

ISRE 2410¹ - Proposed Appendix 1 – Illustrations of Auditor's Reports on Interim Financial Information

This **Agenda Item** shows in mark-up changes to the illustrative reports in Appendix 1 to proposed ISRE 2410 (Revised) as a result of comments received offline. It is intended to be read in conjunction with **Agenda Items 2-F.1** and **2-G.1** and is presented separately for ease of reading.

Appendix 1

(Ref: Para. A156a)

Illustrations of Independent Auditor's Reports on Interim Financial Information

- **Illustration 1:** An interim review report on the condensed ~~interim~~-consolidated interim financial information of a publicly traded entity (a group) containing an unmodified conclusion. The interim financial information was prepared in accordance with a fair presentation framework.
- **Illustration 2:** An interim review report on the condensed interim financial information of an entity other than a publicly traded entity containing an unmodified conclusion. The interim financial information was prepared in accordance with a compliance framework.
- **Illustration 3:** An interim review report on the condensed ~~interim~~-consolidated interim financial information of a publicly traded entity (a group) prepared in accordance with a fair presentation framework. The auditor's report contains a qualified conclusion due to a material misstatement of the interim financial information. The auditor concluded that the misstatement was material but not pervasive to the interim financial information as a whole.
- **Illustration 4:** An interim review report on the condensed interim financial information of a publicly traded entity prepared in accordance with a fair presentation framework. The auditor's report contains a qualified conclusion due to inadequate disclosure of a material uncertainty related to going concern. The auditor concluded that the effects of the inadequate disclosure are material but not pervasive to the interim financial information as a whole.
- **Illustration 5:** An interim review report on the condensed interim financial information of a publicly traded entity prepared in accordance with a fair presentation framework. The auditor's report contains a qualified conclusion due to an inability to obtain sufficient appropriate evidence. The auditor concluded that the possible effects of the inability to obtain sufficient appropriate evidence could be material but not pervasive to the interim financial information as a whole.
- **Illustration 6:** An interim review report on the interim financial information of an entity other than a publicly traded entity prepared in accordance with a compliance framework. The auditor's report contains an adverse conclusion due to the non-consolidation of subsidiaries required to be consolidated in accordance with the applicable financial reporting framework. The auditor concluded that the effects were material and pervasive to the interim financial information as a whole.

¹ International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*

Illustration 1 – An Unmodified Interim Review Report on the Condensed Consolidated Interim Financial Information of a Publicly Traded Entity Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative interim review report, the following circumstances are assumed:

- Review of the condensed [consolidated](#) interim financial information of a publicly traded entity prepared in accordance with a fair presentation framework. The entity is a group.
- The terms of the engagement reflect the description of management's responsibility for the interim financial information in paragraph 27(b) of this ISRE.
- Based on the evidence obtained, nothing has come to the auditor's attention that caused the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework (i.e., an unmodified conclusion is appropriate).
- The relevant ethical requirements that apply to the interim review engagement comprise the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). The IESBA Code requires the auditor to publicly disclose that the independence requirements applicable to audits or reviews of public interest entities were applied.
- Based on the evidence obtained, nothing has come to the auditor's attention ~~to indicate that~~ [caused the auditor to believe that](#) management's use of the going concern basis of accounting in the preparation of the [consolidated](#) interim financial information is inappropriate. In addition, nothing has come to the auditor's attention to indicate that a material uncertainty related to going concern exists in the interim period.
- In addition to the review of the consolidated interim financial information, the auditor has other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To [Appropriate Addressee]

Report on the Review of the Consolidated Interim Financial Information²

Conclusion

We have reviewed the accompanying consolidated interim financial information of ABC Company (the Company) and its subsidiaries (the Group), which comprises the condensed³ consolidated statement of financial position as at March 31, 20X1, and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the notes to the [consolidated](#) interim financial information, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not [neither](#) “present fairly, in all material respects,” ~~“or~~ “give a true and fair view of”] the [consolidated](#) financial position of the Group as at March 31, 20X1, and [of] its [consolidated](#) financial performance and its [consolidated](#) cash flows for the three-month period then ended, in accordance with [the applicable financial reporting framework, ~~including identification of the jurisdiction of origin of the financial reporting framework if it is not IFRS Accounting Standards as issued by the International Accounting Standards Board~~].

