

ISRE 2410¹ – Issues Paper

Objective of the IAASB Discussion

The objective of this session is to obtain the Board's direction on selected topics, including initial drafting of selected sections of a proposed ISRE 2410 (Revised) as set out in **Agenda Item 7-A**.

Materials Presented

This Issues Paper is intended to be read together with the selected drafting for proposed ISRE 2410 (Revised) presented in **Agenda Item 7-A**.

The following materials also are relevant to the matters discussed in this Issues Paper:

Agenda Item 2	Draft Project Proposal – Cover Note
Agenda Item 2-A	Draft Project Proposal to Revise ISRE 2410 (Clean)
Agenda Item 2-B	Draft Project Proposal to Revise ISRE 2410 (Marked from March 2025)

Introduction

- As set out in **Agenda Item 2**, during the March 2025 IAASB meeting, the Board expressed no significant matters of concern relating to the draft project proposal to revise ISRE 2410. On that basis, since March 2025, the project team (see **Agenda Item 2, Appendix 1**) has focused on the following topics:
 - Clarifying the principles and concepts relevant to ISRE 2410 and the relationship between ISRE 2410 and other IAASB standards, including proposed drafting for the introduction, objectives, and selected definitions in proposed ISRE 2410 (Revised) (proposed actions 1.1 and 1.2 in the draft project proposal) – See **Section A** below; and
 - Exploring enhancements to the form, structure and presentation of the interim review report to enhance the understandability and usefulness of the report for intended users (proposed action 3.1 in the draft project proposal) – See **Section C** below.
- The project team has developed proposed drafting of the introduction, objectives, definitions, and certain general requirements of proposed ISRE 2410 (Revised): conduct of an interim review engagement in accordance with the proposed ISRE, relevant ethical requirements, and professional skepticism and professional judgment (see **Section B** below).
- The drafting proposals presented in **Agenda Item 7-A** were developed through a combination of:
 - Including paragraphs from extant ISRE 2410, modified as necessary, to the extent that existing principles and concepts are not being challenged based on the information-gathering; and

¹ International Standard for Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

- (b) Introducing new paragraphs where necessary, drafted based on paragraphs from ISRE 2400 (Revised)² or other IAASB standards, modified as appropriate to reflect the circumstances of interim review engagements.

The project team followed the CUSP Drafting Principles and Guidelines³ in developing the drafting of sections of proposed ISRE 2410 (Revised).

A. Clarifying Principles and Concepts Relevant to Proposed ISRE 2410 (Revised) and the Purpose of Interim Review Engagements

Introduction, Including the Scope of the Proposed Revised Standard

4. The draft project proposal identifies a need to clarify the relationship between the core principles and concepts in ISRE 2410 and those in other IAASB standards that address limited assurance engagements, including the extent to which it is appropriate to align the principles of ISRE 2410 and ISRE 2400 (Revised).
5. To address this issue, the project team considered the core principles and concepts that are relevant to ISRE 2410, and how they relate to other IAASB standards and the Framework for Assurance Engagements. These have formed the basis for the project team's proposals relating to:
 - (a) Certain definitions for inclusion in proposed ISRE 2410 (Revised) (see section '**Definitions**' below), and
 - (b) A redrafted introduction of the proposed revised standard (shown in paragraphs 1-11 of **Agenda Item 7-A**).
6. In drafting the introduction, the project team started with relevant paragraphs from extant ISRE 2410, and built in concepts and clarifications from ISRE 2400 (Revised) or other IAASB standards, as appropriate, to address:
 - (a) **The scope of proposed ISRE 2410 (Revised).** This reflects the outcome of the discussion at the March 2025 IAASB meeting,⁴ which affirmed that the scope of ISRE 2410 differs from ISRE 2400 (Revised) and identified the ways in which it does so.
 - (b) **Other introductory material, including application and other explanatory material,** relating to:
 - (i) How ISRE 2410 relates to other standards, including the International Standards on Auditing (ISAs), and ISQM 1;⁵
 - (ii) The responsibilities of the auditor and others in relation to interim financial information; and

² ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*

³ While written in the context of the ISAs, Complexity, Understandability, Scalability and Proportionality (CUSP) Drafting Principles and Guidelines (June 2024), can be extrapolated, as applicable, to redrafting an ISRE.

⁴ See Agenda Item 6 and minutes of the IAASB's March 2025 meeting.

