILLARS – NAMELY AUDIT, CORPORATE GOVERNANCE AND THE SUPERVISION AND ENFORCEMENT OF THESE – CONTRIBUTING TO HIGH-QUALITY AND RELIABLE CORPORATE REPORTING.



1. Introduction

The audit profession is currently at the centre of major proposed reforms of the wider financial reporting ecosystem in the EU and the UK.

The three main pillars of these reforms, namely audit, corporate governance and the supervision and enforcement of these (as identified by the European Commission in the EU (EC 2021: 3) are currently under review by the EC and the UK, with proposals expected to reshape the context in which the audit profession will operate in the future. These proposals aim to restore trust and improve the quality and reliability of the three pillars in the wake of several recent corporate failures in Europe (eg Wirecard, Carillion), suggesting that the role of the audit should be reinforced.

Most of the above-mentioned proposed changes focus on the overall structure of the wider financial reporting ecosystem and to a great extent refer to PIE audits. In practice, the global economy contains a high proportion of small, less complex entities (LCEs). The concurrent increases in complexity of structures and transactions lead to the development of more complex International Standards of Auditing (ISAs), which can be challenging when applied to the audit of LCEs. This has led to a major current development in international auditing and assurance standard-setting, with a new developed International Standard on Auditing (ISA), focusing on the audit of LCEs (IAASB 2021).

The purpose of this report is to provide a brief summary of some of these key recent developments, with a focus on three on-going projects of significant importance; the UK BEIS white paper on *Restoring Trust in Audit and Corporate Governance* (BEIS 2021 – hereafter '*BEIS consultation*'), the European Commission's consultation document *Strengthening of the Quality of Corporate Reporting and Enforcement in the EU*

(EC 2021 – hereafter '*EC Consultation*'), and the IAASB's Exposure draft (ED) on the Proposed ISA for Audits of Financial Statements of Less Complex Entities (IAASB 2021– hereafter '*ED – ISA for LCE*').

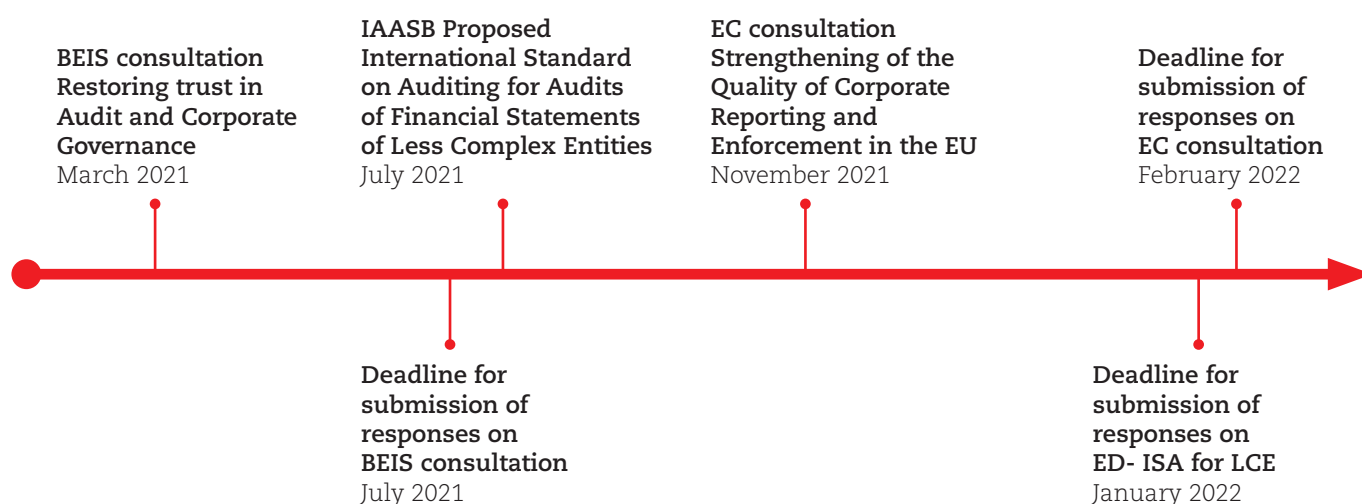
This report is primarily addressed to audit practitioners, and professional accountants more widely, and aims to raise awareness of how the audit profession's future may develop in light of these changes, which will affect both PIE and non-PIE auditors.