Basis for Conclusion

We conducted our review in accordance with ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*. We are responsible for expressing a conclusion on the consolidated interim financial information based on our review. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement. ~~Such a review involves performing procedures, primarily consisting of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained.~~ 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 us 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 we do not express an audit opinion on the consolidated interim financial information.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits or reviews of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Going Concern

In the context of our review of the consolidated interim financial information, and in forming our conclusion thereon, nothing has come to our attention that causes us to believe that management's use of the going concern basis of accounting in the preparation of the consolidated interim financial information is inappropriate.

² The sub-title “Report on the Review of the [Consolidated](#) Interim Consolidated Financial Information” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

³ If the interim financial information comprises a complete set of interim financial statements, the references to “condensed” in the Conclusion section of the interim review report would be excluded.

Based on the evidence obtained, nothing has come to our attention to indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

Our statements are based on the evidence obtained up to the date of our interim review report and are not a guarantee as to the Group's ability to continue as a going concern.

Management's Responsibility for the Consolidated Interim Financial Information

Management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with [the applicable financial reporting framework] and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated interim financial information, management is responsible for assessing the Group's ability to continue as a going concern, as well as disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

[The form and content of this section of the interim review report would vary depending on the nature of the auditor's other reporting responsibilities prescribed by local law, regulation, or national auditing standards.]

The engagement partner on the engagement resulting in this independent auditor's interim review report is [name].

[Auditor's signature]

[Auditor's address]

[Date of the auditor's interim review report]

Illustration 2 – An Unmodified Auditor’s Review Report on the Condensed Interim Financial Information of an Entity Other Than a Publicly Traded Entity Prepared in Accordance with a Compliance Framework

For purposes of this illustrative interim review report, the following circumstances are assumed:

- Review of the condensed interim financial information of an entity other than a publicly traded entity prepared in accordance with a compliance framework. The entity is not a group.
- The terms of the engagement reflect the description of management’s responsibility for the interim financial information in paragraph 27(b) of this ISRE.
- Based on the evidence obtained, nothing has come to the auditor’s attention that caused the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework (i.e., an unmodified conclusion is appropriate).
- The relevant ethical requirements that apply to the interim review engagement comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements relating to the audit in the jurisdiction, and the auditor refers to both.
- Based on the evidence obtained, nothing has come to the auditor’s attention [that caused the auditor to believe to indicate](#) that management’s use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate. In addition, nothing has come to the auditor’s attention to indicate that a material uncertainty related to going concern exists in the interim period.
- In addition to the review of the interim financial information, the auditor has other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To [Appropriate Addressee]

Report on the Review of the Interim Financial Information⁴

Conclusion

We have reviewed the accompanying interim financial information of ABC Company (the Company), which comprises the condensed⁵ statement of financial position as at March 31, 20X1, and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the notes to the interim financial information, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying ~~condensed~~ interim financial information is not prepared, in all material respects, in accordance with [the applicable financial reporting framework, ~~including identification of the jurisdiction of origin of the financial reporting framework if it is not IFRS Accounting Standards as issued by the International Accounting Standards Board~~].

Basis for Conclusion

We conducted our review in accordance with ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*. We are responsible for expressing a conclusion on the interim financial information based on our review. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement. ~~Such a review involves performing procedures, primarily consisting consists of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained.~~ 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 us 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 we do not express an audit opinion on the interim financial information.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to interim review engagements in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Going Concern

In the context of our review of the interim financial information, and in forming our conclusion thereon, nothing has come to our attention that causes us to believe that management's use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate. Based on the evidence

⁴ The sub-title "Report on the Review of the Interim Financial Information" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

⁵ If the interim financial information comprises a complete set of interim financial statements, the references to "condensed" in the Conclusion section of the interim review report would be excluded.

obtained, nothing has come to our attention to indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Our statements are based on the evidence obtained up to the date of our interim review report and are not a guarantee as to the Company's ability to continue as a going concern.

