ISA 540 (Revised) Post-Implementation Survey

Response ID:400 Data

3. Section II: About the Respondent

1. Please provide the following information about your organization (if applicable) and other contact information:

Organization (or leave blank if you are completing the survey in your personal capacity) : Lesotho Institute of Accountants
Name(s) of contact(s) for this submission : Matseliso Mokokoti
Job title or role : Technical Officer
E-mail address(es) of contact(s) : matseliso.mokokoti@lia.org.ls

2. Please select from the following options the stakeholder group to which you or your organization belongs:

Regulator or Audit and Assurance Oversight Body

3. Please select from the following options the geographical region that best matches you or your organization:

Africa

4. Did you undertake outreach activities with other stakeholders outside your organization to inform your responses to this survey?

Yes

4A. Please provide further information about your outreach activities, including:

The manner in which the outreach was undertaken. : We issued a survey
The nature and number (or estimate thereof) of stakeholders with whom you engaged. : A survey was issued to all (30) auditors in Lesotho

5. You are welcome to provide any additional information you believe may be relevant to clarify the context in which you are completing the survey, or the circumstances or experiences that have informed your views or perspectives (or you can choose to leave this question blank).

We have a Technical Experts Group (TEG) made of members in different sectors. Post receipt of responses from auditors, TEG used it as an input to prepare this submission

4. Section III: Overall Questions

6. Please provide overall views about whether ISA 540 (Revised) has achieved its intended purpose and the objectives of the IAASB in developing the revised standard.

Overall, ISA 540 (Revised) has largely achieved its intended purpose of improving the auditing of accounting estimates in response to increasing complexity, uncertainty, and the growing use of judgment, models, fair values, and forward-looking information in financial reporting. It has strengthened risk assessment, enhanced professional skepticism, and improved the evaluation of management bias, resulting in more robust audit procedures and better assessment of both complex estimates and related disclosures. This has contributed to improved audit quality, consistency, and transparency.

While implementation has increased audit effort, documentation requirements, and the need for specialised skills or expertise, these challenges are generally considered a necessary trade-off to achieve higher-quality audits. Overall, the effectiveness of ISA 540 (Revised) depends on its consistent and disciplined application by auditors, but it has substantially met its intended objectives.

7. Are you aware of the non-authoritative guidance and support tools developed to support the implementation of ISA 540 (Revised)?

Yes

7A. Do you agree that the non-authoritative guidance and support tools developed to support the implementation of ISA 540 (Revised) are useful?

4 – Strongly Agree

Comments: Overall, the non-authoritative guidance and support tools developed for ISA 540 (Revised) have been very useful in facilitating its implementation. They have enhanced auditors' understanding and application of the standard's requirements, particularly in areas such as risk assessment, estimation uncertainty, professional skepticism, and the evaluation of management bias. In addition, they have promoted more consistent and proportionate audit approaches by providing practical examples, implementation guidance, and training resources. Although these tools cannot replace professional judgment or technical expertise, they have helped reduce implementation challenges and supported improved audit quality. Continued development of practical examples and further implementation support would still be beneficial, especially for small and medium-sized practices and audits of less complex entities. Importantly, the guidance should continue to reinforce that it supports, rather than replaces, the auditor's responsibility to apply ISA 540 (Revised) requirements and exercise professional judgment.

5. Section IV: Perceived Benefits from ISA 540 (Revised)

8. For each perceived benefit, indicate the extent to which you agree that ISA 540 (Revised) has led to benefits or improvements.

	4 – Strongly Agree	3 – Agree	2 – Disagree	1 – Strongly Disagree	0 – No Response
(a) Enhanced exercise of professional skepticism when auditing accounting estimates.		X			
(b) Greater consideration of the skills and competencies of the engagement team, including the need to involve specialists or experts.		X			
(c) Greater attention to understanding management's process for making estimates, including the selection of methods, assumptions and data (and the consistency of selection between periods).		X			
(d) Better or more focused assessments of the risks of material misstatements for accounting estimates.		X			
(e) More focus on understanding and testing controls related to accounting estimates.		X			
(f) Increased auditor attention to disclosures related to accounting estimates, including disclosures about estimation uncertainty.		X			
(g) Enhanced interactions and communications between the auditor and management and those charged with governance related to the audit of accounting estimates.		X			
(h) Enhanced quality of financial reporting related to accounting estimates.		X			

9. Are there any additional benefits or positive outcomes arising from the implementation of ISA 540 (Revised) that you would like to highlight?

