

PROPOSED INTERNATIONAL STANDARD ON REVIEW ENGAGEMENTS (ISRE) 2410 (REVISED), *REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE INDEPENDENT AUDITOR OF THE ENTITY'S ANNUAL FINANCIAL STATEMENTS*

This agenda item shows in mark-up changes made to selected paragraphs of **Agenda Items 2-F** and **2-G** as a result of comments received in plenary on March 16, 2026, or received offline, on the following topics:

- Procedures in an interim review engagement (paragraphs 8 and 15(f1))
- Difference from an audit of financial statements (paragraph 11)
- Other Information (paragraph 15(e1))
- Materiality (application material to paragraph 38)
- Obtaining an understanding of the entity and its environment and designing and performing review procedures (paragraphs 40 and 41)
- Fraud (paragraph 49A)
- Going concern (paragraph 55)
- Reconciling the interim financial information of a group to the underlying accounting records (paragraph 59A)
- Going concern: reporting on other matters of fundamental importance to users' understanding of the interim financial information (new paragraph 100A)

Introduction

Scope of this ISRE¹

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An Interim Review Engagement

8. In an interim review engagement, the auditor expresses a conclusion designed to enhance the degree of confidence of intended users about an entity's interim financial information, prepared by management in accordance with an applicable financial reporting framework. The auditor's conclusion is based on obtaining limited assurance about whether the interim financial information as a whole is free from material misstatement. The auditor ~~makes inquiries, primarily of persons responsible for financial and accounting matters, and performs analytical and other procedures (collectively, referred to as "performs"~~ review procedures~~" in this ISRE")~~ to obtain sufficient appropriate evidence as the basis for the limited assurance conclusion. (Ref: Para. A5-A7)

¹ In this document, references to "this ISRE" are to be read as "this proposed ISRE 2410 (Revised)."

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Difference from an Audit of Financial Statements

11. In contrast to an audit, an interim review engagement is not designed to obtain reasonable assurance. The procedures the auditor performs in an interim review engagement vary in nature and timing from, and are less in extent than those performed in, an audit. Consequently, ~~while~~ an interim review engagement ~~does not enable the auditor to become aware of all may bring~~ significant matters ~~that might be identified in an audit affecting the interim financial information to the auditor's attention, it does not provide all of the evidence that would be required in an audit~~. Accordingly, the level of assurance obtained in an interim review engagement is substantially lower than in an audit. Therefore, an interim review engagement does not provide a basis for expressing an audit opinion about whether the interim financial information is free from material misstatement.

Definitions

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15. For purposes of this ISRE, the following terms have the meanings attributed below:

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- (e1) *Other information*—Information that is not subject to ~~assurance~~the interim review engagement and is included, whether by law, regulation, or custom, in a document ~~or documents~~ containing the interim financial information and the auditor's interim review report thereon. (Ref: Para. A7a-A7bb)

- (f1) *Review procedures*—The procedures, primarily inquiries and analytical procedures, deemed necessary to meet the objective of an interim review engagement. (Ref: Para. A67-A67a)

Application and Other Explanatory Material

Other Information (Ref: Para. 15(e1))

- A7a. Depending on law, regulation or custom in a particular jurisdiction, other information may include, for example, ~~interim~~ management commentary, performance summaries, or a chairman's statement, when included in the document that also contains the interim financial information and the auditor's report thereon.

- A7bb. Documents such as, for example, Preliminary-preliminary announcements of financial information and securities offering documents, including prospectuses, that may include interim financial information, ~~including prospectuses,~~ are not considered other information for the purpose of this ISRE.

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Requirements

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Planning and Performing the Engagement

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Materiality

38. The auditor shall determine materiality for the interim financial information as a whole, and apply this materiality in designing review procedures and evaluating the results obtained from those procedures. (Ref: Para. A52-A53c)

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Application and Other Explanatory Material

Materiality (Ref: Para. 38)

- A52. The auditor's determination of materiality is a matter of professional judgment that involves quantitative and qualitative considerations. The determination and is affected by the auditor's perception of the financial information needs of users of the interim financial information. ~~The determination and~~ is made in the context of the applicable financial reporting framework used in preparing the interim financial information and of the periods covered therein.

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- A53. In the audit of the entity's annual financial statements, the auditor may have applied a percentage to a chosen benchmark as a starting point in determining a quantitative materiality for the financial statements as a whole.² In an interim review engagement, the auditor may consider that it is appropriate to use the same benchmark and percentage as a starting point in determining a quantitative materiality for the interim financial information as a whole or may consider other factors.