Management's Responsibility for the Interim Financial Information

Management is responsible for the preparation of the interim financial information in accordance with [the applicable financial reporting framework] and for such internal control as management determines is necessary to enable the preparation of interim financial information that is free from material misstatement, whether due to fraud or error.

In preparing the interim financial information, management is responsible for assessing the Company's ability to continue as a going concern, as well as disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

[The form and content of this section of the interim review report would vary depending on the nature of the auditor's other reporting responsibilities prescribed by local law, regulation, or national auditing standards.]

The engagement partner on the engagement resulting in this independent auditor's interim review report is [name].

[Auditor's signature]

[Auditor's address]

[Date of the auditor's interim review report]

Illustration 3 – An Auditor’s Review Report on the Condensed Consolidated Interim Financial Information of a Publicly Traded Entity Containing a Qualified Conclusion Due to a Material Misstatement

For purposes of this illustrative interim review report, the following circumstances are assumed:

- Review of the condensed [consolidated](#) interim financial information of a publicly traded entity prepared in accordance with a fair presentation framework. The entity is a group.
- The terms of the engagement reflect the description of management’s responsibility for the interim financial information in paragraph 27(b) of this ISRE.
- The auditor has concluded that the interim financial information is materially misstated due to a departure from the applicable financial reporting framework related to the non-capitalization of certain lease obligations. A qualified conclusion is being expressed because the auditor concluded that the effects on the interim financial information are material but not pervasive to the interim financial information as a whole.
- The relevant ethical requirements that apply to the interim review engagement comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). The IESBA Code requires the auditor to publicly disclose that the independence requirements applicable to audits or reviews of public interest entities were applied.
- Based on the evidence obtained, nothing has come to the auditor’s attention [that caused the auditor to believe to indicate](#) that management’s use of the going concern basis of accounting in the preparation of the consolidated interim financial information is inappropriate. In addition, nothing has come to the auditor’s attention to indicate that a material uncertainty related to going concern exists in the interim period.
- In addition to the review of the consolidated interim financial information, the auditor has other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To [Appropriate Addressee]

Report on the Review of the Consolidated Interim Financial Information⁶

Qualified Conclusion

We have reviewed the accompanying consolidated interim financial information of ABC Company (the Company) and its subsidiaries (the Group), which comprises the condensed⁷ consolidated statement of financial position as at March 31, 20X1, and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the notes to the consolidated interim financial information, including material accounting policy information.

Based on our review, except for the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not either "present fairly, in all material respects," [or "give a true and fair view of"] the consolidated financial position of the Group as at March 31, 20X1, and [of] its consolidated financial performance and its consolidated cash flows for the three-month period then ended, in accordance with [the applicable financial reporting framework, ~~including identification of the jurisdiction of origin of the financial reporting framework if it is not IFRS Accounting Standards as issued by the International Accounting Standards Board~~].

Basis for Qualified Conclusion

Based on information provided to us by management, the consolidated interim financial information excludes certain lease obligations that we believe should be capitalized to conform with [the applicable financial reporting framework]. If these lease obligations were capitalized at March 31, 20X1, property would be increased by xxx, long-term debt by xxx, and net income and earnings per share would be increased (decreased) by xxx and xxx, respectively, for the three-month period then ended.

We conducted our review in accordance with ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*. We are responsible for expressing a conclusion on the consolidated interim financial information based on our review. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement. ~~Such a review involves performing procedures, primarily consisting of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained.~~ 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 us 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 we do not express an audit opinion on the consolidated interim financial information.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits or reviews of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

⁶ The sub-title "Report on the Review of the Interim Consolidated Financial Information" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

⁷ If the interim financial information comprises a complete set of interim financial statements, the references to "condensed" in the Conclusion section of the interim review report would be excluded.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Going Concern

In the context of our review of the consolidated interim financial information, and in forming our conclusion thereon, nothing has come to our attention that causes us to believe that management's use of the going concern basis of accounting in the preparation of the consolidated interim financial information is inappropriate. Based on the evidence obtained, nothing has come to our attention to indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

Our statements are based on the evidence obtained up to the date of our interim review report and are not a guarantee as to the Group's ability to continue as a going concern.

