

EXPOSURE DRAFT OF PROPOSED ISRE 2410 (REVISED), REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE INDEPENDENT AUDITOR OF THE ENTITY'S ANNUAL FINANCIAL STATEMENTS

Response Form

Guide for Respondents

Comments are requested by **September 3, 2026**. *Note that requests for extensions of time cannot be accommodated due to the timeline for finalization of this proposed revised standard.*

This form is for providing comments on the Exposure Draft of proposed International Standard on Review Engagements™ (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements* (ED-2410), in response to the questions set out in the Explanatory Memorandum (EM) to ED-2410. It also allows for respondent details, demographics and other comments to be provided. Use of this form will facilitate the IAASB's analysis of the responses.

You may respond to all questions or only those questions for which you have specific comments.

To assist our consideration and analysis of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Include any detailed comments below that, as indicated.
- When providing comments, respond directly to the questions and:
 - Provide the rationale for your answers. If you disagree with the proposals in ED-2410, please provide specific reasons for your disagreement and include specific suggestions for changes (including specific wording) that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view as support for the IAASB's proposals cannot always be inferred when not stated.
 - Be specific about the sections, headings or paragraphs in ED-2410 to which your responses relate.
 - Refrain from inserting tables or text boxes in your responses.

It is not necessary to include a cover letter containing a summary of your key issues. The response form provides the opportunity to include any other views you wish to place on the public record, should you choose to do so. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the “**Submit Comment**” button on [the web page for proposed ISRE 2410 \(Revised\)](#) to upload the completed form.

Responses to IAASB's Request for Comments in the EM for ED-2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	BDO International
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Nazia Lakhani Head of Global Audit Quality
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Jeanie Roberts Senior Manager: Global Assurance
E-mail address(es) of contact(s)	Nazia.Lakhani@bdo.global ; Jeanie.Roberts@bdo.global
Geographical profile that best represents your situation (i.e., the geographical perspective from which are you providing feedback on ED-2410). Select the most appropriate option.	<u>Global</u>
	If "Other", please clarify
The stakeholder group to which you belong (i.e., the perspective from which are you providing feedback on ED-2410). Select the most appropriate option.	<u>Accounting firm</u>
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB's preference is that you incorporate all your views in your comments to the questions (also, Question 16 in Part B allows for raising any other matters in relation to ED-2410).

Information, if any, not already included in responding to the questions in Part B:

Limited assurance reporting – if the overarching purpose is to intent users' confidence, the level of assurance provided should be better explained in order for both the user and preparer to understand.

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

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

Overall Impact

1. 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 I-A and the Appendix in the EM)

Overall response: Agree, with comments below

Detailed comments (if any):

Click or tap here to enter text.

While there is much to support in ED-2410, such as greater consistency of profession-wide practice as it relates to reviews of interim financial information, we note that some elements of the ED that have the potential to result in (1) additional work effort with little direct impact on improved quality and/or (2) other parts of the proposed standard that are unclear and may require further clarity and guidance.

We suggest the auditor's report to be clearer in providing an explanation to users and practitioners of the level of assurance provided in order to improve understanding and expectations of both parties.

2. Do you agree that ED-2410 strikes **an appropriate balance** between the work effort required to express a limited assurance conclusion on the interim review engagement, and more robust 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 as part of your response insights on **the implications or effects** of implementing the proposed standard.

Overall response: Agree, with comments below

Detailed comments (if any):

We agree that in certain areas, e.g. fraud and non-compliance with laws and regulations, there is an appropriate balance between work effort required to express a limited assurance conclusion and more robust requirements. However, in the several areas described below, we do not consider that an 'appropriate balance' has been maintained.

- We suggest the IAASB provides examples and/or guidance regarding the 'limited assurance' definition in paragraph 13(f) of ED-2410. The use of the word 'meaningful' is not clear, and we are not sure how it enhances user's confidence. 'Real-life' examples and guidance of what 'meaningful' actually looks like in common interim review areas would be helpful and could provide an indication of how this differs from reasonable audit evidence thresholds.
- In paragraphs 43 and A77 – A79 of ED-2410, we consider that the work effort required in obtaining an understanding of the entity when it is a first-time engagement and when providing a limited assurance opinion to be disproportionate. As noted in paragraph 43, the auditor is required to

obtain an understanding as it relates to the preparation **of both the annual** and interim financial statements, and in para A77 it notes to perform procedures that require an understanding for **purposes of the annual financial audit** during the interim review, which would mean that the anticipated work effort would potentially exceed the level required for a 'limited' assurance opinion and so the expectations of the users of these reports (with little or no benefit in terms of improved quality). We recommend that the level of work for a first-time engagement that is an interim review is considered in the light of expectations for a limited assurance engagement.