Yes

Please specify:

ISA 540 (Revised) has resulted in a more structured and risk-based audit approach to accounting estimates, with clearer linkage between assessed risks and audit responses and consequently more focused audit procedures. It has improved audit documentation, particularly in relation to management's methods, assumptions, data, estimation uncertainty, and indicators of management bias, and has supported earlier identification and resolution of issues relating to complex or highly judgmental estimates.

The standard has also enhanced communication between auditors, management, and those charged with governance by encouraging earlier engagement on key assumptions, data limitations, and disclosure matters. This has often led to improved estimation processes and stronger supporting documentation from entities in anticipation of increased audit scrutiny.

In addition, ISA 540 (Revised) has increased the use of specialists in areas involving complex models, valuations, actuarial assumptions, and expected credit loss calculations, thereby strengthening audit evidence. It has reduced the likelihood of late audit adjustments or last-minute disagreements, improved engagement review processes, and promoted more consistent application of risk-based audit work across engagements. At the same time, it has enabled a scalable approach, allowing more extensive procedures for complex estimates while maintaining proportionality for simpler ones.

Overall, ISA 540 (Revised) has contributed to stronger audit quality, improved governance and communication, and enhanced confidence in financial reporting through more transparent and reliable accounting estimates and disclosures.

6. Section V: Potential Issues or Challenges Relating to ISA 540 (Revised)

10. ISA 540 (Revised) was designed to be capable of being applied to all accounting estimates, and for the nature, timing and extent of the risk assessment and further audit procedures to be varied in relation to the estimation uncertainty and the assessment of the risks of material misstatement. Indicate the extent to which you have observed or are aware of any issues or challenges related to scalability and proportionality.

3 – Moderate Issues or Challenges

11. Briefly describe these or any other issues or challenges you observed related to scalability and proportionality.

ISA 540 (Revised) presents several implementation challenges, particularly in achieving appropriate scalability and proportionality across different types of audits and accounting estimates. Audit teams may sometimes over-document simple estimates—such as depreciation, basic accruals, leave pay, inventory provisions, or straightforward impairment assessments—in order to demonstrate compliance, even where the risk does not justify extensive procedures. In practice, it can be difficult to determine what constitutes sufficient audit work for less complex estimates, especially where methodologies or audit tools prompt extensive responses regardless of complexity.

The standard requires significant professional judgment in determining the nature, timing, and extent of procedures, which can be challenging for less experienced staff without detailed guidance. This may result in increased time spent on risk assessment and documentation, particularly in lower-risk or lower-fee engagements, and can also lead to inconsistent application of proportionality across audit teams.

In smaller entities, the absence of formalised processes for making estimates further complicates auditors' ability to understand and document management's approach. In addition, some audit firms—particularly smaller practices—may face capacity constraints where specialist expertise is required to assess more complex estimates and valuation models.

Overall, while ISA 540 (Revised) is designed to be scalable, achieving consistent, proportionate application in practice remains a key challenge.

12. In your view, are the issues or challenges due to a lack of clarity or insufficiency of the requirements or application material in the standard?

Yes

13. What specific suggestions do you have for how the IAASB can best address the issues or challenges you have identified (e.g., standard-setting, non-authoritative guidance, or other actions)?

Develop practical examples for simple and low-risk estimates, such as depreciation, basic accruals, leave pay provisions, inventory write-downs and useful lives of assets. Provide examples of proportionate documentation, showing what "sufficient but not excessive" documentation could look like for simple estimates. Issue guidance on how to scale audit procedures, based on estimation uncertainty, complexity, subjectivity and assessed risk of material misstatement.

Develop decision trees or flowcharts to help auditors determine the appropriate level of work for different types of accounting estimates. Provide examples distinguishing simple, moderate and complex estimates, with suggested audit responses for each category. Clarify how auditors may document informal management processes, especially in smaller entities where estimates are not prepared through formal models or committees.

Provide guidance for firms on adapting audit methodologies and software tools, so that templates do not encourage unnecessary over-documentation. Develop training materials for junior audit staff, focusing on how to apply professional judgment when scaling audit work.