- A53a. In some circumstances, such as when an entity's operations are subject to cyclical variations, or when the financial results for the current interim period differ significant from the prior interim period or the expected results for the current year, the auditor may, in applying their professional judgment, conclude that it is appropriate to determine a materiality using a normalized figureamount.

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² See ISA 320, *Materiality in Planning and Performing an Audit*, paragraphs A4-A8.

Requirements

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Planning and Performing the Engagement

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Obtaining an Understanding of the Entity and its Environment, the Applicable Financial Reporting Framework and the Entity's System of Internal Control

40. The auditor shall:

- (a) Obtain an understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control, as it relates to the preparation of both annual and interim financial information; and
- (b) Based on that understanding, identify areas in the interim financial information where material misstatements, whether due to fraud or error, are likely to arise, ~~thereby providing a basis for designing and performing review procedures~~. (Ref: Para. A54a-A62)

Designing and Performing Review Procedures

41. The auditor shall design and perform inquiries, analytical procedures and other review procedures that: ~~(Ref: Para. A63-A70)~~

- ~~(a) Focus focus~~ on addressing areas in the interim financial information, including disclosures, where material misstatements are likely to arise; ~~and~~
- ~~(b) Address all material areas in the interim financial information, including disclosures.~~ (Ref: Para. A63-A70)

Application and Other Explanatory Material

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Obtaining an Understanding of the Entity and Its Environment, the Applicable Financial Reporting Framework and the Entity's System of Internal Control (Ref: Para. 40)

[Note to the Board: paragraphs A54a, A54b and A57 are included here to provide context for the connectivity to the audit, and for considerations for first-time interim review engagements in paragraphs A60-A62 below.]

A54a. When performing an audit of the entity's annual financial statements, the auditor ~~is~~ obtains an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control as it relates to the preparation of the annual financial statements, and ~~identifies~~ and assesses the risks of material misstatement of the financial statements.³ This

³ See ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

ISRE does not require the identification and assessment of the risks of material misstatement of the interim financial information. However, the auditor's risk assessment procedures and other work performed for the most recent annual audit inform the auditor's identification of areas in the interim financial information where material misstatements are likely to arise and therefore provide a basis for designing review procedures to address those areas.

A54b. In performing the interim review engagement, the auditor fulfills the requirement in paragraph 40 by updating the understanding and leveraging the knowledge obtained from the previous annual audits (and previous interim review engagements performed during the period since that date⁴). As a practical matter, the auditor's understanding is obtained and updated on an iterative basis throughout the engagement, and is updated as changes in conditions and circumstances occur. See also paragraphs A60-A60a related to considerations for first-time interim review engagements.

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A57. The nature and extent of procedures performed by the auditor to [obtain or](#) update the understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control are a matter of professional judgment. Ordinarily, such procedures include the following:

- Reading the documentation of the preceding year's annual audit, reviews of prior interim period(s) of the current year, and the corresponding interim period(s) of the prior year to the extent necessary to enable the auditor to identify matters that may affect the current-period interim financial information. In reading such documents, the auditor may specifically consider the nature of any:
 - Corrected material misstatements.
 - Matters identified in any summary of uncorrected misstatements.
 - Significant risks⁴, including risks of material misstatement due to fraud.⁵
 - Significant financial accounting and reporting matters that may be of continuing significance, such as significant deficiencies in internal control.
- Reading the most recent annual and comparable prior period interim financial information.
- Considering the results of any audit procedures performed with respect to the current year's annual financial statements.
- Considering the results of any internal audit activities and reports issued, and the subsequent actions taken by management.
- Inquiring of management about matters such as:
 - The effect of changes in the entity's business model and activities.

⁴ ISA 315 (Revised 2019), paragraph 12(l)

⁵ ISA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraph 39(b)

- Whether significant changes in the entity's system of internal control, as it relates to the preparation and presentation of the interim financial information, have occurred subsequent to the most recent annual audit or review of interim financial information, including changes in the entity's policies, procedures, and personnel, as well as the nature and extent of such changes.
- The process by which the interim financial information has been prepared and the reliability of the underlying accounting records.
- For group interim review engagements, inquiries of management about the nature of consolidation adjustments relevant to the preparation of the group's interim financial information, and about any significant differences to those processed in connection with the annual financial statements or previous interim periods.