- For going concern, the work effort required as per paragraphs 59 – 65 of ED-2410 as well as the reporting requirements in paragraphs 95 (e), 108 - 114 are similar to the work effort required when issuing a reasonable assurance opinion. This increased effort and disclosure requirements may affect the timing and budget of the review engagement, in addition to implying that the auditor is obtaining a higher level of assurance with regards to going concern than the rest of the limited assurance engagement. We recommend that the requirements should be more conditionally based, i.e., further work is performed only where events or conditions are identified that will impact the going concern assessment. We recommend reconsidering the wording of the requirements regarding going concern for limited assurance engagements.

Professional Skepticism and Professional Judgment

3. Does ED-2410 appropriately address the foundational concepts of professional skepticism and professional judgment, and the importance of applying these concepts throughout the interim review engagement? If not, what more might be needed in this regard?

(See Section I-B, paragraph 22(a) in the EM)

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

Fundamental Principles of an Interim Review Engagement

4. 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 foundational context for the work effort needed to achieve the objective of the engagement?

(See Section I-B in the EM)

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

5. Is ED-2410 sufficiently clear that while the auditor performs primarily inquiries and analytical procedures, *all procedures* performed for the purpose of achieving the overall objective of the interim review engagement are "review procedures"? If not, what suggestions do you have to make this clearer?

(See Section I-F, paras. 44-47 in the EM)

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

Approaching an Interim Review Engagement in Accordance with ED-2410

6. Is it sufficiently clear that, for recurring engagements, the auditor leverages the knowledge and understanding obtained from previous annual audits and interim review engagements for the entity? If not, what suggestions do you have to make this clearer?

(See Section I-B and Section I-F, paragraphs 44-52 in the EM)

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

7. Do you agree with the considerations that apply when the review of interim financial information is the first engagement performed for the audit client? If not, what suggestions do you have for additional considerations related to first-time interim review engagements?

(See Section I-F, paras. 48-52 in the EM)

Overall response: **Disagree, with comments below**

Detailed comments (if any):

We welcome, as noted in para 48 in the EM, that targeted application material will be provided, noting special considerations for first-time review engagements. as we believe that this additional guidance will be helpful to engagement teams. However, we consider that the requirement in paragraph 43 that auditors shall obtain an understanding of the entity, its environment, the applicable reporting framework and system of control as it relates to both annual and interim financial information is over and above what is required for a limited assurance conclusion. This is inconsistent with paragraph 49 of the EM which states that auditors may determine that it is not necessary to perform the same procedures that an auditor would perform in an audit in accordance with the ISAs. We ask that paragraph 49 of the EM is included in ED-2410 as application material alongside examples and guidance in ED-2410 on how much work effort (including documentation) is required for a first-time review engagement and examples of circumstances where the auditor may determine that it is not necessary to perform those procedures.

Materiality

8. Do you agree with the requirement for the auditor to determine materiality for the interim review engagement, and the related application material that describes the relevant principles that apply? If not, what would you suggest?

(See Section I-F, paragraphs 41-43 in the EM)

Overall response: **Disagree, with comments below**

Detailed comments (if any):

While we agree with the requirements related to determining materiality for the interim review engagement, we consider that more application guidance, including examples, is needed to assist engagement teams, especially when using income statement metrics as a basis. In practice, there is divergence in how to set a materiality for an interim period when using a metric based on income statement benchmarks, so more guidance would help bring consistency in this area and would be helpful to users of these types of engagements.

Group Interim Review Engagements

9. Overall, do you agree that ED-2410 is capable of being applied for the review of interim financial information of groups? If not, please explain your reasons, and provide suggestions for additional requirements or application material that might be needed.

(See Section I-F, paragraphs 37-40 in the EM)

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

10. Are the requirements in ED-2410 that address specific considerations related to group interim review engagements appropriate? If not, please explain your reasons, and provide suggestions for additional requirements or application material that might be needed.

(See Section I-F, paragraphs 37-40 in the EM)

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

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

11. Do you agree that the work effort requirements related to fraud and NOCLAR are appropriate and proportionate to the circumstances of an interim review engagement, recognizing that the engagement is performed by the auditor of the entity's annual financial statements and has responsibilities related to fraud and NOCLAR in the context of that engagement? If not, please explain your reasons, and provide suggestions for the auditor's approach to fraud and NOCLAR in an interim review engagement.