⁵ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

- (iii) The context in which an engagement to review interim financial information is performed. In particular, this gives due consideration to the fact that financial reporting requirements for preparing interim financial information are likely to differ from those for a complete set of financial statements.

Use of Certain Terms

7. In developing the proposed drafting, the project team noted that paragraph 1 of extant ISRE 2410 refers to an “audit client.” Although not defined in the IAASB Glossary, the project team is of the view that the term is useful in the context of an interim review engagement. The project team considered alternative wording (such as “an entity audited by the auditor”) but concluded that retaining the term “audit client” is a simpler way to refer to an engagement performed by the independent auditor of the entity (i.e., a review of the interim financial information of an entity for which the firm already has a client relationship). The project team further noted that the terms “client,” “client relationship,” and “audit or assurance client” are used multiple times throughout the IAASB standards. The use of the term “audit client” in proposed ISRE 2410 (Revised) is also consistent with the definition in the IESBA Code.⁶
8. The project team also determined that it would be useful to describe the term “interim review engagement” in the Introduction section of proposed ISRE 2410 (Revised) as a shorthand way of referring, in various places throughout the standard, to “an engagement to perform a review of interim financial information of an audit client.” See paragraph 1 of **Agenda Item 7-A**.

Relationship with Other Professional Pronouncements and Other Requirements

9. As noted in the draft project proposal (see proposed action 1.2), the project team is seeking to clarify the relationship between proposed ISRE 2410 (Revised) and other IAASB standards or relevant professional requirements. The project team is of the view that it is important for the proposed revised standard to clearly differentiate interim review engagements as a separate engagement (separate from and not an audit, but a type of limited assurance engagement) and to emphasize that proposed ISRE 2410 (Revised) is a standalone standard (i.e., the auditor does not need to refer to any other IAASB engagement standards⁷ when performing an interim review engagement).
10. Accordingly, the project team has added a section in the Introduction section of the proposed revised standard to provide additional clarity in this regard (see paragraphs 4-6 of **Agenda Item 7-A**). The subheading “*Relationship with Other Professional Pronouncements and Other Requirements*” is consistent with similar subheadings in other IAASB standards (e.g., ISAE 3402,⁸ ISAE 3410,⁹ and ISAE 3420¹⁰).

⁶ International Ethics Standards Board for Accountants’ (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“the Code” or “IESBA Code”)

⁷ See paragraph 9 of the Preface to the International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements (the Preface)

⁸ International Standard on Assurance Engagements (ISAE) 3402, *Assurance Reports on Controls at a Service Organization*

⁹ ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

¹⁰ ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*

11. As indicated in the bracketed references at the end of each of the paragraphs, in some cases the paragraphs are based on similar wording or sections in other IAASB standards. The text has not been marked up from the original source(s).

An Interim Review Engagement

12. Paragraphs 7-9 of **Agenda Item 7-A** provide a high-level description of an interim review engagement. These paragraphs are based on paragraphs 5-8 of ISRE 2400 (Revised). The project team was of the view that such a description would provide additional clarity about the conduct of an interim review engagement.
13. Paragraph 8 of **Agenda Item 7-A** refers to the fact that the entity's interim financial information is prepared by management in accordance with the applicable financial reporting framework. The project team has included proposed application material related to management's responsibilities and the applicable financial reporting framework (see paragraphs A3-A7 of **Agenda Item 7-A**). This application material was derived from various sources, including the IAASB Staff Audit Practice Alert *Review Engagements on Interim Financial Information in the Current Evolving Environment Due to COVID-19* (June 2020).

Difference from An Audit of Financial Statements

14. Paragraphs 8-9 of extant ISRE 2410 explain that a review of interim financial information (a limited assurance engagement) is different from an audit of financial statements (a reasonable assurance engagement.) The project team concluded that including similar wording in proposed ISRE 2410 (Revised) would help to address comments from stakeholders about how an interim review differed from an audit. See paragraphs 10-11 of **Agenda Item 7-A**. The project team was also of the view that a descriptive heading would further emphasize the clear differences between the two types of engagements.

Matters for IAASB Consideration

The Board is asked for its views on:

1. The drafting in proposed paragraphs 1-11, and related application material, of **Agenda Item 7-A**.
2. Whether any other material is necessary in the Introduction section of the standard to address the principles and concepts relevant to interim review engagements, and the relationship of proposed ISRE 2410 (Revised) with other IAASB standards and the audit of financial statements.

