

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*

[APPROVED TEXT]

REQUIREMENTS

This agenda item is a clean version of **Agenda Item 2-F-2**.

Introduction

Scope of this ISRE¹

1. This International Standard on Review Engagements (ISRE) deals with: (Ref: Para. A1a-A1b)
 - (a) The responsibilities of the auditor of an entity's annual financial statements when engaged to perform a review of the entity's interim financial information, and
 - (b) The form and content of the auditor's review report on the interim financial information.

The term "auditor" is used in this ISRE because this ISRE applies to a review of interim financial information that is performed by the independent auditor of the entity's annual financial statements ("interim review engagement"), not because the auditor is performing an audit. (Ref: Para. A1b)
2. This ISRE is also to be applied, adapted as necessary in the circumstances, when the auditor of the entity's annual financial statements undertakes an engagement to review other historical financial information of the entity.

Review of Interim Financial Information by a Practitioner Who Is Not the Auditor of the Entity's Annual Financial Statements

3. This ISRE does not apply to an engagement to review interim financial information that is performed by a practitioner who is not the auditor of the entity's annual financial statements. Such engagements are performed in accordance with ISRE 2400 (Revised).² (Ref: Para. A2)

Relationship with ISQM 1³

4. **[NOT USED]**

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

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

³ 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*

5. ISQM 1 deals with a firm's responsibilities to design, implement and operate a system of quality management, and applies to a firm's interim review engagements. This ISRE is premised on the basis that the firm is subject to ISQM 1 or to national requirements that are at least as demanding as ISQM 1. (Ref: Para. A2a)
6. [NOT USED]

An Interim Review Engagement

7. An interim review engagement is a limited assurance engagement, as described in the *International Framework for Assurance Engagements* (Assurance Framework).⁴
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 performs review procedures to obtain sufficient appropriate evidence as the basis for the limited assurance conclusion. (Ref: Para. A5-A7)
9. If the auditor becomes aware of a matter that causes the auditor to believe the interim financial information may be materially misstated, this ISRE requires the auditor to design and perform additional procedures, as considered necessary in the circumstances, to be able to express a limited assurance conclusion on the interim financial information in accordance with this ISRE.

Difference from an Audit of Financial Statements

10. An interim review engagement differs significantly from an audit conducted in accordance with International Standards on Auditing (ISAs). An audit of the entity's annual financial statements is a reasonable assurance engagement⁵ in which the auditor obtains sufficient appropriate audit evidence as a basis for expressing an opinion about whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework.
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, an interim review engagement 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 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.

Effective Date

12. This ISRE is effective for reviews of interim financial information for periods beginning on or after [date].

⁴ International Framework for Assurance Engagements, paragraphs 15 and 16

⁵ International Framework for Assurance Engagements, paragraph 14

Objectives

13. In conducting a review of interim financial information, the objectives of the auditor are:
- (a) To obtain limited assurance about whether the interim financial information as a whole is free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express a conclusion about whether anything has come to the auditor's attention that causes the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with an applicable financial reporting framework; and
 - (b) To report on the interim financial information and communicate further as required by this ISRE.
14. When limited assurance cannot be obtained, and a qualified conclusion in the auditor's interim review report is insufficient in the circumstances for purposes of reporting to the intended users, this ISRE requires the auditor to disclaim a conclusion or withdraw from the engagement, where withdrawal is possible under applicable law or regulation. (Ref: Para. A7aa)

Definitions

15. For purposes of this ISRE, the following terms have the meanings attributed below:
- (a) *Analytical procedures*—Evaluations of financial information through analysis of plausible relationships among both financial and non-financial data. Analytical procedures also encompass such investigation as is necessary of identified fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount.
 - (b) *Applicable financial reporting framework*—The financial reporting framework adopted by management and, where appropriate, those charged with governance in the preparation of interim financial information that is acceptable in view of the nature of the entity and the objective of the interim financial information, or that is required by law or regulation.

The term "fair presentation framework" is used to refer to a financial reporting framework that requires compliance with the requirements of the framework and:

- (i) Acknowledges explicitly or implicitly that, to achieve fair presentation of the interim financial information, it may be necessary for management to provide disclosures beyond those specifically required by the framework; or
- (ii) Acknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the interim financial information. Such departures are expected to be necessary only in extremely rare circumstances.

The term "compliance framework" is used to refer to a financial reporting framework that requires compliance with the requirements of the framework but does not contain the acknowledgements in (i) or (ii) above.

- (b1) *Engagement risk*—The risk that the auditor expresses an inappropriate conclusion when the interim financial information is materially misstated.
- (c) *Inquiry*—Inquiry consists of seeking information of knowledgeable persons from within or outside the entity.

- (d) *Interim financial information*—Historical financial information that is prepared and presented in accordance with an applicable financial reporting framework for a period or periods shorter than the entity's financial year. (Ref: Para. A7)
 - (e) *Limited assurance*—The level of assurance obtained where engagement risk is reduced to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for expressing a conclusion in accordance with this ISRE. The nature, timing and extent of procedures performed is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the auditor's professional judgment, meaningful. To be meaningful, the level of assurance obtained by the auditor is likely to enhance the intended users' confidence about the interim financial information to a degree that is clearly more than inconsequential.
 - (e1) *Other information*—Information that is not subject to the interim review engagement and is included, whether by law, regulation, or custom, in a document containing the interim financial information and the auditor's interim review report thereon. (Ref: Para. A7a-A7bb)
 - (f) *Relevant ethical requirements*—Principles of professional ethics and ethical requirements that are applicable to professional accountants when undertaking the interim review engagement. Relevant ethical requirements ordinarily comprise the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to audit and review engagements, together with national requirements that are more restrictive.
 - (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)
- 15A. This ISRE applies to all interim review engagements, including those of a group. The Handbook's Glossary of Terms⁶ (the Glossary) includes certain terms that apply to a group audit engagement. When this ISRE uses terms related to groups that are defined in the Glossary, such terms are intended to be read and applied in the context of a review of the interim financial information of the group performed by the auditor of the group financial statements (a "group interim review engagement"). (Ref: Para. A7b)

Requirements

Conduct of an Interim Review Engagement in Accordance with this ISRE

Text of this ISRE

16. The auditor shall have an understanding of the entire text of this ISRE, including its application and other explanatory material, to understand its objectives and to apply its requirements properly. (Ref: Para. A8-A8b)

⁶ The Glossary of Terms relating to International Standards issued by the IAASB in the Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements (the Handbook).