The first section of the report provides a brief summary of some of the key proposals of both the BEIS and EC consultations, as these reform reviews are expected to affect the structure of the wider financial reporting ecosystem. The second section focuses on some recent developments in the international audit and assurance standard-setting arena regarding audits of LCEs, which may primarily affect small and medium-sized practitioners (SMPs) and small medium entities (SMEs).

New responsibilities, skills and disciplines are expected to emerge for the auditor of the future. Emphasis is also placed on the importance for directors, professional accountants more widely, and local regulators to consider opportunities and risks proactively in the light of the proposed changes.

We first provide below the timeline with the key dates of each of the consultations, including the relevant deadlines for responses (Figure 1). All three consultations are currently closed, and the feedback received from stakeholders is being analysed. ACCA has responded to all the above calls for feedback and evidence¹.

FIGURE 1: Consultations' key stages




¹ For the ACCA detailed responses to the above-mentioned consultations, please refer to ACCA 2021, ACCA 2022, ACCA n.d.

2. BEIS Consultation

The UK government department, BEIS, published its consultation, *Restoring Trust in Audit and Corporate Governance* in March 2021 (BEIS 2021). This consultation, along with the reform of the current regulator (the Financial Reporting Council – FRC) and its proposed replacement by the Audit, Reporting and Governance Authority (ARGA), is the next step in the process of audit reform² in the UK. Although these proposals relate only to the UK, given the pivotal role of the UK in the global accounting and auditing domain, they are of global interest and are likely to influence audit policy globally. Arguably, this is already evident in the EC Consultation of November 2021, which followed BEIS’s counterpart.

The table below shows a summary of some of the key BEIS proposals that relate to PIE definition, internal controls and the Resilience Statement.



As a result of the introduction of a Resilience Statement, new skills would be required for directors, who will have to report via an explicit directors’ statement about the effectiveness of the internal control and risk-management systems. They would also be required to address matters that may threaten the company’s ability to continue in operation and meet its financial liabilities as they fall due, beyond the existing going-concern statement and the viability statement requirements.

PIE DEFINITION

Extension of the PIE definition to include companies on the basis of their size, regardless of whether they are trading on a regulated market or not. The two options given include criteria of turnover and number of employees. (BEIS 2021: Ch 1: 25–30)

COMPANY AND DIRECTORS-RELATED PROPOSALS

INTERNAL CONTROLS

- Introduction of a UK version of a Sarbanes–Oxley (‘SOX’)–style regime. The government proposed three options for how the new internal controls framework might operate (BEIS 2021: Ch 2: 39–50).
 - **OPTION A:** Require an explicit directors’ statement about the effectiveness of the internal control and risk-management systems.³
 - **OPTION B:** Require auditors to report more about their views on the effectiveness of companies’ internal control systems.
 - **OPTION C:** Require auditors to express a formal opinion on the directors’ assessment of the effectiveness of the internal control systems.

The government’s preferred option is option A, as it suggested that external assurance by auditors should be given only in limited circumstances (BEIS 2021: 49).

RESILIENCE STATEMENT

- Introduction of a statutory requirement on PIEs to publish an annual Resilience Statement (BEIS 2021: Ch 3: 60–75), building on the existing going-concern and viability statements⁴ in the UK.
- It aims to address business resilience over the short, medium and long term, including risks posed by climate change.
 - The short-term section (1–2 years) would include the existing going-concern statement, including disclosures of any material uncertainties. This statement would be subject to audit as today the going-concern statement is, and would form, the basis on which the accounts are prepared.⁵
 - The medium-term section (5–6 years) incorporates the currently existing viability statement requirements in the UK. This includes threats to liquidity, solvency and business continuity, climate change risk, etc.
 - For the long-term section, the BEIS consultation suggests that its content should not in general be prescribed and that companies should refer to the main long-term challenges identified in their business model.
 - Companies, as part of their audit and assurance policy (please see next section), should consider and decide whether any independent assurance should be provided on the medium-term and long-term sections of the Resilience Statement.