Objectives

15. While no specific challenges were identified in the information-gathering with the objectives in extant ISRE 2410, new drafting conventions since the issue of extant ISRE 2410 support redrafting them more concisely, and with a focus on the intended outcomes of the standard. The project team has drafted the objectives of proposed ISRE 2410 (Revised) accordingly, based on paragraph 7 of extant ISRE 2410 and the objectives of ISRE 2400 (Revised).

16. ISRE 2400 (Revised) includes application material related to, or linked to, the objectives (see paragraphs A7-A9 and A119-A120 of that standard). The project team reviewed this application material and concluded that it would be more appropriate to consider it as application material to the reporting requirements in proposed ISRE 2410 (Revised). Accordingly, there is no application material for the Objectives of the proposed revised standard in **Agenda Item 7-A**.

Matter for IAASB Consideration

3. The Board is asked to provide its views on the proposed objectives in paragraphs 13-14 of **Agenda Item 7-A**.

Definitions

17. As noted in paragraph 5(a) above, the project team has identified certain key terms that are fundamental to understanding and applying ISRE 2410, and has proposed definitions, based on definitions in ISRE 2400 (Revised) and other standards, as appropriate.
18. Paragraph 15 of **Agenda Item 7-A** includes proposed definitions of terms used in the Introduction and Objectives sections of proposed ISRE 2410 (Revised), including:
- (a) *From Extant ISRE 2410*¹¹
 - Interim financial information (see paragraph 15(d))
 - (b) *From ISRE 2400 (Revised):*
 - Analytical procedures (see paragraph 15(a))¹²
 - Inquiry (see paragraph 15(c))
 - Limited assurance (see paragraph 15(e))
 - Relevant ethical requirements (see paragraph 15(f))
 - (c) *From the Glossary:*
 - Applicable financial reporting framework (see paragraph 15(b)).
 - Review procedures (see paragraph 15(g)).
19. The proposed definition of limited assurance is based on the definition in paragraph 17(f) of ISRE 2400 (Revised), modified to align with the wording in paragraph 15 of the International Framework for Assurance Engagements and the descriptions of limited assurance engagements in other IAASB assurance standards.
20. The project team will consider the need for additional definitions as the drafting of the proposed revised standard progresses.

¹¹ While extant ISRE 2410 does not include a 'Definitions' section, which was added as part of the Clarity drafting conventions, the term 'interim financial information' was described in paragraph 2 of that standard.

¹² The project team is aware that the Audit Evidence and Risk Response project team is also exploring possible changes to the definition of analytical procedures, so will coordinate as necessary with that team.

Matter for IAASB Consideration

4. The Board is asked to provide their views on the selected proposed definitions in paragraph 15 of **Agenda Item 7-A**.

B. Selected General Requirements in Proposed ISRE 2410 (Revised)

21. As noted in paragraph 2 above, the project team developed proposed drafting for the following general requirements in proposed ISRE 2410 (Revised): conduct of an interim review engagement in accordance with the proposed ISRE, relevant ethical requirements, and professional skepticism and professional judgment.

Conduct of an Interim Review Engagement in Accordance with Proposed ISRE 2410 (Revised)

22. IAASB standards drafted in the clarity format include requirements dealing with understanding the entire text of the standard, and for complying with relevant requirements of the standard in order to represent compliance with the standard.
23. Such requirements are included in ISRE 2400 (Revised). As explained in the issues paper for the March meeting (see paragraph 8(a) of Agenda Item 6 for that meeting), ISRE 2400 (Revised) is not an “umbrella” standard for ISRE 2410: an auditor performing an interim review engagement in accordance with ISRE 2410 is not required to also comply with ISRE 2400 (Revised). Accordingly, these requirements also need to be included in proposed ISRE 2410 (Revised). See paragraphs 16-20 of **Agenda Item 7-A**.
24. The project team included paragraphs 19 and 20 of **Agenda Item 7-A** even though they are not included in ISRE 2400 (Revised). This was done because similar requirements have been included in some jurisdictional equivalent standards, and to align with recent thinking of the Board in developing standalone assurance standards (e.g., ISSA 5000).¹³ The wording is consistent with paragraph 15 of the Preface and ISSA 5000, paragraphs 23-24.