Complying with Relevant Requirements

17. The auditor shall comply with each requirement of this ISRE, unless the requirement is not relevant to the interim review engagement. A requirement is relevant to the interim review engagement when the circumstances addressed by the requirement exist.
18. The auditor shall not represent compliance with this ISRE unless the auditor has complied with all the requirements of this ISRE relevant to the interim review engagement.
19. In exceptional circumstances, the auditor may judge it necessary to depart from a relevant requirement in this ISRE. In such circumstances, the auditor shall perform alternative procedures to achieve the aim of that requirement. The need for the auditor to depart from a relevant requirement is expected to arise only when the requirement is for a specific procedure to be performed and, in the specific circumstances of the interim review engagement, that procedure would be ineffective in achieving the aim of the requirement. (Ref: Para. A9)

Documentation of a Departure from a Relevant Requirement

20. If, in exceptional circumstances, the auditor judges it necessary to depart from a relevant requirement in this ISRE, the auditor shall document how the alternative procedures performed achieve the aim of that requirement, and the reasons for the departure. (Ref: Para. A10)

Relevant Ethical Requirements

21. The auditor shall comply with relevant ethical requirements, including those related to independence. (Ref: Para. A11-A12)

Professional Skepticism and Professional Judgment

22. The auditor shall plan and perform the engagement with professional skepticism recognizing that circumstances may exist that cause the interim financial information to be materially misstated. (Ref: Para. A13–A16a)
23. The auditor shall exercise professional judgment in planning and performing the engagement. (Ref: Para. A17–A20)

Engagement-Level Quality Management

24. The engagement partner shall take overall responsibility for:
 - (a) Managing and achieving quality on the engagement, including being sufficiently and appropriately involved throughout the engagement such that the engagement partner has a basis for determining whether the significant judgments made, and the conclusions reached, are appropriate given the nature and circumstances of the engagement; (Ref: Para. A21-A22a)
 - (a1) The direction and supervision of the members of the engagement team and the review of their work; and
 - (b) The engagement being performed in accordance with the firm's quality management policies or procedures, including: (Ref: Para. A24-A26a)
 - (i) Determining that the firm's policies or procedures for the acceptance and continuance of

interim review engagements have been followed, and that conclusions reached in this regard are appropriate (see also paragraphs 27-36A); (Ref: Para. A27-A30)

- (ii) Determining that sufficient and appropriate resources to perform the engagement are assigned or made available in a timely manner; (Ref: Para. A30a-A30b)
- (iii) Determining that the engagement team collectively has the appropriate competence and capabilities, including sufficient time, to perform the engagement and issue a report that is appropriate in the circumstances;
[NOT USED]
- (v) That appropriate engagement documentation is prepared and maintained; and
- (vi) If an engagement quality review is required in accordance with ISQM 1 or the firm's policies or procedures, not dating the interim review report until completion of the engagement quality review. (Ref: Para. A31-A32)

24A. The engagement partner shall consider the information from the firm's monitoring and remediation process, as communicated by the firm and, if applicable, other network firms, and whether the information may affect the interim review engagement. (Ref: Para. A32a)

Acceptance and Continuance of the Interim Review Engagement

25. [NOT USED]

26. [NOT USED]

Preconditions for Accepting an Interim Review Engagement

27. Prior to accepting an interim review engagement, the auditor shall:

- (a) Determine whether the financial reporting framework to be applied in the preparation of the interim financial information is acceptable; and (Ref: Para. A35a-A39a)
- (b) Obtain the agreement of management that it acknowledges and understands its responsibility: (Ref: Para. A42-A42a)
 - (i) For the preparation of the interim financial information in accordance with the applicable financial reporting framework, including, where relevant, its fair presentation;
 - (ii) 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; and
 - (iii) To provide the auditor with:
 - a. Access to all information of which management is aware that is relevant to the preparation of the interim financial information, such as records, documentation and other matters;
 - b. Additional information that the auditor may request from management for the purpose of the interim review engagement; and

- c. Unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain evidence.
- 28. If the preconditions in paragraph 27 are not present, the auditor shall discuss the matter with management or those charged with governance, and determine whether the matter can be resolved. If changes cannot be made to meet the preconditions, the auditor shall not accept the interim review engagement, unless required by law or regulation to do so. However, an engagement conducted under such circumstances does not comply with this ISRE. Accordingly, the auditor shall not include any reference within the auditor's interim review report to the interim review engagement having been conducted in accordance with this ISRE.
- 29. If it is discovered after the engagement has been accepted that one or more of the preconditions is not present, the auditor shall discuss the matter with management or those charged with governance, and shall determine:
 - (a) Whether the matter can be resolved;
 - (b) Whether it is appropriate to continue performing the engagement; and
 - (c) Whether and, if so, how to communicate the matter in the auditor's interim review report.

Other Factors Affecting Acceptance of the Interim Review Engagement

- 29A. Unless required by law or regulation, the auditor shall not accept an interim review engagement if the auditor is not satisfied that there is a rational purpose for the engagement. (Ref: Para. A42b-A42c)
- 29B. If management or those charged with governance impose a limitation on the scope of the auditor's work in the terms of the proposed interim review engagement such that the auditor believes the limitation will result in the auditor disclaiming a conclusion on the interim financial information, the auditor shall not accept the engagement, unless required by law or regulation to do so.
- 29C. If the engagement partner obtains information that may have caused the firm to decline the engagement had that information been known by the firm prior to accepting the client relationship or interim review engagement, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take the necessary action.