Management's Responsibility for the Consolidated Interim Financial Information

Management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with [the applicable financial reporting framework] and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated interim financial information, management is responsible for assessing the Group's ability to continue as a going concern, as well as disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

[The form and content of this section of the interim review report would vary depending on the nature of the auditor's other reporting responsibilities prescribed by local law, regulation, or national auditing standards.]

The engagement partner on the engagement resulting in this independent auditor's interim review report is [name].

[Auditor's signature]

[Auditor's address]

[Date of the auditor's interim review report]

Illustration 4 – An Auditor’s Review Report on the Condensed Interim Financial Information of a Publicly Traded Entity Containing a Qualified Conclusion Due to Inadequate Disclosure of Material Uncertainty Related to Going Concern

For purposes of this illustrative interim review report, the following circumstances are assumed:

- Review of the condensed interim financial information of a publicly traded entity prepared in accordance with a fair presentation framework. The entity is not a group.
- The terms of the engagement reflect the description of management’s responsibility for the interim financial information in paragraph 27(b) of this ISRE.
- The relevant ethical requirements that apply to the interim review engagement comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). The IESBA Code requires the auditor to publicly disclose that the independence requirements applicable to audits or reviews of public interest entities were applied.
- Based on the evidence obtained, the auditor’s evaluation has indicated that a material uncertainty related to going concern exists. Note C to the interim financial information indicates that the Company’s financing arrangements set to expire and that the Company has been unable to conclude renegotiations or obtain replacement financing. However, the interim financial information does not include a discussion of the impact or the availability of refinancing or characterize this situation as a material uncertainty.
- The interim financial information is materially misstated due to the inadequate disclosure of the material uncertainty related to going concern. A qualified opinion is being expressed because the auditor concluded that the effects on the interim financial information of this inadequate disclosure are material but not pervasive to the interim financial information as a whole.
- Based on the evidence obtained, nothing has come to the auditor’s attention that caused the auditor to believe to indicate that management’s use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate.
- In addition to the review of the interim financial information, the auditor has other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To [Appropriate Addressee]

Report on the Review of the Interim Financial Information⁸

Qualified Conclusion

We have reviewed the accompanying interim financial information of ABC Company (the Company), which comprises the condensed⁹ statement of financial position as at March 31, 20X1, and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the notes to the interim financial information, including material accounting policy information.

Based on our review, except for the incomplete disclosure of the information referred to in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying ~~consolidated~~ interim financial information does not ~~either~~ “present fairly, in all material respects,” [or “give a true and fair view of”] the financial position of ABC Company as at March 31, 20X1, and [of] its financial performance and its cash flows for the three-month period then ended, in accordance with [the applicable financial reporting framework, ~~including identification of the jurisdiction of origin of the financial reporting framework if it is not IFRS Accounting Standards as issued by the International Accounting Standards Board~~].

Basis for Qualified Conclusion

As discussed in Note C, the Company's financing arrangements expire and amounts outstanding are payable on June 19, 20X2. The Company has been unable to conclude renegotiations or obtain replacement financing. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The interim financial information does not adequately disclose this matter.

We conducted our review in accordance with ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*. We are responsible for expressing a conclusion on the interim financial information based on our review. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement. ~~Such a~~ review ~~involves performing procedures, primarily consisting consists of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained.~~ 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 us 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 we do not express an audit opinion on the interim financial information.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits or reviews of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

⁸ The sub-title “Report on the Review of the ~~Condensed~~ Interim ~~Consolidated~~ Financial Information” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

⁹ If the interim financial information comprises a complete set of interim financial statements, the references to “condensed” in the Conclusion section of the interim review report would be excluded.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Material Uncertainty Related to Going Concern

As described in the Basis for Qualified Opinion section of our report, a material uncertainty related to going concern exists that has not been adequately disclosed in the interim financial information.

In the context of our review of the interim financial information, and in forming our conclusion thereon, nothing has come to our attention that causes us to believe that management's use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate.

Our statements are based on the evidence obtained up to the date of our interim review report and are not a guarantee as to the Company's ability to continue as a going concern.

