EXPOSURE DRAFT FOR PROPOSED INTERNATIONAL STANDARD ON REVIEW ENGAGEMENTS 2410 (REVISED)

REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE INDEPENDENT AUDITOR OF THE FINANCIAL STATEMENTS OF THE ENTITY
Response Form & Guide for Respondents

PART A: Respondent Details and Demographic Information

Responses to the IAASB's Request for Comments in the EM for ED-2410

The name of your organization (or your name if making a submission in a personal capacity).	INSTITUTO ARGENTINO DE DOCENTES DE AUDITORÍA (IADA)
Name(s) of the person(s) responsible for this submission (or leave blank if same as above).	Guillermo Español
Name(s) of the contact person(s) for this submission (or leave blank if same as above).	
Email address(es) of contact(s).	guillermo.espanol@iada.org.ar
Geographical profile that best represents your situation (i.e., the geographical perspective from which you provide comments on ED-2410). Select the most appropriate option.	South America
The stakeholder group to which you belong (i.e., the perspective from which you provide comments on ED-2410). Select the most appropriate option.	Academic Body
Website address (if applicable).	https://iada.org.ar

Additional Information (Optional):

If you choose to do so, you may include information about your organization (or yourself, as applicable). If you wish, you may include general views or additional information in your submission. Please note that this is optional. The IAASB prefers that you incorporate all your views in your comments on the questions (additionally, Question 16 in Part B allows you to raise any other matter related to ED-2410).

Additional information, if any, not already included in responses to questions in Part B: [None]

PART B: Responses to Questions in the EM for ED-2410

For each question, begin with your overall response by selecting one option from the drop-down menu. If you have detailed comments, include them below.

Question 1 (Overall Impact)

Do you agree that ED-2410 is responsive to the public interest, considering the qualitative standard-setting characteristics and the standard-setting actions in the project proposal?
(See Section IA and Appendix in the EM)

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We consider that ED-2410 effectively responds to the public interest by modernizing a standard that had not been updated since 2005.

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Question 2 (Overall Impact)

Do you consider that ED-2410 achieves an appropriate balance between the work effort required to express a limited assurance conclusion on the interim review and more rigorous requirements in the public interest in certain areas (e.g., going concern, fraud, and non-compliance with laws and regulations)? You are invited to include in your response your thoughts on the implementation implications or effects of the proposed standard.

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We consider that ED-2410 achieves an appropriate balance between the inherent nature of a limited assurance engagement and the incorporation of enhanced requirements—going concern, fraud, and non-compliance with laws and regulations—aspects that are considered indispensable to preserve user confidence, without losing the essence of the scope of an interim review. In this sense, the revised standard promotes the strengthening of assurance associated with the review of interim financial information.

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Question 3 (Professional Skepticism and Professional Judgment)

Does ED-2410 appropriately address the fundamental concepts of professional skepticism and professional judgment, and the importance of applying them throughout the interim review? If not, what else might be needed in this regard?
(See Section IB, paragraph 22(a) in the EM)

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We consider it would be beneficial to supplement paragraph A23, corresponding to paragraph 21 of ED-2410, with paragraph A25 of ISA 240 (REVISED), incorporating the specific fraud angle that ISA 220 alone does not develop. Specifically:

- ISA 220 A34-A36 (already cited in paragraph A23) provides the general framework: what types of circumstances may impede professional skepticism at the engagement level (time pressure, familiarity with the client, confirmation bias, etc.), without explicitly mentioning fraud.
- ISA 240 A25 takes that framework and adds a concrete, actionable example: how concealment efforts in a fraud create

that type of pressure on the engagement team, and what actions mitigate those impediments.

For an interim review engagement, that example is particularly relevant because ED-2410 already incorporates fraud requirements in paragraphs 52-57 (supported by the principles of ISA 240 Revised, per the EM), but the current A23—focused solely on ISA 220—does not connect that skepticism material with the fraud work that ED-2410 itself requires a few paragraphs later.

