

In Practice News

Audit of less complex entities

The International Auditing and Assurance Standards Board (IAASB) has set out its plan to develop a separate standard in relation to the audit of less complex entities. The proposed standard is to be developed using similar concepts and principles as those in the existing International Standards on Auditing (ISA's).

The audit approach will be risk based to obtain sufficient appropriate audit evidence to express a reasonable assurance opinion. All requirements from the ISA's that the IAASB consider core to an audit of a less complex entity will be contained within a standalone standard.

In 2019, CPA Ireland carried out a survey of members, which highlighted the difficulties in applying the ISA's in the audit of less complex entities and responded to the IAASB's Discussion Paper Audit of Less Complex Entities, Exploring Possible Options to Address Challenges in Applying the ISA's.

However, while the IAASB is to report in 2021 on the development of the separate standard it is likely to be some time before we see the separate standard for the audit of less complex entities being promoted in Ireland.

Source: www.iaasb.org



CRO extends current filing arrangements

Due to the current level 5 restrictions and the challenges of adjusting to the new CORE portal, the Companies Registration Office (CRO) has announced an extension to the current filing arrangements for companies with an annual return date of 30th September or later until 28th May 2021.

The announcement followed representations made by CPA Ireland through the Consultative Committee of Accountancy Bodies – Ireland (CCAB-I) to the CRO in relation to issues raised by members engaging with the new CORE portal.

Source: www.cro.ie

Ethical Standard for Auditors (Ireland) Revised

A revised Ethical Standard for Auditors (Ireland) has been published by the Irish Auditing and Accounting Supervisory Authority (IAASA).

One of the main changes to the standard is the introduction of a new requirement for auditors to report breaches of the Ethical Standard for Auditors (Ireland) on an annual basis to their Competent Authority. For CPA audit firms this will be CPA Ireland. Auditors will also be required to report breaches relating to a specific audit to those charged with governance in the audit client.

The changes are designed to improve audit quality and to enhance public confidence in audit in Ireland, other main changes include:

- Simplification and restructuring, to assist auditors to better understand the ethical requirements and so lead to a higher level of compliance;

- The 'objective, reasonable and informed third party' test has been redefined and additional application guidance inserted;
- Prohibitions on providing recruitment or internal audit services to or acting as the general counsel of an audited entity;
- Enhancements to ethics partners' authority;
- The cooling off period for engagement partners on PIE audits has been amended to 3 years, as provided in EU Regulation 537 of 2014 and a corresponding change made to the requirement for listed entities.

The revised standard is effective for audits of financial statements for periods beginning on or after 15 July 2021. For further information and to access the revised standard please visit the website of IAASA at www.iaasa.ie.

Source: www.iaasa.ie