Relevant Ethical Requirements

25. Paragraph 4 of extant ISRE 2410 indicates that the auditor should comply with the ethical requirements relevant to the audit of the annual financial statements of the entity. The project team notes that the relevant ethical requirements in a particular jurisdiction may address the provisions related to interim review engagements in different ways. For example, the International Independence Standards in Part 4A of the IESBA Code apply to both audit and review engagements.¹⁴ Therefore, the project team is of the view that this requirement in the proposed revised standard should be written in a more general way to refer to relevant ethical requirements, including those related to independence. See paragraph 21 of **Agenda Item 7-A**. This also affects the statement about relevant ethical requirements in the auditor’s interim review report (see paragraphs 39-40 below).

¹³ International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*

¹⁴ IESBA Code, paragraphs 400.1 and 400.2

26. The project team discussed these proposals in an initial meeting with IESBA staff as part of their coordination activities on the project. These coordination activities will continue throughout the project, as set out in paragraph 17 of the draft project proposal.

Professional Skepticism and Professional Judgment

27. Paragraph 5 of extant ISRE 2410 addresses professional skepticism but not professional judgment. The project team was of the view that both topics should be addressed in the requirements of proposed ISRE 2410 (Revised), consistent with ISRE 2400 (Revised).
28. Accordingly, the project team has included paragraphs 22 and 23, and related application material, in **Agenda Item 7-A**, based on similar paragraphs in ISRE 2400 (Revised). This responds to proposed action 4.3(b) in the draft project proposal. The project team will further consider the related application material in progressing the drafting of the proposed revised standard (e.g., in addressing fraud considerations in response to proposed action 2.1(b) of the draft project proposal).

Matter for IAASB Consideration

5. The Board is asked to provide their views on the proposed drafting in paragraphs 16-23, and related application material, of **Agenda Item 7-A**.

C. Interim Review Report

29. As described in Agenda Item 6 for the March 2025 meeting, the IAASB recognizes the communicative value of reports in assurance engagements, given their common objective in containing an opinion or conclusion designed to enhance the degree of confidence of intended users about the subject matter information. In this context, when considering recommendations arising from the post-implementation review of the Auditor Reporting standards (completed in September 2021), the Board recognized that the form, structure, and presentation of assurance and audit reports are intentionally different, as this enables users to clearly distinguish their different purpose and scope.
30. This general view was echoed by stakeholders during information-gathering for this project.¹⁵ A range of stakeholders expressed a level of concern about expanding the content of the interim review report, noting that adding content may create perceptions that the nature and scope of work performed for the interim review engagement was *more* than what is needed to express a limited assurance conclusion. Concerns about the impact of such a possible unintended consequence on the expectations gap were also raised.
31. It is in this context that this section of the issues paper addresses possible enhancements to the form, content and structure of the auditor's review report, balancing concerns expressed by those stakeholders, with the needs of intended users for understandable and useful interim review reports. It also should be noted that, at the time of completing of the post-implementation review of Auditor Reporting Standards, the Board supported exploring stakeholder demand for aligning the form,

¹⁵ Notwithstanding the general view, responses to a 2024 request for information issued to Jurisdictional Standards Setters (JSS) indicated that some JSS, including Australia, New Zealand and Japan, have updated their local versions of ISRE 2410 to more closely align their interim review reporting requirements with the auditor reporting requirements applicable under the new and revised Auditor Reporting Standards.

structure and presentation of assurance reports *other* than audit reports, with the form, structure, and presentation of audit reports, when the applicable assurance standards were next proposed for revision. In March 2025 the Board agreed to pursue this matter in its project to revise ISRE 2410 – see proposed action 3.1 in the project proposal.

The Order of Information Presented in the Auditor's Review Report

32. The project team initially considered whether the order of information to be presented in an interim review report is more appropriately aligned to the auditor's report, to review reports under ISRE 2400 (Revised), or to limited assurance reports on other subject matter information.
33. Given the unique nature of interim review engagements performed by the independent auditor of the entity, the project team proposes that the auditor's interim review report include a **Conclusion** section followed by a **Basis for Conclusion** section (an approach that mirrors the enhancements introduced during the Auditor Reporting project). While the project team has not yet concluded its discussions about other sections of the interim review report, they have some initial recommendations for which they are seeking input from the IAASB (see 'Other Elements of the Interim Review Report' below).