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Question 4 (Fundamental Principles of an Interim Review Engagement)

Does the Introduction section of ED-2410 provide a clear description of the nature and purpose of an interim review engagement, and how it differs from an audit of financial statements, to provide fundamental context for the work necessary to achieve the engagement objective?
(See Section IB in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question 5 (Fundamental Principles of an Interim Review Engagement)

Is it sufficiently clear in ED-2410 that, while the auditor primarily performs inquiries and analytical procedures, all procedures performed to achieve the overall objective of the interim review engagement are "review procedures"? If not, what suggestions do you have to clarify this point?
(See Section IF, paragraphs 44-47 in the EM)

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We fully agree that all procedures executed to achieve the limited assurance objective constitute 'review procedures'.
How to approach an interim review in accordance with ED-2410.

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Question 6 (Performing the Review)

Is it sufficiently clear that, in recurring engagements, the auditor builds upon the knowledge and understanding obtained from prior annual audits and interim reviews of the entity? If not, what suggestions do you have to clarify this point?
(See Section IB and Section IF, paragraphs 44-52 in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question 7 (Performing the Review)

Do you agree with the considerations that apply when the review of interim financial information is the initial engagement performed for the audit client? If not, what suggestions do you have regarding additional considerations related to initial interim review engagements?
(See Section IF, paragraphs 48-52 in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question 8 (Materiality)

Do you agree with the requirement for the auditor to determine materiality for the interim review engagement and with the related application documentation describing the relevant principles? If not, what would you suggest?

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We agree with the requirement to determine materiality for the interim review (paragraph 41 of ED-2410) and consider that it would be convenient and highly beneficial to provide detailed guidance by way of examples on how materiality may be determined for an interim review engagement.

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Question 9 (Group Interim Review Engagements)

Overall, do you consider ED-2410 to be appropriate for the review of group interim financial information? If not, explain your reasons and suggest additional requirements or documentation that might be necessary.
(See Section IF, paragraphs 37-40 in the EM)

Overall Response: YES - WITH COMMENTS

Detailed Comments:
In general terms, we consider ED-2410 to be appropriate for the review of group interim financial information and that it addresses an existing need, given that the current standard contains no specific requirements for this type of engagement. The proposal incorporates the group auditor's responsibilities regarding the determination of the nature, timing, and extent of the work of component auditors, as well as the need to establish appropriate communication with them. These additions strengthen the consistency of the interim review and foster higher quality in engagements involving complex corporate structures.

However, we estimate that it would be useful to include additional guidance on the criteria the group auditor should consider when deciding the degree of involvement of component auditors, particularly when there are significant differences in component risk or when components are subject to different regulatory frameworks.

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Question 10 (Group Interim Review Engagements)

Are the requirements in ED-2410 addressing specific considerations related to group interim reviews appropriate? If not, explain your reasons and suggest additional requirements or documentation that might be necessary.
(See Section IF, paragraphs 37-40 in the EM)

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We consider that the draft elaborates, for review engagements, on essential aspects including:
• The engagement partner's responsibility regarding resources, including component auditors;
• The determination of the nature, timing, and extent of the work of such auditors;
• Communication between the group auditor and component auditors;
• Reconciliation of interim financial information with the consolidation process; and
• Responsibility for compliance with relevant ethical requirements and independence.

That is, the IAASB covered the five necessary pillars for a group interim review engagement.

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Question 11 (Fraud and Non-Compliance with Laws and Regulations (NOCLAR))

Do you agree that the time commitment requirements related to fraud and NOCLAR are appropriate and proportionate to the circumstances of an interim review, considering that such review is performed by the auditor of the entity's annual financial statements who has responsibilities related to fraud and NOCLAR in the context of that review? If not, explain your reasons and suggest the approach the auditor should adopt regarding fraud and NOCLAR in an interim review.
(See Section IF, paragraphs 54-56 in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question 12 (Going Concern)

Do you agree that the work effort requirements related to going concern are appropriate and proportionate to the circumstances of an interim review engagement, considering that such engagement is performed by the auditor of the entity's annual financial statements who has responsibilities related to going concern in the context of that engagement? If not, explain your reasons and suggest how ED-2410 should address auditor responsibilities related to going concern in an interim review engagement.
(See Section IF, paragraphs 57-61 in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question 13 (Going Concern)