2 This consultation’s proposals respond to recommendations made by three independent reviews commissioned by the government: Sir John Kingman’s independent review of the FRC, the CMA audit market study and Sir Donald Brydon’s independent review of the quality and effectiveness of audit.

3 The government also published a ‘**Consultation Impact Assessment**’, along with the BEIS consultation. This report provides an impact assessment of the BEIS recommendations (BEIS 2021b).

4 In the UK, premium listed companies should also report on the entity’s longer-term viability. This requirement includes the viability statement, and an assessment of the company’s emerging risks and how these risks are mitigated. The viability statement requires management to assess the company’s future prospects and clearly specify the period to which this assessment refers, and why. It also requires the board to state whether there is a reasonable expectation for the company to continue in operation over that period (BEIS 2021: para 3.1.4)

5 This was part of the Brydon review recommendations (Gov.uk 2019) also welcomed by BEIS (BEIS 2021).

Audit and assurance-related proposals

Expansion of the audit scope

The BEIS consultation considers numerous proposals for auditors (BEIS 2021: Ch 6: 93–121). It proposes the expansion of the scope of financial auditing with the following two main suggestions; a new statutory requirement for auditors of financial statements to take a wider range of information into account as part of the statutory audit, and a new statutory requirement for auditors and directors relating to the detection and prevention of material fraud (BEIS 2021: 104).

- ‘The government intends to legislate to require auditors to report on the work they performed to conclude whether the proposed director’s statement regarding actions taken to prevent and detect material fraud is factually accurate’ (BEIS, para 6.4.5).

As a result of the directors’ having new obligations relating to the detection and prevention of material fraud, enhanced skills and understanding of their responsibilities might be needed. More forensic skills might be needed for auditors, as there was a clear intention in the BEIS consultation proposals for auditors to receive forensic skills training.



These proposals are followed by some more radical ones for the auditing profession, with the UK government suggesting the expansion of external auditing to cover other types of information beyond those related to the statutory audit (referred to as ‘wider audit’) (BEIS 2021: 117). Since these services might require specialised skills, in addition to the existing ones of the financial auditor, the consultation proposes the establishment of a new corporate auditing profession, covering both the auditing of financial statements and the auditing of the wider information, as shown in the ‘New model of audit’ graph (BEIS 2021: 97).

New skills for corporate auditors would extend beyond the audit of financial statements, including IT expertise, cybersecurity and company culture, for better understanding of the wider financial reporting ecosystem. These skills will be an important part of the accountancy profession, and more broadly, auditors should develop environmental, social and governance (ESG) assurance skills, in addition to their financial reporting skills.



Audit and assurance policy

Within this context, the UK government’s proposals include the introduction of a statutory requirement on PIEs to publish an annual Audit and Assurance Policy (AAP), describing the company’s approach to seeking assurance of its reported information over the next three years. According to BEIS:

- ‘It should generally be for companies and their shareholders to decide the scope of the external auditing which is obtained beyond the statutory audit of the financial statements’ (BEIS 2021: 97).
- The consultation also sets out some proposed minimum content (BEIS 2021: 68) for the AAP, including:
 - the types of services, beyond statutory audit, and the specific level of assurance intended to be obtained for each of these services over the next three years
 - an explanation of whether the shareholders and the employees were taken into account in its formulation
 - the external auditing that a company chooses to obtain via its AAP should be subject to oversight by the regulator.

Finally, the consultation suggests the establishment of a set of binding principles for auditors (BEIS 2021: 100–01), both statutory auditors and those providing wider auditing services, aiming at directing the profession ‘towards a stronger ethos of scepticism, challenge and informativeness’ (BEIS 2021: 140). These principles include a number of provisions for auditor behaviour, for instance that ‘auditors (should be) acting with integrity, fulfilling their responsibilities with honesty, fairness, candour, courage and confidentiality’ (Brydon 2019: para 6.4.2).

As to new skills required, the directors should be knowledgeable of the implications of the different levels of assurance, beyond the statutory audit of financial statements. Under this new requirement, the directors should also be able to assess whether independent assurance is desirable on elements of company reporting that require specialist knowledge and skills, which financial auditors may not be able to provide.