The Auditor's Review Conclusion

34. To improve the communicative value of the review report, the project team proposes that the auditor's review conclusion be presented **first** in the interim review report. Such an approach would give the conclusion greater prominence. It is also consistent with the actions of JSS who have made local modifications to their versions of ISRE 2410 regarding the ordering of information in the auditor's review report, and with developments in recent standards issued by the IAASB which include assurance reports.¹⁶
35. Accordingly, the project team's initial view is that the Auditor's Review Conclusion section should address the following aspects, based on extant ISRE 2410 (paragraph 43), ISRE 2400 (Revised) (paragraphs 73-74 and 86), and the Board's most recent thinking on assurance reports:

- (a) A paragraph that:
 - (i) Identifies the entity whose interim financial information has been reviewed;
 - (ii) Identifies the interim financial information reviewed, including the title of each of the statements contained in the complete or condensed set of financial statements and the date and period covered by the interim financial information; and
 - (iii) States that the interim financial information has been reviewed.
- (b) A paragraph that expresses the auditor's limited assurance conclusion on the interim financial information. In the case of an unmodified conclusion, the conclusion conveys that, based on the auditor's review, nothing has come to the auditor's attention that causes the auditor to believe that the interim financial information [is not fairly presented/does not give a true and fair view (in the case of a fair presentation framework)] [is not prepared (in the

¹⁶ For example, ISSA 5000

case of a compliance framework)], in all material respects, in accordance with the applicable financial reporting framework.

36. Variations on this wording based on the circumstances of the engagement and the matter of modified conclusions will be presented for the Board's consideration at a future IAASB meeting.
37. The project team is also aware of a matter relating to the form of the auditor's limited assurance conclusion, which has been discussed in certain jurisdictions in connection with revisions to the jurisdictional interim review standards. See further discussion under "Form of the Auditor's Conclusion" below.

Basis for Conclusion

38. The project team proposes that a section headed Basis for Conclusion would follow the auditor's review conclusion. The Basis for Conclusion section would include the statements already required under extant ISRE 2410¹⁷ indicating the standard under which the interim review was conducted, and that the review is substantially less in scope than an audit conducted in accordance with the ISAs.
39. The project team is of the view that it would be in the public interest for the Basis for Conclusion section to include a statement relating to compliance with relevant ethical requirements. As explained in paragraph 25 above, the project team notes that the International Independence Standards in Part 4A of the IESBA Code apply to both audit and review engagements. Given that the interim review engagement is undertaken by the auditor of the entity, the project team proposes that the statement in the review report be based on ISA 700 (Revised),¹⁸ paragraph 28(c), which includes a requirement for the auditor's report to include an explicit statement about auditor independence and disclose the source of relevant ethical requirements.
40. Based on the above, the project team's initial view is that the proposed statements in the Basis for Conclusion section would include the following:

- (a) A statement that the review of the interim financial information was conducted in accordance with ISRE 2410 (Revised), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. [Based on extant paragraph 43(g)]
- (b) A statement that the auditor is responsible for expressing a conclusion on the interim financial information based on the review. [Based on extant paragraph 43(f)]
- (c) A description of an interim review engagement and its limitations, including statements that:
 - (i) A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement; [Based on ISRE 2400 (Revised), paragraph 86(g)]
 - (ii) Such a review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and, as appropriate, other review procedures; [Based on extant paragraph 43(g)]

¹⁷ Extant ISRE 2410, paragraphs 43(g) and 43(h)

¹⁸ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

- (iii) The procedures performed in an interim review vary in nature and timing from, and are less in extent than for, an audit conducted in accordance with International Standards on Auditing. Consequently, an interim review does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion on the interim financial information; [Based on extant paragraph 43(h); ISRE 2400 (Revised), paragraph 86(g)(iii); and ISSA 5000, paragraph 190(d)(ii)a]
- (d) A statement that the auditor is independent of the entity in accordance with relevant ethical requirements and has fulfilled the auditor's other ethical responsibilities in accordance with these requirements.
 - (i) The statement shall identify the jurisdiction of origin of the relevant ethical requirements, or refer to the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code); and
 - (ii) If the relevant ethical requirements require the auditor to publicly disclose when the auditor applied independence requirements specific to audits or reviews of certain entities, the statement shall indicate that the auditor is independent of the entity in accordance with the independence requirements applicable to the audits or reviews of those entities; [Based on ISA 700 (Revised), paragraph 28(c)]
- (e) A statement that the auditor believes that the evidence obtained is sufficient and appropriate to provide a basis for the auditor's conclusion. [Based on ISSA 5000, paragraph 190(d)(vii)]