Provide examples of when substantive procedures alone may be sufficient, and when understanding and testing controls may be necessary. Encourage regulators and audit inspection bodies to align expectations with the principle of proportionality, so that firms do not feel compelled to over-audit low-risk estimates. Include illustrative case studies covering small entities, less complex entities and recurring low-risk estimates.

Provide guidance on documenting the rationale for limited procedures, where the auditor concludes that the estimate has low estimation uncertainty and low risk of material misstatement.

Overall, a combination of targeted non-authoritative guidance, practical implementation tools, and ongoing stakeholder engagement would enhance consistency and proportionality in the application of ISA 540 (Revised).

7. Section V: Potential Issues or Challenges Relating to ISA 540 (Revised) (continued)

14. Indicate the extent to which you have observed or are aware of the following issues or challenges relating to ISA 540 (Revised) with respect the auditor exercising professional skepticism when auditing accounting estimates and related disclosures.

	4 – Significant Issues or Challenges	3 – Moderate Issues or Challenges	2 – Minor Issues or Challenges	1 – No Issues or Challenges	0 – No Response
(a) Appropriately challenging management’s judgments used in making accounting estimates, particularly when they involve complex or subjective inputs.		X			
(b) Identifying and appropriately responding to potential indicators of management bias in the development of accounting estimates.		X			
(c) Appropriately considering all relevant audit evidence obtained, whether corroborative or contradictory.		X			

15. Briefly describe these or any other issues or challenges you observed related to exercising professional skepticism.

The main challenges encountered or observed relate to applying professional skepticism consistently when accounting estimates involve significant judgment, complex inputs or uncertainty about future events. It can be difficult to appropriately challenge management's assumptions where independent evidence is limited or where management has used experts or models.

Identifying management bias can also be challenging because bias is often subtle and may only become evident when assumptions are considered collectively or compared across periods. In addition, audit teams may sometimes focus more on corroborative evidence and may need to be more deliberate in identifying and evaluating contradictory evidence.

These challenges are often more pronounced where management's documentation is limited, estimates are complex, or specialist knowledge is required.

At times, auditors lack sufficient expertise or confidence to effectively challenge management's judgments, particularly where there is no clear benchmark for comparison. There is also a risk of overreliance on management's explanations, which at times weakens our professional skepticism.

In addition, unconscious bias and familiarity threats may be reducing auditors' objectivity.

At times, auditors place greater emphasis on evidence that supports management's estimates while overlooking or insufficiently investigating contradictory evidence. Gathering sufficient contradictory evidence can be difficult, particularly in areas involving significant uncertainty or limited external data. Maintaining an objective evaluation of all available evidence requires a high degree of professional skepticism and judgment.

16. In your view, are the observed issues or challenges due to a lack of clarity or insufficiency of the requirements or application material in the standard?

Yes

17. What specific suggestions do you have for how the IAASB can best address the issues or challenges you have identified (e.g., standard-setting, non-authoritative guidance, or other actions)?

The IAASB should address these challenges mainly through additional non-authoritative guidance, illustrative examples and practical training materials.

The standard itself is generally clear, but auditors would benefit from more examples showing how to exercise and document professional skepticism when challenging management's judgments, identifying possible management bias, and evaluating contradictory audit evidence.

Guidance should include examples for both simple and complex estimates, including smaller and less complex entities, and should demonstrate what proportionate documentation could look like in practice.

The IAASB could also provide further guidance on documenting skeptical judgments and responding to complex or highly subjective estimates. In addition, sharing examples of good practices observed through inspections and stakeholder feedback would support more effective implementation.

Continued outreach, education, and periodic updates to implementation guidance would further strengthen auditors' ability to exercise professional skepticism in accordance with ISA 540 (Revised).

8. Section V: Potential Issues or Challenges Relating to ISA 540 (Revised) (continued)

18. Indicate the extent to which you have observed the following issues or challenges in applying ISA 540 (Revised) with respect to *risk assessment procedures and identifying and assessing the risks of material misstatement related to accounting estimates*.