‘IT SHOULD GENERALLY BE FOR COMPANIES AND THEIR SHAREHOLDERS TO DECIDE THE SCOPE OF THE EXTERNAL AUDITING WHICH IS OBTAINED BEYOND THE STATUTORY AUDIT OF THE FINANCIAL STATEMENTS’ (BEIS 2021: 97).

Competition and supervision-related proposals

These proposals are covered in the BEIS consultation (BEIS 2021: Chs 8 & 9: 147–68). The UK consultation is also intended to codify and enforce the operational separation of audit and non-audit services (BEIS 2021: 146) within the structures of the major audit firms, which has already been adopted on a voluntary basis by the Big Four in the UK, with the aim of strengthening the oversight of the audit practice and embedding auditor independence and a focus on audit quality. Other proposals also aim to address the high concentration in the market for the audit of FTSE350 companies, with the initiation of managed shared audits (BEIS 2021: 140) for these companies, aiming at an increased participation from a wider range of audit firms.

Finally, the UK consultation includes a number of proposals for empowering the envisaged new UK regulator, ARGAs, to impose sanctions on PIE auditors and PIE directors in case a breach in conduct is found to have occurred. The consultation considers new investigation and enforcement powers, giving ARGAs powers to gather information, carry out investigations to decide whether a director or auditor (an individual or a firm) has breached a relevant requirement, and impose sanctions for breaches of responsibilities on the part of directors or auditors.

This further highlights the importance of developing new skills and understanding the emerging changes in the role and responsibilities of the directors.



THE UK CONSULTATION INCLUDES A NUMBER OF PROPOSALS FOR EMPOWERING THE ENVISAGED NEW UK REGULATOR, ARGAs, TO IMPOSE SANCTIONS ON PIE AUDITORS AND PIE DIRECTORS IN CASE A BREACH IN CONDUCT IS FOUND TO HAVE OCCURRED.



3. EC Consultation

The EC is currently at an earlier stage than BEIS, exploring options and seeking feedback on the direction the reform should take. The EC has sought to collect feedback about the overall impact of the EU framework on the three pillars of a high-quality and reliable corporate reporting framework, namely, corporate governance, statutory audit, and supervision and enforcement. Views were collected via a questionnaire, with respondents allocating ratings to specific options proposed by the EC and expressing other views

via short answers within a specific response template. The structure of the EC consultation includes three main types of questions; assessment of the status quo, views on EC suggested action points, and requests for additional views from the stakeholders.

For this report, we have focused on the statutory audit pillar and audit-related proposals included in the other pillars. Our presentation reflects the parts of the EC consultation document.

PART I – THE EU FRAMEWORK

The consultation sets out some overall questions about the three pillars of the financial reporting ecosystem (EC 2021: 5–10), seeking to obtain:

- an assessment of the overall effectiveness, efficiency, and EU added-value of the EU legislation, considering each of the pillars individually as well as in combination with each other
- views on whether the EC should take action to increase the quality and reliability of reporting by listed companies.

PART II – CORPORATE GOVERNANCE

Some of the suggested actions related to increasing the quality and reliability of reporting by listed companies (EC 2021: 14) included:

- strengthening the responsibilities of the board for reporting and liability of boards for incorrect reporting
- giving company boards an explicit responsibility for establishing effective risk management and internal control systems for the preparation of corporate reporting, including for controls for risks of fraud and going concern
- removing exemptions in EU legislation for establishing an audit committee
- strengthening the external position of the audit committee and increasing the tasks of the audit committee
- requiring auditors to provide assurance on the systems and internal controls implemented by the board, including fraud, going concern and related reporting requirements.

PART III – STATUTORY AUDIT

Some of the key recommendations (EC 2021: 15–18) that the respondents were called upon to rate included whether to:

- ask auditors to disclose how they have assured the directors' statement on material fraud, and what steps the directors have taken to assess the effectiveness of the relevant internal controls and to detect any fraud
- strengthen the informational value of audit reports
- improve the internal governance of audit firms
- incentivise or mandate the performance of joint audits for PIEs, to enhance competition on the PIE audit market
- further harmonise the rules on mandatory auditor rotation
- limit the scope for statutory auditors and audit firms to provide non-audit services
- increase or eliminate caps on auditor liability, at least for cases of gross negligence of statutory auditors
- limit the number of member state options in the EU audit framework to ensure consistency across the EU and to incentivise cross-border statutory audits
- establish the creation of a passporting system for PIE auditors and audit firms, allowing auditors to provide their services across the Union on the basis of their approval in a member state.