Additional Considerations When the Wording of the Auditor's Interim Review Report Is Prescribed by Law or Regulation

- 30. [NOT USED]
- 31. If law or regulation prescribes the layout or wording of the auditor's interim review report, and the layout or wording it prescribes is significantly different from the requirements in paragraph 86 of this ISRE, the auditor shall evaluate:
 - (a) Whether intended users may misunderstand the auditor's limited assurance conclusion; and
 - (b) If so, whether additional explanation in the auditor's interim review report can mitigate the possible misunderstanding.
- 32. If the auditor concludes that additional explanation in the auditor's interim review report cannot mitigate such a possible misunderstanding, the auditor shall not accept the interim review

engagement, unless required by law or regulation to do so. An interim review engagement conducted in accordance with such law or regulation does not comply with this ISRE. Accordingly, the auditor shall not include any reference in the auditor's interim review report to the interim review engagement having been conducted in accordance with this ISRE. (Ref: Para. A156)

Agreeing the Terms of Engagement

33. The auditor shall agree the terms of the interim review engagement with management or those charged with governance, as appropriate, prior to performing the engagement. (Ref: Para. A44)
34. The agreed terms of the engagement shall be recorded in an engagement letter or other suitable form of written agreement and shall include: (Ref: Para. A45-A46, A50):
 - (a) The objective and scope of the interim review engagement;
 - (b) Identification of the applicable financial reporting framework to be used for the preparation of the interim financial information;
 - (c) The responsibilities of management and, where appropriate, those charged with governance, including those in paragraph 27(b); (Ref: Para. A47)
 - (d) The responsibilities of the auditor;
 - (d1) A statement that the engagement is not an audit, and that the practitioner will not express an opinion on the interim financial information; and
 - (e) A reference to the expected form and content of the auditor's interim review report to be issued, and a statement that there may be circumstances in which the report may differ from its expected form and content.
35. For recurring interim review engagements, the auditor shall evaluate whether the circumstances require the terms of the interim review engagement to be revised, or if there is a need to remind management or those charged with governance, as appropriate, of the existing terms. (Ref: Para. A48)

Change in the Terms of the Interim Review Engagement (Ref: Para: A49)

36. The auditor shall not agree to a change in the terms of the interim review engagement unless there is reasonable justification for doing so. If the auditor is unable to agree to a request to a change in the terms of the review engagement and is not permitted by management or those charged with governance, as appropriate, to continue the review engagement under the original terms, the auditor shall:
 - (a) Withdraw from the review engagement, when possible under applicable law or regulation; and
 - (b) Determine whether there is any obligation, either contractual or otherwise, to report the circumstances to other parties, such as those charged with governance, owners or regulators.
- 36A. If the terms of the interim review engagement are changed, the auditor and management or those charged with governance, as appropriate, shall agree on and record the new terms of engagement in an engagement letter or other suitable form of written agreement.

Communications with Management and Those Charged with Governance

37. The auditor shall communicate on a timely basis, significant matters that, in the auditor's professional judgment, merit the attention of management or those charged with governance, as appropriate. (Ref: Para. A50a-A50b)

Planning and Performing the Engagement

Group Interim Review Engagements

- 37A. For a group interim review engagement, the group auditor shall determine the nature, timing and extent of the work to be performed by component auditors, if any. (Ref: Para. A51b– A51c)
- 37B. If component auditors are involved, the group auditor shall communicate with the component auditors about the work to be performed, and the expected communications about the results of that work. (Ref: Para. A51d)

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)
39. If the auditor becomes aware of information during the interim review engagement that would have caused the auditor to have determined a different materiality, the auditor shall revise materiality for the interim financial information as a whole and determine the effect on the review procedures performed. (Ref: Para. A54)

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. (Ref: Para. A54a-A62)

Designing and Performing Review Procedures

41. The auditor shall design and perform inquiries, analytical procedures and other review procedures that focus on addressing areas in the interim financial information where material misstatements are likely to arise. (Ref: Para. A63-A70)
42. The auditor shall inquire of management and others within the entity as appropriate, about: (Ref: Para. A71–A76)
- (a) Whether the interim financial information has been prepared and presented in accordance with the applicable financial reporting framework.

- (b) Whether there have been any changes in accounting principles or in the methods of applying them.
 - (c) Whether any new transactions have necessitated the application of a new accounting principle or changes in the entity's accounting policies.
 - (d) Significant accounting estimates, including whether there have been changes in management's selection of methods, significant assumptions and data and, if applicable, management's intention and ability to carry out specific courses of action on behalf of the entity.
 - (e) Whether significant, unusual or complex transactions, events or matters have affected or may affect the entity's interim financial information, including new or revised accounting estimates. (Ref: Para. A73)
 - (e1) The results of management's assessment of the risk that the interim financial information may be materially misstated as a result of fraud.
 - (f) Significant deficiencies in the design or operation of internal control as it relates to the preparation and presentation of both annual and interim financial information.
 - (g) Whether the interim financial information contains any misstatements that management is aware of but has not made adjustments to correct.
 - (g1) The current status of matters giving rise to a modification of the auditor's opinion on the most recent annual financial statements or the auditor's interim review conclusion on previous interim periods, if any.
 - (h) Whether uncorrected misstatements identified during the most recent annual audit or interim review engagements have been corrected and, if so, when they were corrected and the amounts of the adjustments.
 - (i) Significant journal entries or other adjustments to the interim financial information.
 - (j) New, or significant changes in, commitments, contractual obligations or contingencies that may materially affect the interim financial information.
 - (k) New, or significant changes in, litigation or claims that may materially affect the interim financial information. (Ref: Para. A76)
 - (l) Compliance with debt covenants.
43. When designing analytical procedures, the auditor shall consider whether the information to be used to perform the analytical procedures is adequate for that purpose. (Ref: Para. A80)
44. The auditor shall read the minutes of the meetings of shareholders, those charged with governance, and other appropriate committees, and inquire about matters dealt with at meetings for which minutes are not available, to identify matters that may affect the interim financial information.
- 44A. The auditor shall read the interim financial information, and consider whether there is anything that causes the auditor to believe that the interim financial information may not be prepared, in all material respects, in accordance with the applicable financial reporting framework.