	4 – Significant Issues or Challenges	3 – Moderate Issues or Challenges	2 – Minor Issues or Challenges	1 – No Issues or Challenges	0 – No Response
(a) The consideration of inherent risk factors and the interrelationship between them in identifying and assessing risks of material misstatement related to accounting estimates.		X			
(b) How the understanding of the entity and its environment, and the entity’s internal control for accounting estimates, relates to the understanding required by ISA 315 (Revised 2019) (i.e., whether it is clear that the requirements in paragraph 13 of ISA 540 (Revised) relate specifically to accounting estimates and build on the broader requirements in ISA 315 (Revised 2019)).		X			
(c) Reviewing the outcome of previous accounting estimates or, where applicable, their subsequent re-estimation (i.e., the retrospective review of accounting estimates).		X			
(d) Understanding management’s process for making accounting estimates, including how management identifies and selects relevant methods, assumptions and data, and how management understands and addresses estimation uncertainty.		X			
(e) The separate assessments of inherent and control risk relating to an accounting estimate.		X			
(f) Whether any of the assessed risks of material misstatement are significant risks.		X			

18A. Provide additional input, if any, about any issues or challenges regarding the interaction of ISA 540 (Revised) with ISA 315 (Revised 2019) in relation to risk assessment procedures and the identification and assessment of risks of material misstatement for accounting estimates.

The interaction between ISA 540 (Revised) and ISA 315 (Revised 2019) is generally clear at a conceptual level, but practical challenges arise in applying and documenting the relationship.

Engagement teams may duplicate documentation or fail to clearly link the broader ISA 315 understanding of the entity and internal control to the estimate-specific understanding required under ISA 540. This is particularly challenging where management's estimation processes and related controls are informal.

Additional non-authoritative guidance showing how ISA 315 risk assessment documentation should flow into ISA 540 risk assessment for accounting estimates would be helpful.

18B. Indicate the extent to which you agree with the following statements with respect to *reviewing the outcome of previous accounting estimates or, where applicable, their subsequent re-estimation.*

	4 – Strongly Agree	3 – Agree	2 – Disagree	1 – Strongly Disagree	0 – No Response
(a) The retrospective review process is difficult due to changes in economic conditions or assumptions that make prior-period estimates less comparable.		X			
(b) The time and effort required to perform a retrospective review outweigh the perceived benefits for audit risk assessment.		X			

19. Briefly describe these or any other issues or challenges you observed related to risk assessment procedures and

whether such issues or challenges relate primarily to estimates that have a high degree of estimation uncertainty or complexity.

The main challenges encountered relate to understanding and documenting management's process for developing accounting estimates, as well as identifying and assessing the associated risks of material misstatement. Difficulties often arise where management's methods, assumptions, data sources, and controls are not clearly documented or are informal in nature. Auditors may also face challenges in evaluating the appropriateness of management's estimation process, determining the level of inherent risk, and distinguishing between varying degrees of estimation uncertainty, particularly in rapidly changing economic environments.

These challenges require significant professional judgment and are most pronounced in estimates involving a high degree of estimation uncertainty, complexity, or subjectivity, such as fair value measurements, impairment assessments, expected credit loss provisions, actuarial-type estimates, provisions, and going concern assessments. However, challenges may also arise in relation to simpler estimates where management documentation is limited or where audit teams experience difficulty applying the requirements in a proportionate manner.

20. In your view, are the observed issues or challenges due to a lack of clarity or insufficiency of the requirements or application material in the standard?

Yes

21. What specific suggestions do you have for how the IAASB can best address the issues or challenges you have identified (e.g., standard-setting, non-authoritative guidance, or other actions)?

The IAASB could address these challenges primarily through the development of additional non-authoritative guidance, practical implementation tools, and illustrative examples. Such resources should demonstrate how to perform and document risk assessment procedures for accounting estimates in a scalable and proportionate manner, including for smaller and less complex entities.

Further guidance would be particularly beneficial in assessing and documenting inherent risk factors, understanding the interrelationship between estimation uncertainty, complexity, and subjectivity, distinguishing between inherent and control risk, conducting retrospective reviews, and linking ISA 540 risk assessment requirements with the broader risk assessment framework under ISA 315. Illustrative case studies and practical examples showing how to determine appropriate audit responses to varying levels of inherent risk would also promote greater consistency in practice.

In addition, enhanced training materials and implementation support focused on understanding management's estimation processes, evaluating data quality, and assessing relevant controls would assist auditors in applying the standard effectively. Continued engagement with regulators, practitioners, and other stakeholders would further help the IAASB identify emerging challenges and inform future updates to guidance and support materials.