Management's Responsibility for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with [the applicable financial reporting framework] and for such internal control as management determines is necessary to enable the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

In preparing the interim financial information, management is responsible for assessing the Company's ability to continue as a going concern, as well as disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

[The form and content of this section of the interim review report would vary depending on the nature of the auditor's other reporting responsibilities prescribed by local law, regulation, or national auditing standards.]

The engagement partner on the engagement resulting in this independent auditor's interim review report is [name].

[Auditor's signature]

[Auditor's address]

[Date of the auditor's interim review report]

Illustration 5 – An Auditor’s Review Report on the Condensed Interim Financial Information of a Publicly Traded Entity Containing a Qualified Conclusion Due to an Inability to Obtain Sufficient Appropriate Evidence

For purposes of this illustrative interim review report, the following circumstances are assumed:

- Review of the condensed interim financial information of a publicly traded entity prepared in accordance with a fair presentation framework. The entity is not a group.
- The terms of the engagement reflect the description of management’s responsibility for the interim financial information in paragraph 27(b) of this ISRE.
- The auditor was unable to complete the review of accounts receivable at a branch location due to a fire at that location that destroyed its accounts receivable records. A qualified conclusion is being expressed because the auditor concluded that the possible effects on the interim financial information could be material but not pervasive to the interim financial information as a whole.
- The relevant ethical requirements that apply to the interim review engagement comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). The IESBA Code requires the auditor to publicly disclose that the independence requirements applicable to audits or reviews of public interest entities were applied.
- Based on the evidence obtained, nothing has come to the auditor’s attention that causes the auditor to believe to indicate that management’s use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate. In addition, nothing has come to the auditor’s attention to indicate that a material uncertainty related to going concern exists in the interim period.
- In addition to the review of the interim financial information, the auditor has other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To [Appropriate Addressee]

Report on the Review of the Interim Financial Information¹⁰

Qualified Conclusion

We have reviewed the accompanying interim financial information of ABC Company (the Company), which comprises the condensed¹¹ statement of financial position as at March 31, 20X1, and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the notes to the interim financial information, including material accounting policy information.

Based on our review, except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, [or “give a true and fair view of”] the financial position of ABC Company as at March 31, 20X1, and [of] its financial performance and its cash flows for the three-month period then ended, in accordance with [the applicable financial reporting framework, including identification of the jurisdiction of origin of the financial reporting framework if it is not IFRS Accounting Standards as issued by the International Accounting Standards Board].

Basis for Qualified Conclusion

As a result of a fire in a branch office on (date) that destroyed its accounts receivable records, we were unable to complete our review procedures for accounts receivable totaling xxx included in the interim financial information. The entity is in the process of reconstructing these records and is uncertain as to whether these records will support the amount shown and the related allowance for uncollectible accounts. Had we been able to complete our review procedures for accounts receivable, we might have become aware of matters indicating that material adjustments were necessary to the interim financial information.

We conducted our review in accordance with ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*. We are responsible for expressing a conclusion on the interim financial information based on our review. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement. ~~Such a review involves performing procedures, primarily consisting of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained.~~ 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 us 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 we do not express an audit opinion on the interim financial information.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence*

¹⁰ The sub-title “Report on the Review of the Interim Consolidated Financial Information” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

¹¹ If the interim financial information comprises a complete set of interim financial statements, the references to “condensed” in the Conclusion section of the interim review report would be excluded.

Standards) (IESBA Code), as applicable to audits or reviews of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Going Concern

In the context of our review of the interim financial information, and in forming our qualified conclusion thereon, nothing has come to our attention that causes us to believe that management's use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate. Based on the evidence obtained, nothing has come to our attention to indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Our statements are based on the evidence obtained up to the date of our interim review report and are not a guarantee as to the Company's ability to continue as a going concern.

Management's Responsibility for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with [the applicable financial reporting framework] and for such internal control as management determines is necessary to enable the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

In preparing the interim financial information, management is responsible for assessing the Company's ability to continue as a going concern, as well as disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

[The form and content of this section of the interim review report would vary depending on the nature of the auditor's other reporting responsibilities prescribed by local law, regulation, or national auditing standards.]