PART IV – SUPERVISION OF PIE STATUTORY AUDITORS AND AUDIT FIRMS

The EC consultation requested views (EC 2021: 19–21) on how effective and efficient the following actions would be in increasing the quality and effectiveness of supervision of PIE statutory auditors and audit firms:

- ensuring better the independence and appropriate resources of supervisors of auditors and audit firms
- increasing the transparency of audit supervisors
- increasing the consistency of supervision of cross-border networks of audit firms
- harmonising and strengthening the investigation and sanctioning powers of audit supervisors
- ensuring that, at a European level, there are legal instruments available that ensure supervisory convergence for the statutory audit of PIEs.

THE EC HAS SOUGHT TO COLLECT FEEDBACK ABOUT THE OVERALL IMPACT OF THE EU FRAMEWORK ON THE THREE PILLARS OF A HIGH-QUALITY AND RELIABLE CORPORATE REPORTING FRAMEWORK, NAMELY, CORPORATE GOVERNANCE, STATUTORY AUDIT, AND SUPERVISION AND ENFORCEMENT.

Although the two consultations from BEIS and EC are at different stages, some common themes emerge on the structure of the wider financial reporting ecosystem. For example, we observe proposals about the director’s responsibilities, possible introduction of Sarbanes–Oxley Act (SOX)-style regimes, although not explicitly mentioned in the EC consultation, in respect of internal controls and the related director’s and auditor’s responsibilities. Further, increased reporting requirements are proposed,

for example for Resilience and Transparency reporting. We also observe commonalities in proposals related to competition in the audit market and increased supervision and enforcement powers over both auditors and directors. The BEIS (2021) consultation also includes radical proposals for the audit scope and the audit profession overall, and it could arguably drive audit policy change globally, given the pivotal role of the UK in international developments in the audit profession.



4. International audit and assurance standard-setting

The proposed ISA for LCE

Most of the above-mentioned proposed changes focus on the overall structure of the wider financial reporting ecosystem and to a great extent refer to PIE audits. In practice, the global economy contains a high proportion of small, less complex entities constituting an estimated 90% of entities, and up to 99% in some jurisdictions (IAASB 2021: 6). This highlights that LCEs make a critical contribution to the economy. The concurrent increases in complexity of structures and transactions lead to the development of more complex ISAs, which can be challenging when applied to the audit of LCEs.

This section focuses on a major current development in the global auditing standard-setting arena in response to this need, namely the newly developed exposure draft ISA for LCE (IAASB 2021). The IAASB decided to proceed with the development of a standalone standard for the LCE audits. This was following the IAASB's Discussion Paper (DP) Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISAs (IAASB 2019), which consulted stakeholders on the following possible actions:

- a. revising the ISAs
- b. developing a separate auditing standard for audits of LCEs
- c. developing guidance for auditors of LCEs or other related actions

Although this DP received mixed views, the IAASB, being aware of the current developments and the fact that many jurisdictions were developing their own auditing standards for LCEs, concluded that 'such fragmentation is not in the public interest' (IAASB 2021: 10) and that it should itself produce a global and consistent response.

THE ISA FOR LCE HAS BEEN DEVELOPED AS A STANDALONE 'SELF-CONTAINED' STANDARD AND RELEVANT ISA REQUIREMENTS CANNOT BE USED TO 'TOP-UP' ED-ISA FOR LCE (IAASB 2021: 15–16).

Key principles used in developing ED-ISA for LCE

The key principles are set out in the Explanatory Memorandum of the proposed standard (IAASB 2021: 15–16, 23–24). The standard was developed in a way proportionate to the nature and circumstances of an audit of an LCE (IAASB 2019: 15). It is based on the ISAs' underlying concepts (such as the risk-based and principles-based approaches) with the requirements refined to be simpler and easy to follow. The IAASB also published a mapping document (IAASB n.d.) comparing the full ISA requirements with the requirements included in the ED – ISA for LCE. From a quick read, stakeholders will notice that the majority of the requirements have been kept, with the exception of certain standards that relate to listed entities such as ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report* and ISA 501 *Audit Evidence – Specific Consideration for Selected Items*.