Form of the Auditor's Conclusion

41. Under extant ISRE 2410:

- (a) The auditor's conclusion is expressed in negative form ("*Nothing has come to the auditor's attention to cause the auditor to believe that the interim financial information [...]*"), and
- (b) The wording of the auditor's conclusion differs, depending on whether the interim financial information comprises a complete set of general-purpose financial statements prepared in accordance with a framework designed to achieve fair presentation, or not.¹⁹

IAASB Discussion and Decisions When Developing Extant ISRE 2410

42. The Exposure Draft of extant ISRE 2410, which was approved in June 2003, asked respondents for views on the appropriateness of different conclusions in the auditor's written report depending on whether condensed or complete financial statements were prepared by the entity, as follows:
- (a) If the interim financial information is comprised of a condensed set of financial statements, the written report would contain a statement about whether the auditor is aware of any material modifications that should be made to the interim financial information for it to be in accordance with the applicable financial reporting framework, or

¹⁹ ISRE 2410, paragraphs 43(i) and 43(j). See also the proposed definition of 'applicable financial reporting framework' in paragraph 15(b) of **Agenda Item 7-A**.

- (b) If the interim financial information is comprised of a complete set of financial statements, the written report would contain a statement about whether the auditor is aware of any material modifications that should be made to the interim financial information for it to be fairly presented (or give a true and fair view) in accordance with the applicable financial reporting framework.
43. Respondents to the Exposure Draft expressed mixed views about the separate conclusions, which were discussed by the Board in [December 2003](#):
- (a) Some agreed that the conclusion expressed should differ depending on whether the interim financial information was presented in a complete or condensed set of financial statements. These respondents argued that a “presents fairly/true and fair view” conclusion should be restricted to circumstances when financial statements fully comply with all requirements and disclosures of a financial reporting framework (recognizing, for example, that certain disclosures may not be required for a condensed set of financial statements).
 - (b) Others argued that the objective of the interim review is the same irrespective of whether the information is a condensed or complete set of financial statements, and both conclusions are intended to convey the same level of assurance obtained (i.e., limited assurance). However, these respondents were of the view that the terms “presents fairly” and “true and fair view” should not be used in an interim review report because of the limited nature of the review procedures performed and a greater use of estimation methods than for annual financial statements. These respondents further noted that these terms are used in auditor’s reports for audits of financial statements, and that their use in an interim review report may be confusing.
 - (c) One respondent stated that the use of “presents fairly/true and fair view” should be dependent on the requirements of the applicable financial reporting framework and not whether the set of interim financial statements is complete or condensed.
44. At its [March 2005](#) and [June 2005](#) meetings,²⁰ the IAASB discussed whether condensed financial statements could achieve fair presentation, and the related implications for the auditor’s conclusion on condensed financial statements. After due deliberation, the IAASB agreed that the phrase:
- (a) “Presents fairly/true and fair view” would only be used in the context of a complete set of financial statements prepared in accordance with a framework designed to achieve fair presentation, and
 - (b) “Prepared, in all material respects” would be used in other circumstances.

Project Team Views and Initial Recommendation

45. The implication of this previous Board decision is that “other circumstances” would include interim financial information prepared in accordance with a compliance framework, as well as *condensed* interim financial information prepared in accordance with a fair presentation framework. In other words, “presents fairly” would not be used in the context of a review of condensed interim financial information.
46. The project team’s view is that the wording of the auditor’s interim review conclusion should be driven by the applicable financial reporting framework, and not whether the interim financial information is

²⁰ Refer also to the approved minutes for the [IAASB’s June 2005 quarterly meeting](#) under Agenda Item 1.

presented as a complete or condensed set of financial statements. For example, International Accounting Standard (IAS) 34, *Interim Financial Information*, issued by the International Accounting Standards Board (IASB), permits an entity to publish either a complete or condensed set of interim financial statements, but prescribes the minimum content of an interim financial report and the principles for recognition and measurement in complete or condensed financial statements for an interim period.²¹ The project team further notes that the requirements for fair presentation in IAS 1, *Presentation of Financial Statements*, also apply to condensed interim financial statements prepared in accordance with IAS 34.²² The project team intends to liaise with IASB staff to confirm its views on these aspects of IAS 34 and IAS 1.