This is not an exhaustive list, nor a prescriptive list of procedures the auditor may deem necessary to perform in all circumstances.

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Additional Considerations for First-Time Interim Review Engagements

A60. If the interim review is the first engagement performed after being engaged to ~~performed for a new audit client (i.e., the auditor has not yet audited~~ the entity's annual financial statements), the auditor is still required ~~by this ISRE~~ to obtain the understanding required by paragraph 40, as it relates to the preparation of both annual and interim financial information. The nature and extent of the procedures needed to ~~obtain do so the understanding required by paragraph 40 for a first-time interim review engagement~~ are a matter of professional judgment. Procedures such as those described in paragraph A57 are also relevant in these circumstances. The auditor may decide to perform the procedures needed to obtain the understanding of the entity and its environment and the entity's system of internal control required for purposes of the audit of the annual financial statements.⁶

A60a. Additional considerations for first-time interim review engagements may include the following:

- Unless prohibited by law or regulation, making arrangements with the predecessor auditor, for example, to review the predecessor auditor's working papers for the preceding year's annual audit, reviews of prior interim period(s) of the current year, and the corresponding interim period(s) of the prior year.
- Considering any significant issues discussed with management in connection with the initial appointment as the entity's auditor.

A61. If the predecessor auditor does not respond to the incoming auditor's inquiries or does not allow the auditor to review the predecessor auditor's working papers, the auditor may inquire as to the reasons why and perform other procedures to obtain the understanding required by paragraph 40. In such circumstances, the auditor may have no alternative but to perform the procedures needed to obtain

⁶ See ISA 315 (Revised 2019), paragraphs 19-26

the understanding of the entity and its environment and the entity's system of internal control required for purposes of the audit of the annual financial statements.⁷

- A62. The auditor may also decide to perform certain audit procedures associated with the audit of the annual financial statements concurrently with the first interim review engagement for the entity, for example, procedures relating to opening balances (see also paragraph ~~A68~~A67).

Designing and Performing Review Procedures (Ref: Para. 41)

- A63. The review procedures are designed and performed for the purpose of obtaining sufficient appropriate evidence as the basis for a conclusion on the interim financial information as a whole. The nature and extent of the procedures, ~~and~~ are influenced by:

- (a) The requirements of this ISRE; and
- (b) Requirements established under applicable law or regulation, including additional reporting requirements contained in applicable laws or regulations.

- A64. For group interim review engagements~~,~~, the planned nature, timing and extent of the procedures for the review are directed at achieving the auditor's objectives for the review engagement stated in this ISRE in the context of the group interim financial information.

- A65. [NOT USED]

- A66. An interim review does not ordinarily ~~require involve performing tests of controls or substantive procedures certain procedures~~ that would be performed during an audit, ~~such as tests of details or tests of controls~~. [Remainder of paragraph moved to paragraph A67a]

- A67. The circumstances of interim review engagements may vary and, accordingly, in certain circumstances the auditor may~~–~~ decide to design and perform procedures other than inquiries, analytical procedures, and the procedures specifically required by this ISRE, to obtain sufficient appropriate evidence as the basis for the auditor's limited assurance conclusion. For example, if the auditor becomes aware of a significant contract when obtaining an understanding of the entity, the auditor may decide to read the contract. The auditor may also determine that such procedures are necessary when attempting to obtain further evidence in accordance with the requirement of paragraph 81A; or when additional procedures are required to be performed in accordance with paragraph 60. The fact that the auditor may deem it necessary to perform other procedures does not alter the auditor's objective of obtaining limited assurance in relation to the interim financial information as a whole. [Last sentence moved from paragraph A68]

- A67a. While the auditor is also not required to corroborate management's responses to inquiries by inspecting documents and records~~,~~, performing interim review procedures includes a consideration of the reasonableness and consistency of management's responses in light of the results of other inquiries and review procedures, and the auditor's understanding of the entity and its environment. [Moved from paragraph A66]

⁷ See ISA 315 (Revised 2019), paragraphs 19–26

A68. [Moved to paragraph A67]

A69. The auditor may perform certain review procedures before or simultaneously with the entity's preparation of the interim financial information. For example, it may be practicable to update the understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control, and begin reading applicable minutes before the end of the interim period. Performing some of the review procedures earlier in the interim period also may assist early identification and consideration of significant matters affecting the interim financial information.