Related Parties

45. The auditor shall inquire of management and others within the entity, as appropriate, about:
- (a) Changes in, or new, related parties and related party transactions, including the purpose of those transactions.
 - (b) Whether related party transactions have been appropriately accounted for and disclosed in the interim financial information
46. The auditor shall remain alert for information that may indicate the existence of related party relationships, or transactions that management has not previously identified or disclosed to the auditor.
47. If the auditor becomes aware of significant transactions outside the entity's normal course of business, the auditor shall inquire of management about:
- (a) The nature of those transactions;
 - (b) Whether related parties were involved; and
 - (c) The business rationale for those transactions.

Fraud and Non-compliance with Laws and Regulations

48. The auditor shall inquire of management and others within the entity as appropriate, whether they have knowledge of any fraud or suspected fraud, or any identified or suspected non-compliance with laws and regulations that may affect the interim financial information.
49. The auditor shall remain alert to the possibility that procedures performed during the interim review engagement may bring to the auditor's attention information about fraud or suspected fraud or instances of non-compliance or suspected non-compliance with laws and regulations.

Fraud

- 49A. If the auditor becomes aware of fraud or suspected fraud, the auditor shall:
- (a) Obtain an understanding 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-A80a1)
- 49B. If the auditor identifies a misstatement due to fraud, the auditor shall consider: (Ref: Para. A80b)
- (a) The implications of the misstatement in relation to other aspects of the interim review engagement; and
 - (b) The possible effect on the reliability of management's representations.

Non-compliance with laws and regulations

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.

Communication with management and those charged with governance and reporting to an appropriate authority

51. If the auditor becomes aware of instances of fraud or suspected fraud, or of non-compliance or suspected non-compliance with laws and regulations, the auditor shall:
- (a) Unless prohibited by law or regulation, communicate such matters on a timely basis with the appropriate level of management or with those charged with governance, as appropriate; and (Ref: Para A82)
 - (b) Determine whether law, regulation or relevant ethical requirements: (Ref: Para A83-A85)
 - (i) Require the auditor to report to an appropriate authority outside the entity; or
 - (ii) Establish responsibilities or rights under which reporting to an appropriate authority outside the entity may be appropriate in the circumstances.

Going Concern

- 52A. The auditor shall inquire whether, in preparing the interim financial information, management has performed an assessment of the entity's ability to continue as a going concern. (Ref: Para. A86)
- 52B. If management has not yet done so, the auditor shall request management to make its assessment, covering a period of at least twelve months from the date of approval of the interim financial information.
- 52C. If management's assessment covers less than twelve months from the date of approval of the interim financial information, the auditor shall request management to extend its assessment to at least twelve months from that date. (Ref: Para. A88-A89)
- 52D. If management is unwilling to make or extend its assessment, the auditor shall consider the implications for the interim review engagement.
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:
 - (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
- (b) [NOT USED]
- (c) Consider performing other procedures as necessary in the circumstances regarding management's plans. (Ref: Para. A90a-A91)

56. Based on the evidence obtained from the review procedures performed, the auditor shall evaluate whether anything has come to the auditor's attention that: (Ref: Para. A91)

- (a) Causes the auditor to believe that management's use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate; or
- (b) Indicates that a material uncertainty related to going concern exists.

56A. The auditor shall evaluate the adequacy of disclosures related to the entity's ability to continue as a going concern, in view of the requirements of the applicable financial reporting framework. (Ref: Para: A92)

Using the Work of an Auditor's Expert

57. If the auditor determines that it is necessary to use the work of an auditor's expert to obtain sufficient appropriate evidence, the auditor shall: (Ref: Para. A93)

- (a) Evaluate whether the expert has the necessary competence, capabilities and objectivity for the auditor's purposes; and
- (b) Determine that the work performed by that expert is adequate for the auditor's purposes.

58. If, based on the evaluation in paragraph 57(a), the auditor concludes that the expert does not have the necessary competence or capabilities, or that threats to the expert's objectivity cannot be eliminated or reduced to an acceptable level, the auditor shall not use the work of that expert. (Ref: Para. A94-A95)

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 shall obtain evidence that the group interim financial information agrees or reconciles to the consolidation schedules and to the records of significant consolidation journal entries and adjustments. (Ref: Para. A96a)

Additional Procedures When the Auditor Becomes Aware that the Interim Financial Information May Be Materially Misstated

60. If the auditor becomes aware of a matter(s) that causes the auditor to believe the interim financial information may be materially misstated, the auditor shall design and perform additional procedures to obtain further evidence until the auditor is able to: (Ref: Para. A97–A99a)
- (a) Conclude that the matter(s) is not likely to cause the interim financial information as a whole to be materially misstated; or
 - (b) Determine that the matter(s) causes the interim financial information as a whole to be materially misstated.

Subsequent Events

61. The auditor shall inquire whether management and, where appropriate, those charged with governance, have identified and addressed events occurring between the date of the interim financial information and the date of the auditor's interim review report that require adjustment of, or disclosure in, the interim financial information.
62. If the auditor becomes aware of events occurring between the date of the interim financial information and the date of the auditor's interim review report that require adjustment of, or disclosure in, the interim financial information, the auditor shall request management to correct those misstatements.
63. The auditor has no obligation to perform any procedures regarding the interim financial information after the date of the auditor's interim review report. However, if, after the date of the auditor's interim review report but before the date the interim financial information is issued, a fact becomes known to the auditor that, had it been known to the auditor at the date of the auditor's interim review report, may have caused the auditor to amend the report, the auditor shall:
- (a) Discuss the matter with management and, where appropriate, those charged with governance;
 - (b) Determine whether the interim financial information needs amendment; and
 - (c) If so, inquire how management intends to address the matter in the interim financial information.
64. If management does not amend the interim financial information in circumstances where the auditor believes it needs to be amended, and the auditor's interim review report has already been provided to the entity, the auditor shall notify management and those charged with governance not to issue the interim financial information to third parties before the necessary amendments have been made. If the interim financial information is nevertheless subsequently issued without the necessary amendments, the auditor shall take appropriate action to seek to prevent reliance on the auditor's interim review report.

