

LUXEMBOURG SUPPLEMENT TO INTERNATIONAL STANDARD ON AUDITING 700 (REVISED) FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS

Introduction

Scope of this ISA

3. For the purpose of the Luxembourg's statutory audit of financial statements, this ISA applies to an audit of a complete set of general purpose financial statements and is written in that context. [AL/Article 33(2)]

Requirements

Auditor's Report

20R-1. The auditor's report shall be in clear and unambiguous language. [AR/Article 10.3]

24e) For the purpose of Luxembourg's statutory audit, the Opinion in the auditor's report shall specify the date of and the period covered by the financial statements. [AL/Article 35(2)a]

28c). [...] In Luxembourg, auditors are subject to ethical requirements from three sources: the IESBA Code including the Luxembourg supplement, the Audit Regulation and the Audit Law (thereafter the "Luxembourg ethical requirements" or "Luxembourg ethical standards").

Key Audit Matters

30. For statutory audits of complete sets of general purpose financial statements of public-interest entities the auditor shall communicate key audit matters in the auditor's report in accordance with ISA 701. [AR/Article 10.2(c)]

Auditor's Responsibilities for the Audit of the Financial Statements

40. The Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report also shall: [...]

- (c) For audits of financial statements of public-interest entities state that, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

(d) For audits of financial statements of entities other than public-interest entities for which key audit matters are communicated in accordance with ISA 701, state that, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

- 40R-1. For audits of financial statements of public-interest entities, the auditor's report shall:
- (a) State by whom or which body the auditor(s) was appointed; [AR/Article 10.2(a)]
 - (b) Indicate the date of the appointment and the period of total uninterrupted engagement including previous renewals and reappointments of the firm; [AR/Article 10.2(b)]
 - (c) Explain in the "Auditor's Responsibilities for the Audit of the Financial Statements" section to what extent the audit was considered capable of detecting irregularities, including fraud; [AR/Article 10.2(d)]
 - (d) Confirm that the audit opinion is consistent with the additional report to the audit committee¹. Except as required by this paragraph, the auditor's report shall not contain any cross-references to the additional report to the audit committee. [AR/Article 10.2(e)]
 - (e) Declare that the non-audit services prohibited by the Luxembourg ethical standards were not provided and that the firm remained independent of the entity in conducting the audit; and [AR/Article 10.2(f)] (Ref: Para A52-1)
 - (f) Indicate any services, in addition to the audit, which were provided by the firm to the entity and its controlled undertaking(s), and which have not been disclosed in the management report or financial statements. [AR/Article 10.2(g)]

Other Reporting Responsibilities

43.ESEF. For entities that are required to prepare their financial statements in compliance with the relevant statutory requirements set out in the ESEF regulation², the auditor shall in the auditor's report:

- (a) State, in the section "Report on Other Legal and Regulatory Requirements", whether, based on the work undertaken in the course of the audit, the financial statements comply with the relevant statutory requirements set out in the ESEF Regulation;
- (b) Explain the related management's responsibilities in the section "Responsibilities of Management and Those Charged with Governance for the Financial Statements";

¹ ISA 260 (Revised), "Communication with Those Charged with Governance," paragraph 16R-1.

² Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation")

(c) Explain the related auditor's responsibility in the section "Auditor's Responsibilities for the Audit of the Financial Statements";

Name of the Engagement Partner

46. The name of the engagement partner shall be included in the auditor's report on financial statements. [AL/Article 35(4)]

Signature of the statutory auditor

47D-1 The audit report shall be signed and dated by the statutory auditor. Where an audit firm carries out the statutory audit, the audit report shall bear the signature of at least the statutory auditor(s) carrying out the statutory audit on behalf of the audit firm. [AL/Article 35(4)]

Auditor's address

48D-1. For statutory audits of financial statements, the auditor's report shall identify the place of establishment of the firm. [AL/Article 35.2(g)]

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Application and Other Explanatory Material

Auditor's Responsibilities for the Audit of the Financial Statements (Ref: Para. 37-40)

A52-1. ISA 700 paragraph 40R-1 requires the auditor to provide a declaration in their audit report that they have not breached non-audit services requirements. Where those requirements have been breached, but where the auditor believes that an 'objective, reasonable and informed third party' would not conclude that the auditor's independence had been compromised (perhaps because the breach was minor in nature), then the auditor should issue the auditor's report, disclosing within it: (i) the nature of the breach; (ii) confirming the auditor's assessment that their independence had not been compromised; and (iii) stating what had been done to address any risks arising impacting on the independence of the auditor. Before the auditor's report is signed, this should be discussed and agreed with the audit committee of the entity concerned.

Auditor's Report Prescribed by Law or Regulation (Ref: Para. 50)

A65-1. Auditor's reports prepared in compliance with the requirements of this Luxembourg supplement to ISA 700 (Revised) shall comply with ISA 700 (Revised) "Forming an Opinion and Reporting on Financial Statements" issued by the IAASB, including the minimum elements of an auditor's report required by paragraph 50(a)-(o) of ISA 700 (Revised). Therefore, it does not preclude the auditor from being able to assert compliance with International Standards on Auditing issued by the IAASB.



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Auditor's Report for Audits Conducted in Accordance with Both Auditing Standards of a Specific Jurisdiction and International Standards on Auditing (Ref: Para. 51)

A72-1. The requirements of the Luxembourg supplement to ISAs do not conflict with the requirements in ISAs. An audit conducted in accordance with ISAs and their Luxembourg supplements does not therefore preclude the auditor from being able to assert compliance with International Standards on Auditing issued by the IAASB.