

LUXEMBOURG SUPPLEMENT TO INTERNATIONAL STANDARD ON AUDITING 220 (REVISED) QUALITY MANAGEMENT FOR AN AUDIT OF FINANCIAL STATEMENTS

Definitions

12. For purposes of the ISAs, the following terms have the meanings attributed below: [...]
- (k) Relevant ethical requirements – [...] In Luxembourg, the firm and its personnel are subject to ethical requirements from three sources: the IESBA Code including the Luxembourg supplement, the Audit Regulation (for Public-Interest entities) and the Audit Law (thereafter the “Luxembourg ethical requirements” or “Luxembourg ethical standards”).
- 12D-1. The following terms have the meanings attributed below:
- (a) Audit Regulation [AR] – refers to Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.
 - (b) Audit Law [AL] – refers to Law of July 23rd, 2016 related to the audit profession.
 - (c) Competent authority – is defined in Article 1(2) of the Audit Law as “the authorities designated by law that are in charge of the regulation and/or oversight of statutory auditors and audit firms or of specific aspects thereof.” In Luxembourg the competent authority is the CSSF.
 - (d) Key audit partner – is defined in the Audit Law [AL/Article 1(1)] as:
 - (i) the statutory auditor(s) designated by an audit firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of the audit firm; or
 - (ii) in the case of a group audit, at least the statutory auditor(s) designated by an audit firm as being primarily responsible for carrying out the statutory audit at the level of the group and the statutory auditor(s) designated as being primarily responsible at the level of material subsidiaries; or
 - (iii) the statutory auditor(s) who sign(s) the audit report.
 - (e) Public-interest entity – is as defined in Article 1(20) of the Audit Law.
 - (f) Statutory audit – is defined in Article 1(6) of the Audit Law as an audit of annual financial statements or annual consolidated financial statements in so far as required by Union law or by national law.

Requirements

Leadership Responsibilities for Managing and Achieving Quality on Audits

13D-1. For statutory audits of financial statements, the key audit partner(s) shall be actively involved in the carrying-out of the audit, devoting sufficient time to the engagement. [AL/Article 25(1)(2)]

Engagement Performance

36R-1 For statutory audits of financial statements of public-interest entities, the engagement partner shall [...]

- (c) not date the auditor's report and the additional report to the audit committee¹ until the completion of the engagement quality control review.

Documentation

41D-1. For statutory audits of financial statements, the auditor shall include in the audit documentation all significant threats to the firm's independence as well as the safeguards applied to mitigate those threats. (Ref: Para. A120-1) [AL/Article 22]

¹ ISA 260 (Revised) Communication with those charged with governance, paragraph 16R-1



Commission de Surveillance
du Secteur Financier

Application and Other Explanatory Material

Documentation

A120-1. In documenting the significant threats to the firm's independence and any mitigating safeguards, the auditor refers to the documentation required by ISQM1².

² ISQM1. Paragraph 58D-1 (b) (ii)