9. Section V: Potential Issues or Challenges Relating to ISA 540 (Revised) (continued)

22. Indicate the extent to which you have observed the following issues or challenges in applying ISA 540 (Revised) with respect to *responding to the assessed risks of material misstatement*

	4 – Significant Issues or Challenges	3 – Moderate Issues or Challenges	2 – Minor Issues or Challenges	1 – No Issues or Challenges	0 – No Response
Responses to the Assessed Risks of Material Misstatement (a) Determining the most appropriate response(s) to the assessed risks of material misstatement at the assertion		X			
(b) Determining whether to test the operating effectiveness of controls related to an accounting estimate.		X			
(c) Appropriately applying the testing approach of obtaining audit evidence about events occurring up to the date of the auditor’s report, either alone or with another testing approach(es).		X			
(d) Testing how management made the accounting estimate.		X			
(e) Developing an auditor’s point estimate or range.		X			
Overall Evaluation (f) Determining whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework, or are misstated.		X			
(g) Evaluating identified misstatements related to accounting estimates, including when the audit evidence supports a point estimate that differs from management’s point estimate or a range that does not include management’s point estimate, or when the auditor’s range is wide (in some cases, multiples of materiality for the financial statements as a whole).		X			

22A. Indicate the extent to which you have observed the following issues or challenges in applying ISA 540 (Revised) with respect to *testing how management made the accounting estimates.*

	4 – Significant Issues or Challenges	3 – Moderate Issues or Challenges	2 – Minor Issues or Challenges	1 – No Issues or Challenges	0 – No Response
(a) Testing management’s selection of the method, significant assumptions, and data used, including whether management’s judgments give rise to indicators of possible management bias.		X			
(b) Understanding management’s application of the method involving complex modelling and testing complex models, including the integrity and completeness of the data used.	X				
(c) Whether management has taken appropriate steps to understand and address estimation uncertainty, including the selection of an appropriate point estimate and developing related disclosures about estimation uncertainty.		X			

22B. Indicate the extent to which you have observed the following issues or challenges in applying ISA 540 (Revised) with respect to *developing a point estimate or range*.

	4 – Significant Issues or Challenges	3 – Moderate Issues or Challenges	2 – Minor Issues or Challenges	1 – No Issues or Challenges	0 – No Response
(a) Determining when it may be appropriate to develop an auditor’s point estimate or range.		X			
(b) Determining that the auditor’s range includes only amounts that are supported by sufficient appropriate audit evidence and have been evaluated to be reasonable in the context of the measurement objectives and other requirements of the applicable financial reporting framework.		X			
(c) Maintaining objectivity and independence, for example, when material adjustments are made to management’s point estimate based on the auditor’s point estimate developed using a model or assumptions that were different from management’s models and assumptions.		X			

23. Briefly describe these or any other issues or challenges you observed related to responding to risks of material misstatement and whether such issues or challenges relate primarily to estimates that have a high degree of estimation uncertainty or complexity.

The main challenges encountered in responding to assessed risks of material misstatement relating to accounting estimates involve determining and performing the most appropriate audit procedures to obtain sufficient appropriate audit evidence. In particular, auditors may face difficulties in deciding whether to test management's process, develop an independent point estimate or range, or use subsequent events as audit evidence. These decisions often require significant professional judgment and, in some cases, specialized expertise.

Additional challenges arise when evaluating management's methodologies, models, assumptions, and the completeness and reliability of underlying data, particularly where estimates involve complex methodologies, significant assumptions, or limited observable information. It can also be difficult to assess whether management's selected point estimate and related disclosures are reasonable, especially when the auditor's independently developed range is wide or when specialist expertise is required. Furthermore, there may be concerns that an auditor's independent estimate could be perceived as substituting for management's responsibility for making the estimate.

24. In your view, are the observed issues or challenges due to a lack of clarity or insufficiency of the requirements or application material in the standard?

Yes

25. What specific suggestions do you have for how the IAASB can best address the issues or challenges you have identified (e.g., standard-setting, non-authoritative guidance, or other actions)?

The IAASB could address these challenges through the development of additional non-authoritative guidance, practical implementation tools, decision aids, illustrative examples, and training materials. These resources should demonstrate how auditors can design and perform appropriate audit procedures in response to assessed risks of material misstatement, including selecting and applying suitable testing approaches, evaluating management's models, assumptions, and data, testing complex models, using subsequent events as audit evidence, developing auditor point estimates or ranges, and assessing wide ranges and identified misstatements.