Do you agree with the proposals to include a new standalone Going Concern section in the auditor's interim review report? If not, explain your reasons and suggest how ED-2410 should address transparency regarding going concern in such report.
(See Section IH, paragraphs 74-79 in the EM)

In particular:
a) Do you agree with the proposed required statements, appropriately worded for a limited assurance engagement, regarding the going concern basis of accounting and the existence of material uncertainty? If not, explain your reasons and suggest how such statements should be worded in the interim review report.

b) Do you agree that the circumstances contemplated in the requirements of paragraphs 108 to 111 of ED-2410 reflect the most frequent scenarios in practice? If not, explain your reasons and suggest other scenarios that should be included in ED-2410.

c) Do you agree with the requirement in paragraph 111 of ED-2410 to include a reference in the interim review report to disclosure(s) of a going concern matter, other than a material uncertainty (e.g., a 'close call'), only when the matter is, in the auditor's professional judgment, of such importance that it is fundamental to users' understanding of the interim financial information, and to do so in a manner similar to an Emphasis of Matter paragraph? If not, explain your reasons and suggest how these matters should be addressed in ED-2410.

Overall Response: YES - WITH COMMENTS (FOR PART C)

Detailed Comments:
a) Overall Response: YES - WITHOUT COMMENTS
b) Overall Response: YES - WITHOUT COMMENTS
c) Detailed Comments on Part (c):
We agree with the conditional requirement of paragraph 111 of ED-2410, related to application material in A174 of ED-2410. We disagree with the inclusion of paragraph 79(b) of EM-2410, because said paragraph treats by exception the consideration of the example set forth in A174, by emphasizing that: '79. The IAASB determined that it was not necessary for ED-2410 to include requirements specifically addressing the following two scenarios, because they were not considered common occurrences and the relevant principles are addressed through other requirements: ... b) Events and conditions that had previously generated a material uncertainty related to going concern, or a previously disclosed close-call situation related to going concern, have been resolved in the interim period. However, if appropriate disclosures about the circumstances are included in the interim financial information, paragraph 111 contemplates this scenario.'

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Question 14 (Auditor's Interim Review Report)

Do you agree with the proposed new structure for the auditor's interim review report? In particular, consider whether the new structure might be clearer for intended users of the report, given that it is consistent with the structure of the auditor's report on

financial statements. If not, explain your reasons and include suggestions on how to improve the clarity of the interim review report for such users.
(See Section IH, paragraphs 65-68 in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question 15 (Auditor's Interim Review Conclusion)

Do you foresee any practical consequences arising from the approach in ED-2410, such as the auditor's interim review conclusion varying depending on whether the applicable financial reporting framework is a fair presentation framework or a compliance framework, as defined in paragraph 13(b) of ED-2410? Be as specific as possible in describing any potential issues and in suggesting how the IAASB might address them.
(See Section IH, paragraphs 69-73 in the EM)

Overall Response: YES - WITH COMMENTS

Detailed Comments:
We consider that there is a practical consequence arising from the approach in ED-2410, because the auditor's interim review conclusion differs depending on whether the applicable financial reporting framework corresponds to a fair presentation or a compliance framework. This determination, properly documented, requires greater professional time commitment by the auditor, also considering the need to avoid divergence in approach between the preparer of the financial statements and the auditor.

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Question 16 (Other Matters)

Are there any other matters you wish to raise in relation to ED-2410? If so, clearly indicate the specific paragraph numbers of requirements, application documentation, or appendix to which your comments refer. If expressing views on other matters, please use subheadings in your response to clearly identify and differentiate the distinct topics.

Overall Response: NO - WITHOUT COMMENTS

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Question 17 (Translations)

Recognizing that many respondents may intend to translate the final standard for adoption in their own environments, have you identified any potential translation challenges or issues?
If so, please describe the issue identified and clearly indicate the specific paragraph numbers of any requirement, application material, or specific illustrations or appendices to which your comments refer.