Written Representations

Written Representations about Management's Responsibilities

65. The auditor shall request written representations from management that: (Ref: Para A100-A102)

- (a) It has fulfilled its responsibility for the preparation of the interim financial information in accordance with the applicable financial reporting framework, including where relevant, its fair presentation, as set out in the terms of the engagement;
- (b) It has provided the auditor with all relevant information and access to information as agreed in the terms of the engagement; and
- (c) All transactions have been recorded and are reflected in the interim financial information.

If law or regulation requires management to make written public statements about its responsibilities, and the auditor determines that such statements provide some or all of the representations required, the matters covered by such statements need not be included in the written representation.

Other Written Representations

66. The auditor shall also request the following written representations from management and, where appropriate, those charged with governance, that: (Ref: Para. A100)

- (a) [NOT USED]
- (b) It believes that the effects of uncorrected misstatements are immaterial, individually or in aggregate, to the interim financial information taken as a whole. A summary of such items shall be included in, or attached to, the written representation.
- (c) The methods, significant assumptions and the data used in making accounting estimates and related disclosures are appropriate in view of the requirements of the applicable financial reporting framework;
- (c1) With respect to going concern:
 - (i) It has determined that the use of the going concern basis of accounting in the preparation of the interim financial information is appropriate;
 - (ii) Its assessment of going concern at the interim reporting period reflects all events or conditions that may cast significant doubt on the entity's ability to continue as a going concern that it is aware of, and that it has disclosed to the auditor all such events or conditions, if any;
 - (iii) If events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern, it has disclosed to the auditor, its plans for future actions and that it has evaluated the feasibility of those plans, and determined whether it has the intent and ability to carry out specific courses of action;
 - (iv) Matters relevant to going concern have been adequately disclosed in the interim financial information in accordance with the requirements of the applicable financial reporting framework, including, when applicable, significant judgments made by management in

concluding that there is no material uncertainty related to the entity's ability to continue as a going concern;

- (c2) It acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent or detect fraud and has appropriately fulfilled those responsibilities;
 - (d) It has disclosed to the auditor:
 - (i) [NOT USED]
 - (ii) The results of its assessment of the risk that the interim financial information may be materially misstated as a result of fraud;
 - (iii) Its knowledge of any fraud or suspected fraud, including allegations of fraud, affecting the entity involving:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others if the fraud could have an effect on the interim financial information;
 - (iv) Its knowledge of suspected fraud, including allegations of fraud, affecting the entity's interim financial information communicated by employees, former employees, analysts, regulators, or others;
 - (v) All known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the interim financial information;
 - (vi) [NOT USED]
 - (vi1) The identity of the entity's related parties and all the related party relationships and transactions or arrangements that it is aware of;
 - (vii) All events occurring subsequent to the date of the interim financial information and for which the applicable financial reporting framework requires adjustment or disclosure;
 - (viii) Significant commitments, contractual obligations or contingencies that have affected or may affect the entity's interim financial information; and
 - (ix) All known actual or possible litigation and claims whose effects may be material to the interim financial information
67. The written representations shall be in the form of a representation letter addressed to the auditor.
68. If management does not provide one or more of the requested written representations, or the auditor has doubts about the competence or integrity of those providing the written representations, or about the reliability of the written representations, the auditor shall:
- (a) Discuss the matter with management and, where appropriate, those charged with governance;
 - (b) Re-evaluate the integrity of management, and evaluate the effect that such matters may have on the reliability of the evidence obtained; and

- (c) Take appropriate actions, including determining the possible effect on the conclusion in the auditor's interim review report in accordance with this ISRE.
69. The auditor shall disclaim a conclusion on the interim financial information, or withdraw from the engagement if withdrawal is possible under applicable law or regulation, as appropriate, if:
- (a) The auditor concludes that there is sufficient doubt about the integrity of management such that the written representations are not reliable; or
 - (b) Management does not provide the representations relating to management's responsibilities required by paragraph 65.

Date of and Period(s) Covered by Written Representations

70. The date of the written representations shall be as near as practicable to, but not after, the date of the auditor's interim review report. The written representations shall be for all of the interim financial information and period(s) referred to in the auditor's interim review report.

Accumulation and Evaluation of Misstatements

Accumulation of Identified Misstatements

71. The auditor shall accumulate misstatements identified during the interim review engagement, other than those that are clearly trivial. (Ref: Para. A104-A105)

Communicating and Correcting Identified Misstatements

72. The auditor shall communicate on a timely basis all misstatements accumulated during the interim review engagement with the appropriate level of management and shall request management to correct those misstatements.
73. If management refuses to correct some or all of the misstatements, the auditor shall obtain an understanding of management's reasons for not doing so, and shall consider that understanding when concluding whether the interim financial information is free from material misstatement in accordance with paragraph 82.
- 73A. Unless prohibited by law or regulation, the auditor shall communicate with those charged with governance uncorrected misstatements and the effect that they, individually or in aggregate, may have on the conclusion in the auditor's interim review report. (Ref: Para. A105a)

Evaluating the Effect of Uncorrected Misstatements

74. The auditor shall determine whether uncorrected misstatements are material, individually or in the aggregate, to the interim financial information. (Ref: Para. A107)

Other Information

75. The auditor shall read the other information to consider whether it is materially inconsistent with the interim financial information. (Ref: Para A108)
76. If a material inconsistency appears to exist, the auditor shall discuss the matter with management or those charged with governance, as appropriate, to determine whether a material misstatement of the interim financial information may exist. (Ref: Para A109-A110)