Practical case studies covering estimates with varying levels of complexity, subjectivity, and estimation uncertainty would help auditors apply the requirements more consistently and proportionately. Guidance should also address the effective use of specialists, maintaining auditor objectivity where management adjusts estimates based on audit evidence, and ensuring a clear link between assessed risks and audit responses. Particular emphasis should be placed on scalability, documentation, and the application of the requirements in audits of smaller firms and less complex entities.

In addition, continued engagement with regulators, practitioners, and other stakeholders, together with the sharing of good practices identified through inspection activities, would help promote consistent and effective implementation of the standard and inform future enhancements to guidance and support materials.

10. Section V: Potential Issues or Challenges Relating to ISA 540 (Revised) (continued)

26. Indicate the extent to which you have observed the following issues or challenges in applying ISA 540 (Revised) with respect to *communication, specialized skills or knowledge, including using the work of an auditor's expert, and documentation*.

	4 – Significant Issues or Challenges	3 – Moderate Issues or Challenges	2 – Minor Issues or Challenges	1 – No Issues or Challenges	0 – No Response
Communication (a) Determining the matters, if any, to communicate related to accounting estimates, (including about significant qualitative aspects of the entity's accounting practices and significant deficiencies in internal control).		X			
Specialized Skills or Knowledge, Including Using the Work of an Auditor's Expert (b) Determining when it is appropriate to involve an auditor's expert(s) (an internal or external expert) and using the work of an auditor's expert(s) in auditing an accounting estimate(s).		X			
Documentation (c) Preparing appropriate audit documentation in accordance with the requirements in paragraph 39 of ISA 540 (Revised).		X			

27. Briefly describe these or any other issues or challenges you encountered or observed related to communications, specialized skills or knowledge (including using the work of an auditor's expert) and documentation.

The main challenges encountered relate to communications, the use of specialised skills or experts, and documentation in the audit of accounting estimates.

From a communications perspective, auditors may face difficulties in determining which matters relating to accounting estimates should be communicated to management and those charged with governance, particularly where significant judgment is involved but no material misstatement has been identified. Complex concepts such as estimation uncertainty, management bias, and significant assumptions can also be difficult for non-financial stakeholders to understand, potentially limiting the effectiveness of discussions and oversight.

Challenges also arise in determining when specialized skills, knowledge, or the involvement of an auditor's expert are necessary, particularly for estimates involving a high degree of estimation uncertainty, complexity, or subjectivity, such as impairments, fair value measurements, expected credit loss provisions, actuarial valuations, financial instruments, and economic forecasting. For smaller firms, limited access to specialists can create additional difficulties, including evaluating the competence, objectivity, and adequacy of the work performed by experts. Practical issues may also arise in defining the scope of an expert's work, assessing their findings, and integrating those findings into the overall audit conclusion.

Documentation remains a significant challenge under ISA 540 (Revised), particularly for complex estimates. Auditors may find it difficult to clearly document how professional skepticism was applied, how inherent risk factors and potential management bias were considered, how management's methods, assumptions, and data were tested, and how conclusions were reached regarding the reasonableness of estimates and related disclosures. Meeting these enhanced documentation requirements while avoiding excessive administrative burden can be particularly challenging for estimates characterized by high estimation uncertainty, complexity, or subjectivity.

28. In your view, are the observed issues or challenges due to a lack of clarity or insufficiency of the requirements or application material in the standard?

Yes

29. What specific suggestions do you have for how the IAASB can best address the issues or challenges you have identified (e.g., standard-setting, non-authoritative guidance, or other actions)?

The IAASB should consider developing additional non-authoritative guidance and illustrative examples dealing with communications, specialized skills or knowledge, use of auditor's experts, and documentation under ISA 540 (Revised).

This guidance should help auditors determine which matters relating to accounting estimates should be communicated to management and those charged with governance, when expert involvement is necessary, how to evaluate an expert's competence, objectivity and integrate their work and how to prepare proportionate audit documentation that demonstrates compliance without unnecessary over-documentation.

The IAASB could also provide simplified documentation templates and examples demonstrating how key judgments, risk assessments, and professional skepticism can be documented efficiently without unnecessary burden. Enhanced training resources and case studies, particularly for smaller firms and less complex audits, would further support effective implementation. Continued stakeholder engagement and the sharing of good practices would help promote consistency, scalability, and audit quality.