The nature of the standard

The ISA for LCE has been designed as a separate, standalone standard (IAASB 2021:15-16). This means that there is no direct reference back to the full ISAs and the standard operates on its own. For example, auditors cannot use the ISA for LCEs when an entity has a complex accounting estimate, irrespective of whether it is considered less complex owing to its other qualitative characteristics. In such cases, the full suite of ISAs should still be used. We note that the IAASB considers it to be 'relatively rare for an audit of an entity to need to transition after engagement acceptance or continuance from using ED-ISA for LCE to using full ISAs' (IAASB 2021: 38).

Below we summarise some of the key information about the ED – ISA for LCE.

- The ISA for LCE has been developed as a standalone 'self-contained' standard and relevant ISA requirements cannot be used to 'top-up' ED-ISA for LCE (IAASB 2021: 15–16).
- The ISA for LCE has been designed to obtain a reasonable level of assurance, the same level of assurance as an audit under the full ISAs.
- The ED-ISA for LCE does not include application material, but it includes 'essential explanatory material' (EEM) where it has been considered that explanatory material is essential to understanding or applying a requirement or concept.
- The content (ie, 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).

Authority

- The ED-ISA for LCE (IAASB 2021: 17–23) sets out in its section 4B: Authority of the Standard the considerations for determining whether the ISA for LCE can be used or not. Further considerations are also developed in a Supplementary guidance for the Authority (IAASB, n.d.).
- The IAASB has decided to set out specific prohibitions for the use of the proposed standard for certain classes of entities, and further describe those qualitative characteristics that would make the standard inappropriate to use.
 - Specific prohibitions of the ISA for LCE currently proposed in the ED include the audit of a listed entity, the audit of an entity with public interest characteristics, specific jurisdictions that prohibit the use of the standard and group audits.
 - Qualitative characteristics of complexity may relate to accounting estimates, business activities, business model or industry, ownership, oversight or organisational structure, IT environment and systems.
- Further refinement of classes of entities for which the use of the standard is prohibited can take place at the jurisdictional level.
- Firm policies or procedures could further restrict the use of the standard as an additional layer of refinement.
- A final layer of refinement takes place as part of an engagement-level evaluation via the qualitative characteristics. It should be noted that the firm-level decisions cannot conflict or override prohibitions in the standard or jurisdictional determinations.
- Group audits are currently not included in the ED – ISA for LCE, but we note that the consultation includes specific questions on whether they should be included and how.



Concluding remarks

The audit profession is at the heart of reform reviews of the wider financial reporting ecosystem and some of the proposals can be characterised as radical with significant implications for the auditing profession, and more widely the accountancy profession.