- 77. If the auditor becomes aware that a material misstatement of the other information exists, and management refuses to correct the other information, the auditor shall consider the implications for the engagement. (Ref: Para. A111-A113)
- 78. [NOT USED]
- 79. [NOT USED]
- 80. [NOT USED]

Forming a Conclusion on the Interim Financial Information

Evaluating the Evidence Obtained from the Review Procedures Performed

- 81. The auditor shall evaluate whether sufficient appropriate evidence has been obtained from the review procedures performed to enable the auditor to form a conclusion on the interim financial information. In making this evaluation, the auditor shall consider all evidence obtained, including evidence that is consistent or inconsistent with other evidence, regardless of whether it appears to corroborate or to contradict the interim financial information as prepared by management.
- 81A. If sufficient appropriate evidence has not been obtained, the auditor shall attempt to obtain further evidence as necessary in the circumstances. (Ref: Para. A66-A68, A117-A118)

Concluding

- 82. The auditor shall form a conclusion about whether the interim financial information is free from material misstatement.
- 82A. In forming that conclusion, the auditor shall:
 - (a1) Consider the:
 - (i) Evaluation in paragraph 81 about whether sufficient appropriate evidence has been obtained;
 - (ii) Determination in paragraph 74 about whether uncorrected misstatements are material, individually or in the aggregate, to the interim financial information;
 - (a2) Consider qualitative aspects of the entity's accounting practices, including indicators of possible bias in management's judgments; (Ref: Para. A119)
 - (a) Evaluate whether the interim financial information adequately refers to or describes the applicable financial reporting framework; (Ref: Para. A120–A121)
 - (b) Consider whether, in the context of the requirements of the applicable financial reporting framework and the results of procedures performed:
 - (i) The terminology used in the interim financial information, including, if applicable, the title of each financial statement, is appropriate;
 - (ii) The interim financial information adequately discloses material accounting policy information;
 - (iii) The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate;

- (iv) The accounting estimates and related disclosures made by management appear reasonable;
 - (v) The information presented in the interim financial information appears relevant, reliable, comparable, and understandable; and
 - (vi) The interim financial information provides adequate disclosures to enable the intended users to understand the effects of material transactions and events on the information conveyed in the interim financial information. (Ref: Para. A122-A123)
84. If the interim financial information is prepared using a fair presentation framework, the auditor shall also consider: (Ref: Para. A122)
- (a) The overall presentation, structure and content of the interim financial information; and
 - (b) Whether the interim financial information appears to represent the underlying transactions and events in a manner that achieves fair presentation.

Taking Overall Responsibility for Managing and Achieving Quality

85. Prior to dating the interim review report, the engagement partner shall: (Ref: Para. A124-A125)
- (a) Take responsibility for determining whether relevant ethical requirements, including those related to independence, have been fulfilled. For a group interim review engagement in which component auditors have been involved, this includes taking responsibility for confirming that component auditors have complied with the relevant ethical requirements, including those related to independence.
 - (b) Determine, through review of engagement documentation and discussion with the engagement team, that sufficient appropriate evidence has been obtained to support the auditor's interim review conclusion and the interim review report to be issued.
 - (c) Read the interim financial information and the interim review report to determine that the report to be issued will be appropriate in the circumstances.
 - (d) Determine that:
 - (i) The engagement partner's involvement has been sufficient and appropriate throughout the interim review engagement such that the engagement partner has the basis of determining the significant judgments made and the conclusions reached are appropriate; and (Ref: Para. A125)
 - (ii) The nature and circumstances of the engagement, any changes thereto, and the firm's related policies or procedures have been taken into account in complying with paragraph 24.
 - (e) If the engagement is subject to an engagement quality review, determine that the engagement quality review has been completed.

Preparing the Auditor's Interim Review Report

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

- (a) A title that clearly indicates that it is the report of an independent auditor for an interim review engagement; (Ref: Para. A127)
- (b) The addressee(s), as required by the circumstances of the engagement; (Ref: Para. A128)
- (c) The auditor's conclusion, in the first section of the interim review report, with the heading "Conclusion," that:
 - (i) Identifies the entity whose interim financial information has been reviewed;
 - (ii) States that the interim financial information has been reviewed;
 - (iii) Identifies the interim financial information reviewed, including, if applicable, the title of each statement, and the date(s) and period(s) covered by the interim financial information; (Ref: Para. A129)
 - (iv) Refers to the explanatory notes, including material accounting policy information; and
 - (v) Includes a paragraph that contains:
 - a. The auditor's conclusion on the interim financial information, in accordance with paragraphs 88-96, and
 - b. A reference to the applicable financial reporting framework used to prepare the interim financial information, 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. (Ref: Para. A130-A132)
- (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. A review involves performing procedures, primarily consisting of inquiries of management and others within the entity, as appropriate, and analytical 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;

- (iv) Includes 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.
 - a. 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); and
 - b. 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; and
 - (v) States that the auditor believes that the evidence obtained is sufficient and appropriate to provide a basis for the auditor's conclusion;
 - (e) A section related to going concern, in accordance with paragraphs 98 to 103.
 - (f) A section, with an appropriate heading, describing the responsibility of management, or as appropriate, those charged with governance, for: (Ref: Para. A136-A139)
 - (i) The preparation and, where relevant, the fair presentation of the interim financial information in accordance with the applicable financial reporting framework;
 - (ii) 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; and
 - (iii) Assessing the entity's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate, as well as disclosing, if applicable, matters related to going concern.
 - (g) The auditor's signature. (Ref: Para. A140-A141)
 - (h) The location in the jurisdiction where the auditor practices.
 - (i) The date of the auditor's interim review report in accordance with paragraph 104.
87. The name of the engagement partner shall be included in the auditor's interim review report of a publicly traded entity unless, in rare circumstances, such disclosure is reasonably expected to lead to a significant personal security threat. (Ref: Para. A142)

Expressing the Auditor's Interim Review Conclusion

Unmodified Conclusion

88. The auditor shall express an unmodified conclusion when the auditor concludes, based on the procedures performed and evidence obtained, that nothing has come to the auditor's attention that

causes the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework.

