CRUF
CORPORATE REPORTING USERS' FORUM

3 September 2026

FAO: IAASB
570 Lexington Avenue
New York, NY 10022
USA

Via online portal

Dear Board Members,

Exposure Draft: [Proposed Revisions to International Standard on Review Engagements 2410 (Revised)] (ISRE 2410 (Revised))

The Corporate Reporting Users' Forum (CRUF) welcomes the opportunity to provide the IAASB with our comments on ISRE 2410 (Revised).

The CRUF was established in 2005 and we have been holding regular meetings since. CRUF UK has prepared this comment letter based on discussions in CRUF meetings. As always, we do not seek to reach a consensus within the CRUF but to reflect a broad spectrum of users' views. We have highlighted any contrasting views in our response. Our comments are based on our professional experience as users of corporate reporting.

We have not responded to the specific questions raised in the consultation, as we are not audit experts. However, some of the questions may be answered by our main comments below.

Main comments

Reviews of interim financial information should be exceptions, not the rule

As users of interim financial information, which in most cases will be the half year or six month accounts in an entity's full financial year reporting period, we will be relying on the preparers (mainly the directors and management) providing us with materially accurate and relevant information. This should mean that we should not need the entity's auditors to provide us with any assurance of that information. It should also mean that preparers should not need a review of financial information, as they should be reasonably confident in their financial statement reporting expertise and knowledge of their business not to require such.

An entity's auditor's client/customer is the entity's shareholders as a whole, which is why the entity engages with its auditor on their behalf. Therefore the entity should engage with its shareholders to ascertain if they need reviews of interim financial information by the auditor. If an entity is trusted by its shareholders, it should be probable that reviews of interim financial information are not needed. This will be underpinned by the interim financial information eventually being audited as part of a full year's financial statements.

For ethical, independence and objectivity reasons, an auditor should resist any direction from an entity in respect of its audits or reviews. As users, we suspect that entities give such directions where they require affirmation of what they have prepared and are wholly responsible for.

We understand that ISRE 2410 (revised) makes no presumption that reviews of interim financial information are required. However, we suspect that preparers will require interim financial information reviews even though their shareholders may not. We suggest it would be helpful for ISRE 2410 (Revised) to point out to auditors that reviews of interim financial information are not the rule and only required if the shareholders of an entity request this, when they have lost trust in that entity.

The addressee(s) of auditor's interim review reports

For reasons mentioned above, we suggest that the addressees of auditor's interim review reports should always be the shareholders or members of an entity. Your paragraph A148 mentions the main addressees as either shareholders or those charged with governance. We would suggest that those charged with governance would have required the interim review report to be prepared on behalf of shareholders anyway, which would put shareholders in the position of addressees.

Materiality

We believe that one of the causes of bad financial reporting and/or disclosure problems is the misapplication of materiality. This may have resulted from materiality being seen as more relevant to auditors than preparers, especially as auditor's reports refer to materiality and financial statements do not.

We suggest this could be rectified by the responsibility for judgements about materiality in respect of reporting being given clearly to preparers (mainly the directors and management). This is implied in international financial reporting standards, which are applied by preparers. However, preparers never seem to disclose in their financial statements what they mean by materiality and how it is applied in the preparation of those financial statements. As audit materiality is covered in auditor's reports, everyone then leaves it at that.

We believe it would help if auditors influenced preparers to disclose their definitions of materiality and how they have applied it in their financial statements. It is suggested that audit/interim review reporting standards required auditors to refer to preparers' materiality disclosures when covering auditors' materiality in their audit/interim review reports, emphasising preparers' responsibility for materiality. We suggest that the materiality section, currently paragraphs 41 and 42, of ISRE 2410 (Revised) does this.

Other matters

Subject to our comments above, we are supportive of ISRE 2410 (Revised).

As users of interim financial information and therefore auditor's interim review reports, we believe that any implementation of the revised standard does not need to wait for 18 months after its approval. This is mainly because our understanding is that limited assurance reviews are a lot less time consuming than audits. Also, if as suggested by us above, reviews of interim financial information become exceptional, the approved standard could be implemented fairly quickly.

About the Corporate Reporting Users' Forum (CRUF)

The CRUF was set up in 2005 by users of financial reports to be an open forum for learning about and responding to the many accounting and regulatory changes that affect corporate reporting. In particular, participants are keen to have a fuller input into the deliberations of corporate reporting standard setters and regulators. CRUF participants include buy and sell-side analysts, credit ratings analysts, fund managers, investors and corporate governance professionals. Participants focus on equity and fixed income markets.

The CRUF is a discussion forum. Different individuals take leadership in discussions on different topics and in the initial drafting of representations depending on their area of interest or expertise. In our meetings around the world, we seek to explore and understand the differences in opinions of participants. The CRUF does not seek to achieve consensus views, but instead we focus on why reasonable participants can have different positions. Furthermore, it would not be correct to assume that those individuals who do not participate in a given initiative disagree with that initiative. Also, it would not be correct to assume that nonparticipants agree with the initiative. This response is a summary of the range of opinions discussed at the CRUF meetings held the UK and provided by participants in drafting the response. Differences of opinion are noted where applicable.

Participants take part in CRUF discussions and joint representations as individuals, not as representatives of their employer or other organisations they are a member of or associated with. Accordingly, we sign this letter in our individual capacity as participants of the Corporate Reporting Users' Forum and not as representatives of our respective employer or other organisations. The participants in the CRUF that have specifically endorsed this response are listed below.

(Signatures)

Charles Henderson

Jeremy Stuber

Peter Parry

Robert Alster

Sue Milton