Overall Response: NO - WITHOUT COMMENTS

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Question 18 (Effective Date)

The IAASB considers that an appropriate implementation period would be approximately 18 months after the anticipated approval date of the proposed revised standard. Do you agree that this timeline will be sufficient to support effective implementation of the proposed standard? If not, what do you propose and why?
(See Section II, paragraphs 85-86 in the EM)

Overall Response: YES - WITHOUT COMMENTS

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Question E.1 (a) (Questions to Inform the International Ethics Standards Board for Accountants (IESBA) - Group Reviews)

Recognizing that ED-2410 requires the auditor to comply with relevant ethical requirements, including those related to independence, when performing an interim review engagement:
(a) Given the context set out in Section IC, paragraph 28, in the EM and taking into account that Part 4A of the Code applies to both audit and review engagements unless otherwise stated, do you believe it is necessary to clarify the application of Section 405 with respect to group review engagements, including group interim reviews? If so, explain why. Also explain what clarifications would be useful and whether they should be made within or outside the Code.

Overall Response: YES - WITH COMMENTS

Detailed Comments:
Although the scope of ED-2410 excludes review engagements where the practitioner is not the auditor of the entity's financial statements (thus using the term "auditor" to refer to the practitioner), we understand that the application of Section 405 of the IESBA Code might require additional clarification on how its specific requirements should be applied regarding group review engagements, including group interim reviews.

It would be desirable to incorporate a clarification expressly confirming that the requirements of Section 405 are equally applicable to group reviews and explaining how references specific to an audit context should be interpreted when the engagement is an interim review.

This clarification could preferably be incorporated outside the Code, avoiding amendments that do not correspond to changes in ethical principles but solely to needs of interpretation and practical application.

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Question E.1 (b) (Questions to Inform the International Ethics Standards Board for Accountants (IESBA) - NOCLAR)

Recognizing that ED-2410 requires the auditor to comply with relevant ethical requirements, including those related to independence, when performing an interim review engagement:
(b) Do you consider that the application of the Code, as described in paragraph 29 of Section IC of the EM, is clear when the auditor becomes aware of information concerning non-compliance or suspected non-compliance with laws and regulations during the performance of an interim review? If not, explain why. Also explain what clarifications would be useful and whether they should be made within or outside the Code.

Overall Response: NO - WITH COMMENTS

Detailed Comments:
We consider that the explanation in paragraph 29 of Section IC of the EM contributes to understanding the interaction between ED-2410 and the IESBA Code regarding NOCLAR. However, I estimate that the practical application is not completely clear.

The EM explains that, in interim review engagements, paragraphs R360.29 to 360.40 A1 of the Code apply, whereas paragraphs R360.10 to 360.28 A1 correspond to audit engagements. It then notes that, in practice, there should be no divergence in the firm's response to a NOCLAR or suspected NOCLAR, due to the internal communication obligation provided in paragraph R360.31(a). However, that conclusion does not follow evidently from the Code itself and could generate uncertainty in some scenarios.

In an audit, the Code develops a full process for evaluating management's response, determining additional actions, considering disclosure to authorities, documentation, etc. The regime applicable to an interim review is considerably more general than that provided for an audit (R360.10-R360.28) and focuses mainly on:
1. Understanding the matter;
2. Discussing it with management;
3. Communicating it to the audit partner when appropriate.

In practice, there should be no divergence because the audit partner will end up applying the more comprehensive regime. However, that assertion is only fully true when there is an audit partner to whom the matter can be communicated.

If there is no audit, or if the interim review is performed by a firm other than the auditor, that convergence is not so evident (this example can occur in practice, though it falls outside the scope of both current ISRE 2410 and ED-2410). In particular, it would be useful to explicitly clarify how this convergence should be interpreted when the interim review is performed by a firm other than the one conducting the audit of financial statements, when the entity does not have an external auditor, or when the practitioner operates outside an organizational structure with internal communication protocols. In these cases, reference to communication with the audit engagement partner may not be applicable or may require additional interpretation.

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