89. When the auditor expresses an unmodified conclusion, the auditor shall, unless otherwise required by law or regulation, use one of the following phrases, as appropriate:
- (a) For interim financial information prepared in accordance with a fair presentation framework: (Ref: Para. A143-144)
 - (i) “Based on our review, nothing has come to our attention that causes us to believe that the interim financial information does not present fairly, in all material respects, [...] in accordance with [the applicable financial reporting framework]”; or
 - (ii) “Based on our review, nothing has come to our attention that causes us to believe that the interim financial information does not give a true and fair view of [...] in accordance with [the applicable financial reporting framework]”.
 - (b) For interim financial information prepared in accordance with a compliance framework: “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]”.

Modified Conclusion

90. The auditor shall express a modified conclusion when:
- (a) The auditor determines, based on the procedures performed and the evidence obtained, that the interim financial information is materially misstated; or
 - (b) The auditor is unable to obtain sufficient appropriate evidence in relation to one or more areas of the interim financial information that are material in relation to the interim financial information as a whole.
91. If the auditor expresses a modified conclusion, the auditor shall:
- (a) Use the heading “Qualified Conclusion,” “Adverse Conclusion” or “Disclaimer of Conclusion,” as appropriate, for the Conclusion section of the interim review report (see paragraph 86(c)); and
 - (b) Use the heading “Basis for Qualified Conclusion,” “Basis for Adverse Conclusion” or “Basis for Disclaimer of Conclusion,” as appropriate, for the Basis for Conclusion section of the interim review report (see paragraph 86(d)), and describe in this section the matter(s) giving rise to the modification.

Interim financial information is materially misstated

92. If the auditor determines that the interim financial information is materially misstated, the auditor shall express:
- (a) A qualified conclusion, when the auditor concludes that the effects of the matter(s) giving rise to the modification are material, but not pervasive to the interim financial information; or (Ref: Para. A145)

- (b) An adverse conclusion, when the effects of the matter(s) giving rise to the modification are both material and pervasive to the interim financial information. (Ref: Para. A146)
93. If the auditor expresses either a qualified conclusion or an adverse conclusion due to a material misstatement of the interim financial information, the auditor shall include, in the “Basis for Qualified Conclusion” or “Basis for Adverse Conclusion” sections, as appropriate:
- (a) If the material misstatement relates to specific amounts in the interim financial information (including quantitative disclosures), a description and quantification of the financial effects of the misstatement, unless impracticable. If impracticable, the auditor shall include a statement stating that fact.
 - (b) If the material misstatement relates to narrative disclosures, an explanation of how disclosures are misstated.
 - (c) If the material misstatement relates to the non-disclosure of information required to be disclosed, a description of the nature of the information, and, unless prohibited by law or regulation, include the omitted disclosures if it is practicable to do so. (Ref: Para. A146a)

Inability to obtain sufficient appropriate evidence

94. If the auditor is unable to obtain sufficient appropriate evidence, the auditor shall: (Ref: Para. A147)
- (a) Express a qualified conclusion if the auditor concludes that the possible effects on the interim financial information of undetected misstatements, if any, could be material but not pervasive; or
 - (b) Disclaim a conclusion if the auditor concludes that the possible effects on the interim financial information of undetected misstatements, if any, could be both material and pervasive. (Ref: Para. A147A)
- 94A. The auditor shall describe in the Basis for Qualified Conclusion or Basis for Disclaimer of Conclusion section, as appropriate, the reason(s) for the inability to obtain sufficient appropriate evidence.
- 94B. If the auditor's inability to obtain sufficient appropriate evidence is due to a limitation on the scope of the interim review imposed by management after the auditor has accepted the engagement, and the auditor has determined that the possible effects on the interim financial information of undetected misstatements are material and pervasive, the auditor shall withdraw from the interim review engagement, where withdrawal is possible under applicable law or regulation. (Ref: Para. A148-A149)
95. If the auditor disclaims a conclusion on the interim financial information, the auditor shall: (Ref: Para. A149a)
- (a) State in the Disclaimer of Conclusion section that:
 - (i) Due to the significance of the matter(s) described in the Basis for Disclaimer of Conclusion section, the auditor is unable to obtain sufficient appropriate evidence to form a conclusion on the interim financial information; and
 - (ii) Accordingly, the auditor does not express a conclusion on the interim financial information.

- (b) Amend the statement required by paragraph 86(c)(ii), which indicates that the interim financial information has been reviewed, to state that the auditor was engaged to review the interim financial information.

Other Circumstances Affecting the Auditor's Interim Review Conclusion

- 96. Even if the auditor has expressed an adverse conclusion or disclaimed a conclusion on the interim financial information, the auditor shall describe in the applicable Basis for Conclusion section the reasons for any other matters of which the auditor is aware that would have required a modification to the interim review conclusion, and the effects thereof.

- 97. [NOT USED]

Going Concern (Ref: Para. A150)

- 98. If nothing has come to the auditor's attention to indicate that a material uncertainty related to going concern exists in the interim period, the auditor shall include a separate section in the interim review report, with the heading "Going Concern," stating that:

- (a) In the context of the auditor's review of the interim financial information, and in forming the conclusion thereon, nothing has come to the auditor's attention that causes the auditor to believe that management's use of the going concern basis of accounting is inappropriate;
- (a1) Based on the evidence obtained, nothing has come to the auditor's attention to indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern; and
- (b) The auditor's statements are based on the evidence obtained up to the date of the interim review report and are not a guarantee as to the entity's ability to continue as a going concern.

