

April 27, 2022
Ref.: SEC/021/23 - DN

International Assurance and Auditing Standards Board for Accountants (IAASB)
545 Fifth Avenue, 14th Floor.
New York, NY 10017
USA

Dear Sirs,

We, Ibracon – Instituto de Auditoria Independente do Brasil (Institute of Independent Auditing of Brazil), appreciate the opportunity to comment on the Exposure Draft: Proposed Part 10, Audits of Group Financial Statements of the Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE). See our comments below.

Specific Questions

1. In the Authority, do you agree with the proposed prohibition on the use of the proposed ISA for LCE for group audits where component auditors are involved, other than in limited circumstances where physical presence is required?

We support the proposal to broaden the scope of the standard to include less complex groups. As part of this expansion, we agree with the IAASB's restriction on using the standard for group audits when a component auditor is involved in the work, except in limited circumstances defined by the IAASB. Furthermore, we endorse the proposed material to be included in the standard.

2. In the Authority, do you agree with the proposed group-specific qualitative characteristics to describe the scope of group audits for which the proposed ISA for LCE is designed to be used?

We agree with the IAASB's position that the qualitative characteristics of a "less complex group" should be aligned with those of a single entity. Moreover, we support the proposal for additional qualitative characteristics in item A3 of the revised Authority. However, we believe that additional information is required about these characteristics:

- *Group structure and activities – We recommend emphasizing the nature of the locations in which they operate. For instance, verifying if these locations are based in different jurisdictions that may pose greater risks.*
- *Access to information or people – We suggest including examples of circumstances where management may not provide access to information for this characteristic.*

3. Do you agree with the content of proposed Part 10 and related conforming amendments?

We fully support the content of Part 10 and the corresponding conforming amendments. We agree with the decision to not include the content of ISA 600. Moreover, we agree that the LCE standard's requirements are adequate to address the involvement of a component auditor in limited circumstances, and additional material is not necessary. We also endorse the EEM.

Best Regards,


Valdir Renato Coscodai
President


Rogério Lopes Mota
Technical Director