47. Therefore, the initial recommendation of the project team is that the form of the auditor's unmodified conclusion on interim financial information should be consistent with the approach in paragraph 74 of ISRE 2400 (Revised), either:
- (a) "Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not presented fairly, in all material respects (or does not give a true and fair view), ... in accordance with the applicable financial reporting framework," (for interim financial information prepared using a fair presentation framework); or
 - (b) "Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework" (for interim financial information prepared using a compliance framework).
48. This approach would be consistent with the approach adopted by some jurisdictional standard setters, including Australia and New Zealand, in their locally modified interim review engagement standards.

Other Elements of the Interim Review Report

49. The project team has also explored other elements of the interim review report, and initially recommends the following:
- (a) In relation to management's responsibilities:
 - (i) A statement regarding management's responsibilities for the preparation and [fair] presentation of the interim financial information in accordance with the applicable financial reporting framework,²³ and
 - (ii) An explicit statement about management's responsibility for such internal control that they determine is necessary to enable the preparation of interim financial information that is free from material misstatement, whether due to fraud or error. This would be consistent with the requirements of ISRE 2400 (Revised).²⁴

²¹ See the objective and paragraph 7 of IAS 34

²² See IAS 1, paragraph 4

²³ Such a statement is already required under extant ISRE 2410, paragraph 43(d) in the case of a fair presentation framework, or (e) in other circumstances.

²⁴ ISRE 2400 (Revised), paragraph 86(d)

These statements could either be placed in a separate section, with a separate heading (“Responsibilities of Management (or Those Charged with Governance, as applicable) for the Interim Financial Information”), or the project team can explore whether such statements could be included elsewhere in the interim review report.

- (b) In relation to the auditor’s responsibilities:
 - (i) To not introduce a separate section, with a separate heading, given that the proposed Basis for Conclusion section (see paragraphs 38-40 above) adequately addresses the relevant aspects about the auditor’s responsibilities. This includes the aspects that are addressed in the “Practitioner’s Responsibility” section for review engagements in accordance with ISRE 2400 (Revised).
- (c) To include a conditional requirement for the review report to include the name of the engagement partner for interim review engagements of listed entities (or publicly traded entities subject to approval of the narrow scope amendments of the PIE Track 2 project – see **Agenda Item 3**). This is in line with actions taken by some jurisdictional standard setters, including Australia and New Zealand, and with the requirements of ISA 700 (Revised) for the auditor’s report. The project team is of the view that this is an important disclosure, as users may have an interest in understanding whether the engagement partner for the interim review engagement was the same for the annual audit of the financial statements.

Matters for IAASB Consideration

- 6. The Board is asked for:
 - (a) Its views on the proposed structure of the auditor’s review report on interim financial information, including the proposed content of the Conclusion and Basis for Conclusion sections of the report, as discussed in paragraphs 32 to 40 above;
 - (b) Its views about the form of the auditor’s conclusion on the interim financial information, as discussed in paragraphs 41-48 above, including the project team’s initial recommendation discussed in paragraphs 45-48 above; and
 - (c) Direction on the recommendations presented in paragraph 49 above.

Way Forward

- 50. Subsequent to the June 2025 IAASB meeting, and subject to the approval of the draft project proposal, the project team will discuss the Board’s feedback during this meeting as well as updating and refining the related drafting for proposed ISRE 2410 (Revised). In addition, the project team will discuss and develop recommendations to address the issues and proposed actions in the draft project proposal (indicated in brackets), including:
 - (a) Quality management at the engagement level (proposed action 2.1(a));
 - (b) The auditor’s understanding of the entity and its environment, including the system of internal control, as a basis for determining the inquiries and analytical procedures, and other review procedures (proposed action 2.1(b)(i));

- (c) Going concern considerations in an interim review engagement (proposed action 2.1(b)(iii));
 - (d) Other matters relating to the interim review report (proposed action 3.2);
 - (e) Materiality considerations (proposed action 4.1); and
 - (f) First-time engagements (proposed action 4.2).
51. Other issues and proposed actions in the draft project proposal will be addressed through the drafting of proposed ISRE 2410 (Revised). Drafting on selected matters will be presented to the Board in September 2025, with a goal of presenting the first full draft of the proposed revised standard in March 2026.
52. The project team will also explore other ways to promote user understanding of interim review engagements (proposed action 3.3) and will present suggestions or recommendations to the Board in March 2026.