



The Institute of
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INTERNATIONAL DEVELOPMENTS

1. Revised ISA and ISRS that have become effective

ISA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement</i>	Effective for audits for periods beginning on or after December 15, 2021 .
ISA 315 (Revised 2019) can be accessed at: https://www.iaasb.org/publications/	
International Standard on Related Services (ISRS) 4400 (Revised), <i>Agreed-Upon Procedures Engagements</i>	Effective for AUP engagements for which the terms of engagement are agreed on or after January 1, 2022 .
ISRS 4400 (Revised) can be accessed at: https://www.iaasb.org/publications/4400-revised	

2. eIS (e-International Standards)

The International Federation of Accountants (IFAC) has developed and launched a web application ‘eIS (e-International Standards)’ in collaboration with IFAC’s other standard-setting boards (International Auditing and Assurance Standards Board (IAASB), International Ethics Standards Board for Accountants (IESBA) and International Public Sector Accounting Standards Board (IPSASB)).

The usability and access to the standards and support materials are expected to be improved through the eIS.

The eIS platform allows for quick reference to digital version of IAASB 2020 handbook, IESBA’s code of ethics, IPSASB latest handbook and other related resources. In addition to the standards, eIS also provides access to non-authoritative resource materials. The users can also benefit from optimized search functions, cut and paste capabilities, and easy navigation with multiple viewing modes.

The eIS platform is accessible at the link: eis.international-standards.org

IAASB 2020 Handbook

The digital copy of IAASB ‘Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements’ (2020 Edition) is now available at the ICAP website. The Handbook can be downloaded using the link:

<https://www.icap.net.pk/iaasb-2020-handbook>

3. IAASB proposed ISA for Audits of Less Complex Entities

The IAASB has issued an Exposure Draft, *Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE)* for public comments.

The proposed ISA for LCE is a new stand-alone standard, designed specifically for audits of less complex entities and is based on the underlying concepts and principles of International Standards on Auditing (ISAs). The proposed standard is expected to reduce complexity, improve understandability and make auditing standard more proportionate to audit of less complex entities.

The Exposure Draft of ISA for LCE can be downloaded from the Institute’s website: www.icap.net.pk and IAASB website: www.iaasb.org.

IAASB Resources on ISA for LCE

The IAASB has also issued following guidance material to facilitate stakeholders in understanding the requirements of proposed ISA for LCE:

- Supplemental guidance material on:
 - the Authority of proposed ISA for LCE; and
 - the Auditor’s Reporting

Above can be viewed at: www.iaasb.org

- Mapping documents ISAs to ISA for LCE.
- Other IAASB articles and overview videos can be accessed at: www.iaasb.org and www.icap.net.pk

Further, the livestream discussions on ISA for LCE can be accessed via YouTube and LinkedIn using the link: www.iaasb.org

IFAC-IAASB Survey

The IFAC and the IAASB have also developed an online survey to make stakeholders participation in the consultation process quicker and easier. The survey responses will be analyzed by the IAASB alongside all other feedback and would help shape the final standard.

All stakeholders can access and provide their input on the ISA for LCE through the online survey, until **January 14, 2022**. The survey can be accessed at: survey.alchemer.com/s3/



ICAP Resources on ISA for LCE

ICAP has also developed a snapshot on the proposed ISA for LCE for member's understanding and knowledge-sharing. The document can be downloaded using link: www.icap.net.pk

IAASB public consultation process

The Institute and IAASB strongly encourage all interested stakeholders to provide their feedback on the Exposure Draft. Comments are requested by **January 31, 2022**.

4. Project update on ISA 600 (Revised)

The IAASB in its December 2021 meeting has approved ISA 600 (Revised), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* as a final standard.

The Board will formally release the revised standard after approval from the Public Interest Oversight Board (PIOB).

The ISA 600 (Revised) aims to clarify the scope of the standard, improve its interaction with other

ISAs, and will also strengthen the auditor's approach to plan and perform a group audit etc. The revised standard will be effective for periods beginning on or after December 15, 2023.

Further details on the ISA 600 (Revised) can be viewed at: www.iaasb.org

5. Sustainability Assurance

The IAASB in its latest approved work plan (i.e. 2022-2023 work plan) has planned to do more work to enhance the assurance of sustainability/ESG reporting. The IAASB has outlined to dedicate capacity and resources to this project and IAASB's initial consultation could lead to:

- developing new subject-matter specific standard(s) that build on and supplement ISAE 3000 (Revised);
- targeted enhancements to ISAE 3000 (Revised), as necessary; or
- other related actions that are necessary in the public interest. For example, revising existing guidance or developing new guidance.

Details can be accessed at: www.iaasb.org

6. New Technology-Focused FAQs

The Technology Working Group of the IAASB has issued a non-authoritative support material in the form of FAQs to help auditors understand how to plan an audit under ISA 300, *Planning an Audit of Financial Statements*, when using automated tools and techniques. The publication can be accessed at: www.iaasb.org

7. 2021 IESBA Handbook of the Code of Ethics

The International Ethics Standards Board for Accountants (IESBA) has issued the 2021 edition of the *Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The new edition contains following significant changes:

- The revisions to Part 4B to align terms and concepts used in the Code to those in the IAASB's ISAE 3000 (Revised). Those revisions became effective in June 2021.

- The revisions to Parts 1 and 2 to promote the role and mindset expected of professional accountants. Those revisions became effective in December 2021.

The Code also contains the approved revisions which will become effective in December 2022 and include:

- Revisions to the Code addressing the objectivity of an engagement quality reviewer and other appropriate reviewers.
- Revisions to the non-assurance services provisions of the Code.
- Revisions to the fee-related provisions of the Code.

The 2021 edition of the IESBA Handbook can be downloaded using link: www.ethicsboard.org

The digital version of the 2021 edition can also be accessed through the eIS platform at: <https://eis.international-standards.org/>

8. IESBA eNews - Fourth Edition

The fourth edition of the quarterly IESBA eNews is available and includes highlights of the various activities going on in and around the IESBA. The IESBA eNews can be downloaded at: www.ifac.org

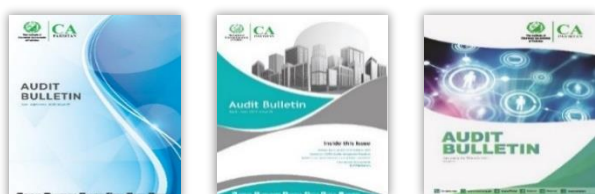
9. Key projects approved by IESBA

The IESBA in its December 2021 meeting has approved the following:

- revisions to the Code's definitions of "listed entity" and "public interest entity"; and
- conforming amendments to the Code arising from the finalization of the IAASB's Quality Management standards.

The new pronouncements will be issued shortly after the approval of Public Interest Oversight Board in April 2022.

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UPDATES FROM THE AUDITING STANDARDS & ETHICS COMMITTEE

1. Publication on 'Compilation of Audit, Assurance and Review Reports'

The Auditing Standards and Ethics Committee (the Committee) of the Institute has updated the publication 'Compilation of Audit, Assurance and Review Reports', last issued in June 2018.

This publication contains formats of various audit, assurance and review reports that have been:

- issued through ICAP Technical Release and circulars;
- specified under various laws and regulations; and
- provided in the IAASB 2020 Handbook.

The publication can be downloaded from the ICAP website at: www.icap.net.pk



You can share your comments and feedback to:

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