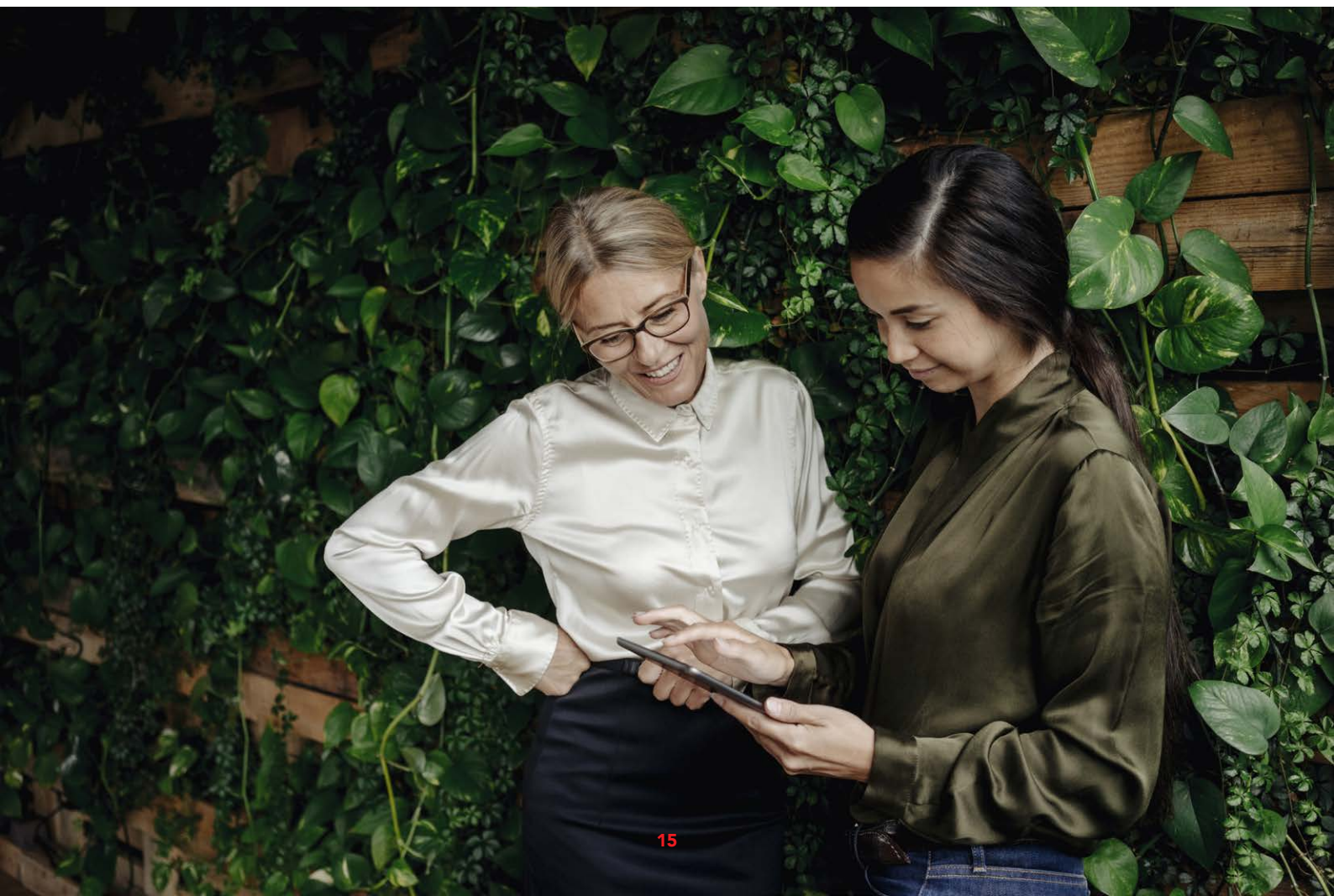
The audit reform-related proposals in the EU and the UK, outlined above, present some commonalities on suggestions affecting the structure of the wider financial reporting ecosystem. These include proposals for the director's responsibilities, possible introduction of Sarbanes–Oxley Act (SOX)-style regimes, increased reporting requirements and reinforced supervision for the audit of PIEs. As noted in Section 2 of this report, the BEIS consultation also includes radical proposals for the audit scope and the audit profession overall. In the international audit standard-setting arena, as discussed in Section 4 of this report, the newly developed ED – ISA for LCE introduces relevant developments for the audit of LCEs.

The next steps for the BEIS and EC consultations are expected to include follow-up consultations and/or decisions about the three pillars discussed in this report. It is also

important to closely monitor relevant developments and equivalent reform reviews in other jurisdictions. Regarding the ISA for LCE, the IAASB's next step is to analyse the feedback received during the public consultation before deciding the way forward.

These developments, irrespective of what the outcome of each of the consultations might be, show that the audit profession is evolving, and we might be embarking on a new audit era globally. Audit practitioners, being at the centre of these reforms, should proactively consider emerging needs for new skillsets, learning and development, as highlighted throughout this report. And more widely, other key stakeholders should also be closely monitoring the developments in all areas of the wider financial reporting ecosystem and what their outcome would mean for them.

AUDIT PRACTITIONERS, BEING AT THE CENTRE OF THESE REFORMS, SHOULD PROACTIVELY CONSIDER EMERGING NEEDS FOR NEW SKILLSETS, LEARNING AND DEVELOPMENT, AS HIGHLIGHTED THROUGHOUT THIS REPORT.



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