Requirements

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Planning and Performing the Engagement

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Fraud

49A. If the auditor becomes aware of fraud or suspected fraud, the auditor shall:

- (a) Inquire of management or those charged with governance, as appropriate, about the matter, including about the entity's process to investigate the matter and any remedial actions taken; and
- (b) Unless the fraud or suspected fraud is clearly inconsequential, [obtain further information to](#) evaluate whether the fraud or suspected fraud may have a material effect on the interim financial information. (Ref: Para. A80a)

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Non-compliance with laws and regulations [Included for reference only]

50. The auditor shall respond appropriately to non-compliance or suspected non-compliance with laws and regulations identified during the interim review engagement by obtaining: (Ref: Para. A81)

- (a) An understanding of the nature of the act and the circumstances in which it occurred; and
- (b) Further information to evaluate the possible effect on the interim financial information.

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Going Concern

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53. The auditor shall inquire about: (Ref: Para. A90-)

- (a1) Significant changes, if any, since the previous annual audit or interim review period in the methods, data or assumptions used by management in making the assessment at the interim date;

- (a) The status of any events or conditions that existed at the date of the assessment for the most recent annual financial statements or interim review period, including any changes in circumstances or actions taken to resolve them; and
- (b) Any new events or conditions that have arisen since the previous annual audit or interim review period, that may cast significant doubt on the entity's ability to continue as a going concern.

54. [NOT USED]

55. If, as a result of the inquiries in paragraph 53 and other review procedures performed, the auditor becomes aware of events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, the auditor shall:

- (a) Perform inquiries of management as to its plans for future actions in relation to its going concern assessment;
- (b1) Consider: (Ref: Para. A91-A91b)
 - (i) The feasibility of management's plans,
 - (ii) The likelihood that the outcome of such plans will be sufficient to mitigate the effects of identified events or conditions; and
 - (iii) Whether management has both the intent and ability to carry out specific courses of action; and
- (c) Consider performing other procedures as necessary in the circumstances regarding management's plans. (Ref: Para. A90a-A91)

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Reconciling the Interim Financial Information to the Underlying Accounting Records

59. The auditor shall obtain evidence that the interim financial information agrees or reconciles with the entity's underlying accounting records. (Ref: Para. A96)
- 59A. For a group interim review engagement, the auditor's ~~procedures in accordance with paragraph 59~~ shall ~~include agreeing or reconciling~~ obtain evidence that the group interim financial information ~~of components agrees or reconciles~~ to the consolidation schedules and to the records of significant consolidation journals entries and adjustments. (Ref: Para. A96a)

Application and Other Explanatory Material

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Reconciling the Interim Financial Information to the Underlying Accounting Records (Ref: Para 59)

- A96. The auditor may obtain evidence that the interim financial information agrees with, or reconciles to, the underlying accounting records by tracing the interim financial information to the relevant accounting records, such as the general ledger, or to a summary record or schedule that reflects the agreement or reconciliation of the interim financial information amounts with the underlying accounting records (such as a trial balance).

A96a. The extent of the procedures to be performed in accordance with paragraph 59A is a matter of professional judgment, taking into account the auditor's understanding of the entity's process for preparing the interim financial information, and whether a material misstatement of the interim financial information is likely to arise in the consolidation process (e.g. due to issues identified in previous audit or interim review engagements). For example, the auditor may decide that it is appropriate to agree the interim financial information of selected components to the consolidation schedule. If component auditors have been involved in performing review procedures, the auditor may also consider obtaining confirmation from the component auditors that the information included in the consolidation schedule for those components reconciles to the underlying records at those components.

Requirements

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Preparing the Auditor's Interim Review Report

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86. The auditor's interim review report shall be in writing and shall include at a minimum: (Ref: Para. A126, A156, A156a)

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- (d) A basis for conclusion section, directly following the Conclusion section, with the heading "Basis for Conclusion," that: (Ref: Para. A133-A135)
 - (i) States 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's Annual Financial Statements*;
 - (ii) States that the auditor is responsible for expressing a conclusion on the interim financial information based on the review;
 - (iii) Describes an interim review engagement and its limitations, including statements that:
 - a. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement;
 - b. ASuch a review consists-involves performing procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained;
 - c. The procedures performed in a review of interim financial information vary in nature and timing from, and are less in extent than, those performed in an audit conducted in accordance with International Standards on Auditing. Consequently, a review of interim financial information does not enable the auditor to become

aware of all significant matters that might be identified in an audit. Accordingly, the level of assurance obtained in a review of interim financial information is substantially lower than in an audit, and therefore the auditor does not express an audit opinion on the interim financial information;