The engagement partner on the engagement resulting in this independent auditor's interim review report is [name].

[Auditor's signature]

[Auditor's address]

[Date of the auditor's interim review report]

Illustration 6 – A Modified Auditor’s Review Report on the Consolidated Interim Financial Information of an Entity Other Than a Publicly Traded Entity Containing an Adverse Conclusion Due to Non-Consolidation of Controlled Entities

For purposes of this illustrative interim review report, the following circumstances are assumed:

- Review of the [consolidated](#) interim financial information of an entity other than a publicly traded entity prepared in accordance with a compliance framework. The entity is a group.
- The terms of the engagement reflect the description of management’s responsibility for the interim financial information in paragraph 27(b) of this ISRE.
- Based on the evidence obtained, the auditor concluded that the consolidated interim financial information did not include the financial information of multiple entities under the control of the Company, which is not in accordance with the requirements of the applicable financial reporting framework.
- The relevant ethical requirements that apply to the interim review engagement comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements relating to the audit in the jurisdiction, and the auditor refers to both.
- Based on the evidence obtained, nothing has come to the auditor’s attention [that caused the auditor to believe to indicate](#) that management’s use of the going concern basis of accounting in the preparation of the [consolidated](#) interim financial information is inappropriate. In addition, nothing has come to the auditor’s attention to indicate that a material uncertainty related to going concern exists in the interim period.
- In addition to the review of the [consolidated](#) interim financial information, the auditor has other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To [Appropriate Addressee]

Report on the Review of the Consolidated Interim Financial Information¹²

Adverse Conclusion

We have reviewed the accompanying consolidated interim financial information of ABC Company (the Company) and its subsidiaries, which comprises the consolidated statement of financial position as at March 31, 20X1, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the notes to the consolidated interim financial information, including material accounting policy information.

Based on our review, due to the significance of the matter described in the Basis for Adverse Conclusion section of our report, the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with [the applicable financial reporting framework, ~~including identification of the jurisdiction of origin of the financial reporting framework if it is not IFRS Accounting Standards as issued by the International Accounting Standards Board~~].

Basis for Adverse Conclusion

The consolidated interim financial information does not include the financial information of XYZ Company and BCD Company (the non-consolidated subsidiaries), which are controlled by ABC Company. This is not in accordance with [the applicable financial reporting framework]. It is not practicable, in the context of our review engagement, to quantify in full the financial effects of this matter. Had the financial information of the non-consolidated subsidiaries been included, nearly every area of the consolidated interim financial information would have been materially different.

We conducted our review in accordance with ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*. We are responsible for expressing a conclusion on the consolidated interim financial information based on our review. A review of interim financial information performed in accordance with this ISRE is a limited assurance engagement. ~~Such a review involves performing procedures, primarily consisting of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical procedures and other procedures, and evaluating the evidence obtained.~~ 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 us 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 we do not express an audit opinion on the consolidated interim financial information.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to interim review engagements in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our adverse conclusion.

¹² The sub-title "Report on the Review of the Consolidated Interim Financial Information" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

Going Concern

In the context of our review of the consolidated interim financial information, and in forming our conclusion thereon, nothing has come to our attention that causes us to believe that [the](#) Group's use of the going concern basis of accounting in the preparation of the consolidated interim financial information is inappropriate. Based on the evidence obtained, nothing has come to our attention to indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

Our statements are based on the evidence obtained up to the date of our interim review report and are not a guarantee as to the Group's ability to continue as a going concern.

Management's Responsibility for the Consolidated Interim Financial Information

Management is responsible for the preparation of the consolidated interim financial information in accordance with [the applicable financial reporting framework] and for such internal control as management determines is necessary to enable the preparation of consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated interim financial information, management is responsible for assessing the Group's ability to continue as a going concern, as well as disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

[The form and content of this section of the interim review report would vary depending on the nature of the auditor's other reporting responsibilities prescribed by local law, regulation, or national auditing standards.]

The engagement partner on the engagement resulting in this independent auditor's interim review report is [name].

[Auditor's signature]

[Auditor's address]

[Date of the auditor's interim review report]