- 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 at the interim reporting date, and
- (b) Management has identified and adequately disclosed the material uncertainty in the interim financial information,

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 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).
100. If the auditor's report on the most recent annual financial statements of the entity did not include a Material Uncertainty Related to Going Concern section, and:
- (a) Events or conditions have been identified in the interim period that may cast significant doubt on the entity's ability to continue as a going concern, and
 - (b) Management has identified and adequately disclosed in the interim financial information a material uncertainty related to the entity's ability to continue as a going concern,
- 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 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 ability to continue as a going concern];
 - (d) A statement that the auditor's interim review conclusion is not modified in respect of the matter; and
 - (e) The statements in paragraphs 98(a) and 98(b).

Other Circumstances Related to Going Concern

- 100A. If a matter related to going concern, other than a material uncertainty, is disclosed in the interim financial information and, in the auditor's judgment, the matter is of such importance that it is fundamental to users' understanding of the interim financial information, the auditor shall, in the separate Going Concern section required by paragraph 98, include: (Ref: Para. A150a-A150c)
- (a) A reference to the related disclosure(s) in the interim financial information; and
 - (a1) A statement that the auditor's interim review conclusion is not modified in respect of the matter.

Inadequate Disclosures About a Material Uncertainty Related to Going Concern

101. If the auditor's evaluation in accordance with paragraphs 56 and 56A indicates that a material uncertainty related to going concern exists, that has not been adequately disclosed, the auditor shall:
- (a) Express a qualified or adverse conclusion, as appropriate, in accordance with paragraph 92;
 - (b) In the Basis for Qualified (or Adverse) Conclusion section of the auditor's interim review report, state that a material uncertainty exists and that the interim financial information does not adequately disclose this matter; and
 - (c) Include a separate section in the interim review report, with the heading "Material Uncertainty Related to Going Concern," that draws attention to the Basis for Qualified (Adverse) Conclusion section of the auditor's interim review report, and includes the statements in paragraphs 98(a) and 98(b).

Use of Going Concern Basis of Accounting is Inappropriate

102. If the interim financial information has been prepared using the going concern basis of accounting, and the auditor's evaluation in accordance with paragraph 56(a) indicates that, in the auditor's

professional judgment, management's use of the going concern basis of accounting in the preparation of the interim financial information is inappropriate:

- (a) The auditor shall express an adverse conclusion; and
- (c) Unless required by law or regulation, the auditor shall not include separate sections on Going Concern or Material Uncertainty Related to Going Concern in the auditor's interim review report.

Considerations If the Auditor Disclaims a Conclusion on the Interim Financial Information

103. If the auditor disclaims a conclusion on the interim financial information in accordance with paragraph 94(b), the auditor shall not include separate sections on Going Concern or Material Uncertainty Related to Going Concern in the auditor's interim review report. (Ref: Para. A151)

Other Reporting Responsibilities

- 103A. If the auditor addresses reporting responsibilities in the interim review report that are in addition to the auditor's responsibilities under this ISRE, the auditor shall include a separate section in the interim review report, with an appropriate heading. (Ref: Para. A151a–A151b)

Date of the Auditor's Interim Review Report

104. The auditor's interim review report shall be dated no earlier than the date on which the auditor has obtained sufficient appropriate evidence on which to base the auditor's conclusion on the interim financial information, including evidence that: (Ref: Para. A152–A155)
- (a) All the statements and disclosures that comprise the interim financial information have been prepared; and
 - (b) Those with the recognized authority have asserted that they have taken responsibility for that interim financial information.

Emphasis of Matter Paragraph

105. If the auditor considers it necessary to draw users' attention to a matter presented or 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 and this is not prohibited by law or regulation, the auditor shall do so in a paragraph in the auditor's interim review report, with an appropriate heading that includes the term "Emphasis of Matter," that also indicates that the auditor's conclusion is not modified in respect of the matter.

Other Matter Paragraph

- 105A. If the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the interim financial information that, in the auditor's judgment, is relevant to users' understanding of the review, the auditor's responsibilities or the auditor's interim review report and this is not prohibited by law or regulation, the auditor shall do so in a paragraph in the auditor's interim review report, with the heading "Other Matter" or other appropriate heading

106. [NOT USED]

107. [NOT USED]

Comparative Information

109. If comparative information is included in the interim financial information, the auditor shall obtain evidence about whether:
- (a) The comparative information agrees with the amounts and other disclosures presented in the prior period; and
 - (b) The accounting policies reflected in the comparative information are consistent with those applied in the current period.

Documentation

Form, Content and Extent of Engagement Documentation

110. The auditor shall prepare, on a timely basis, documentation that is sufficient to enable an experienced auditor, having no previous connection with the engagement, to understand: (Ref: Para. A159)
- (a) The nature, timing and extent of the procedures performed to comply with this ISRE and applicable legal and regulatory requirements;
 - (b) The results of the procedures performed, and the auditor's conclusions formed on the basis of those results; and
 - (c) Significant matters arising during the engagement, the auditor's conclusions reached thereon, and significant professional judgments made in reaching those conclusions.
- 110A. If the auditor identified information that is inconsistent with the auditor's final conclusion regarding a significant matter, the auditor shall document how the auditor addressed the inconsistency.
111. In documenting the nature, timing and extent of procedures performed, the auditor shall record:
- (a) Who performed the work and the date such work was completed; and
 - (b) Who reviewed the work performed, and the date and extent of such review.
112. The auditor shall also document discussions with management, those charged with governance, and others as relevant to the performance of the interim review engagement, related to significant matters arising during the engagement, including the nature of the significant matters discussed, and when and with whom the discussions took place.

Assembly of the Engagement Documentation

113. The auditor shall assemble the interim review engagement documentation in an interim review engagement file, and complete the administrative process of assembling the final engagement file on a timely basis after the date of the auditor's interim review report. After the assembly of the final engagement file has been completed, the auditor shall not delete or discard engagement documentation of any nature before the end of its retention period. (Ref: Para. A160–A161)

114. If the auditor finds it necessary to modify existing engagement documentation or add new engagement documentation after the assembly of the final interim review engagement file has been completed, the auditor shall, regardless of the nature of the modifications or additions, document:
- (a) The specific reasons for making them; and
 - (b) When and by whom they were made and reviewed.