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Going Concern (Ref: Para. A150)

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~~98A. For an interim review engagement for a publicly traded entity, if significant judgments are made by management in concluding that there is no material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, and such judgments are disclosed in accordance with the applicable financial reporting framework, the auditor shall include a separate section in the interim review report, with the heading "Going Concern," that includes: (Ref: Para. A150a-A150c)~~

~~(a) A reference to the related disclosure(s) in the interim financial information;~~

~~(a1) A statement that the auditor's interim review conclusion is not modified in respect of the matter; and~~

~~(b) The statements in paragraph 98.~~

99. If the auditor's report on the most recent annual financial statements of the entity included a Material Uncertainty Related to Going Concern section, and:

(a) The events or conditions that led the auditor to conclude that a material uncertainty existed remain, and

(b) Management has identified and adequately disclosed the material uncertainty in the interim period,

the auditor shall include a separate section in the interim review report, with the heading "Material Uncertainty Related to Going Concern," that includes:

(c) A reference to the related disclosure(s) in the annual financial statements and a statement that the auditor's report on those financial statements included a Material Uncertainty Related to Going Concern section;

(d) A reference to the related disclosure(s) in the interim financial information that describes the events or conditions and states that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's entity's ability to continue as a going concern;

(e) A statement that the auditor's interim review conclusion is not modified in respect of the matter; and

(f) The statements in paragraphs 98(a) and 98(b).

~~99A. If the auditor's report on the most recent annual financial statements of the entity included a Material Uncertainty Related to Going Concern section, and the events or conditions that led the auditor to conclude that a material uncertainty existed have been resolved in the interim period and disclosed in the interim financial information in accordance with the applicable financial reporting framework, the auditor shall include a separate section in the interim review report, with the heading "Going Concern," that includes:~~

- ~~(a) A reference to the related disclosure(s) in the interim financial information;~~
- ~~(a1) A statement that the auditor's interim review conclusion is not modified in respect of the matter; and~~
- ~~(b) The statements in paragraph 98.~~

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Other Circumstances Related to Going Concern

100A. If the auditor considers it necessary to draw users' attention to a matter related to going concern disclosed in the interim financial information that, in the auditor's judgment, is of such importance that it is fundamental to users' understanding of the interim financial information, the auditor shall include a separate section in the interim review report, with the heading "Going Concern," that includes: (Ref: Para. A150a-A150b)

- (a) A reference to the related disclosure(s) in the interim financial information;
- (a1) A statement that the auditor's interim review conclusion is not modified in respect of the matter; and
- (b) The statements in paragraph 98.

Application and Other Explanatory Material

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Other Circumstances Related to Going Concern ~~Significant judgments made by management of publicly traded entities~~ (Ref: Para. ~~98A(b)~~100A)

A150a. Circumstances in which the auditor may consider that it is appropriate to draw users' attention to a matter related to going concern, other than a material uncertainty, may include:

- The auditor's report on the most recent annual financial statements of the entity included a Material Uncertainty Related to Going Concern section, and the events or conditions that led the auditor to conclude that a material uncertainty existed at that date have been resolved in the interim period, and the resolution has been disclosed in the interim financial information in accordance with the applicable financial reporting framework;
- Significant judgments were made by management in concluding that there is no material uncertainty at the interim reporting date related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, and adequate disclosure about

~~such judgments was provided in the interim financial information in accordance with the requirements of the applicable financial reporting framework. For publicly traded entities, paragraph 98A requires the auditor to draw attention to the disclosure about significant judgments made by management in concluding that no material uncertainty exists at the interim reporting date. This is consistent with the requirement for the auditor to draw attention to such a disclosure in an audit of financial statements.~~⁸ Illustration 3 in Appendix 2 provides an example of the Going Concern section of the interim review report in these circumstances.

A150b. If the auditor's evaluation in accordance with paragraph 56A indicates that ~~the a~~ disclosure about significant judgments made by management ~~in concluding that there is no material uncertainty~~ is inadequate, and the auditor determines that the interim financial information is materially misstated, the auditor is required to express a modified conclusion in accordance with paragraph 90(a). In such circumstances, the requirements in paragraph 98 apply and the auditor may also include a reference to the Basis for Qualified Conclusion section from within the Going Concern section.

⁸ ~~ISA 570 (Revised 2024), Going Concern, paragraph 34(b)~~