



INSTITUTO NACIONAL
DE CONTADORES PÚBLICOS
COLOMBIA

Member of the International
Federation of Accountants IFAC

May 2, 2023

144-23

Mr.

International Federation of Accountants -IFAC
International Auditing and Assurance Standards Board (IAASB)
529 Fifth Avenue
New York, NY 10017 USA

Ref.: Proposed Part 10, Audits of Group Financial Statements of the Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities

Dear Sirs:

The INCP (Colombia's National Institute of Public Accountants) would like to express its gratitude for this opportunity to make and submit some comments on the Proposed Part 10, Audits of Group Financial Statements of the Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities. Included below are our responses to the questions asked in the exposure draft; thank you for your consideration thereof:

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?

No, we believe that the proposed prohibition is restrictive and limits the auditor's professional judgment regarding the group complexity. Instead, auditors should be allowed to use the standard whenever they judge it as suitable and not only when physical presence is required, because there may be circumstances different from those mentioned in the document in which component auditors are used due to a practical reason rather than the complexity of the group itself.

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?



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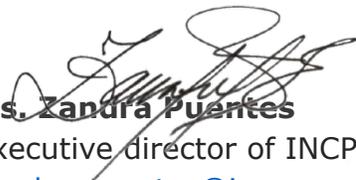
We partially agree. But, while the proposed qualitative characteristics are consistent and help define whether a group is less complex, we believe that all criteria need to be defined more accurately and should include the option of performing an analysis of all the characteristics of the group as a whole to assess its complexity. For instance, we believe that it is worth clarifying that any individual qualitative characteristic may not be enough by itself to determine whether or not the proposed standard is applicable to the circumstances of the group. Furthermore, for the purposes of determining the appropriate use of the proposed standard, we deem it important to consider that the list of qualitative characteristics presented should not be comprehensive or aimed at being absolute, since other issues may be taken into account under some circumstances.

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

Yes, as long as the remarks made to questions 1 and 2 are considered.

Should you require further information on these answers, please do not hesitate to contact us.

Best regards,



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