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**INDEPENDENT REGULATORY BOARD FOR AUDITORS**  
**COMMITTEE FOR AUDITING STANDARDS**

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**IAASB Issues an Exposure Draft on the Proposed Part 10, Audits of Group Financial Statements of the Proposed International Standard on Auditing for Financial Statements of Less Complex Entities**

Johannesburg / 9 February 2023

The Independent Regulatory Board for Auditors (IRBA) would like to announce that the International Auditing and Assurance Standards Board (IAASB) has issued, for public comment, [a group audit-specific section](#) of the proposed auditing standard for [less complex entities](#) (LCEs). The proposed section, Part 10, *Audits of Group Financial Statements*, is intended to form part of the proposed *International Standard on Auditing for Audits of Financial Statements of Less Complex Entities* (ISA for LCE) when finalised.

Group audits were not included in the scope of the original [Exposure Draft of the ISA for LCE](#). Given stakeholder feedback, the IAASB reconsidered its decision to exclude group audits and developed proposals that address audits of less complex groups.

With the inclusion of group audits, the IAASB has proposed changes to the Authority of the proposed ISA for LCE. For example, it has removed the prohibition on using the standard when the audit is a group audit, unless component auditors are involved, other than in limited circumstances in which a physical presence is needed for a specific audit procedure for the group audit (e.g. for attending a physical inventory count or inspecting physical assets).

### **Request for Comments**

The IRBA Committee for Auditing Standards (CFAS) welcomes comments on all matters that are addressed in the exposure draft, including responses to the specific questions set out in the Explanatory Memorandum. Comments should be submitted via email to [standards@irba.co.za](mailto:standards@irba.co.za) by **17 April 2023**. All comments will be considered as a public record. We particularly highlight the need to hear from local audit firms (without global network membership) and affiliations about the perceived benefits and risks of the proposals.

Alternatively, we invite auditors and other interested stakeholders to submit comments directly to the IAASB via its [website](#) by 2 May 2023.

A copy of the Exposure Draft is available in PDF format and may be downloaded from the exposure draft page on the IRBA [website](#).

Should you have any other queries or experience any technical difficulties in downloading the document, please do not hesitate to email the [Standards Department](#).

**Imran Vanker**

**Director: Standards**

***About the IRBA***

*The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.*

*The statutory responsibilities of the CFAS are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information, where requested; and promote and ensure the relevance of auditing pronouncements.*