(See Section I-F, paras. 54-56 in the EM)

Overall response: **Agree, with comments below**

Detailed comments (if any):

Not all the ISA 240 requirements regarding identified fraud are included in ED-2410, and, as the auditor is engaged for both the audit and the interim review, we consider that the fraud and NOCLAR requirements should apply, particularly ISA 240 (Revised).39 when fraud is identified during the interim review.

Currently in ED- 2410, the below requirements are not included:

- Consider whether it is appropriate to withdraw from the engagement, where withdrawal is possible under applicable law or regulations, and if the auditor does withdraw,
 - Discuss with the appropriate level of management and those charged with governance the auditor's withdrawal from the engagement and the reasons for withdrawal, and
 - Determine whether there is a professional or legal requirement to report to the person or persons who made the audit appointment or, in some cases, to regulatory authorities, the auditor's withdrawal from the engagement and the reasons for withdrawal (ISA 240.39)

We suggest that the requirements in ED-2410.54 and 55 remain high level but the obligations of the auditor under ISA 240 be highlighted in the application guidance (at a minimum) in ED-2410 or alternatively cross referenced to ISA 240 (Revised).39.

Going Concern

Questions 12 and 13 below address both the auditor's work effort related to going concern in an interim review engagement and transparency about going concern in the interim review report.

12. Do you agree that the work effort requirements related to going concern are appropriate and proportionate to the circumstances of an interim review engagement, recognizing that the engagement is performed by the auditor of the entity's annual financial statements and has responsibilities related to going concern in the context of that engagement? If not, please explain your reasons and provide suggestions for how ED-2410 should address the auditor's responsibilities related to going concern in an interim review engagement.

(See Section I-F, paras. 57-61 in the EM)

Overall response: **Disagree, with comments below**

Detailed comments (if any):

Please refer to question 2 regarding our concerns with the work effort required related to going concern.

13. Do you agree with the proposals to introduce a new separate section relating to going concern in the auditor's interim review report? If not, please explain your reasons and provide suggestions for how ED-2410 should address transparency about going concern in the interim review report.

(See Section I-H, paragraphs 74-79 in the EM)

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

In particular:

- (a) Do you agree with the proposed required statements, appropriately worded for a limited assurance engagement, relating to the going concern basis of accounting and whether a material uncertainty exists? If not, please explain your reasons and provide suggestions for how such statements should be worded in the interim review report.

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

- (b) Do you agree that the circumstances addressed in the requirements in paragraphs 108-111 of ED-2410 capture the most frequently encountered scenarios in practice? If not, please explain your reasons and provide suggestions for any other scenarios that should be addressed in ED-2410.

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

- (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 (for example, 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 akin to an emphasis of matter paragraph? If not, please explain your reasons and provide suggestions for how such matters should be addressed in ED-2410.

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

*The Auditor's Interim Review Report***General**

14. Do you agree with the proposed new structure of the auditor's interim review report? In particular, consider whether the new structure may be clearer for intended users of the report since it is consistent with the structure of the auditor's report on the financial statements. If not, please explain your reasons, including any suggestions for how the interim review report can be made clearer for intended users.

(See Section I-H, paragraphs 65-68 in the EM)

Overall response: **Agree, with comments below**

Detailed comments (if any):

We agree with the proposed new structure.

We noted that in the illustrations of the auditor's interim review reports in Appendices 1 and 2, a disclaimer opinion is not included.

The Auditor's Interim Review Conclusion

15. Do you foresee any practical consequences from the approach in ED-2410 that the auditor's interim review conclusion would differ, 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? Please be as specific as possible in describing any potential issues and suggestions for how the IAASB may address them.

(See Section I-H, paragraphs 69-73 in the EM)

Overall response: **No (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

Other Matters

16. Are there any other matters you would like to raise in relation to ED-2410? If so, please clearly indicate the specific paragraph numbers of any requirements, application material, or Appendix, to which your comments relate. If you provide views on other matters, please use subheadings in your response to clearly identify and distinguish different matters.

Overall response: **Yes, as further explained below**

Detailed comments (if any):

With regards to the use of the term 'likely' in several areas (for example, in the definition of 'limited assurance' and ED-2410 paragraph 43(b) where material misstatements, whether due to fraud or error, are likely to arise) of the exposure draft, we ask that the IAASB clarify the probability threshold of this term.

As noted in ED-2410 paragraph 70, Additional Procedures When the Auditor Becomes Aware that the Interim Financial Information May Be Materially Misstated and in ED-2410 paragraph A123 – we ask that the IAASB provide more guidance or an example as to what is meant by 'not practicable' in the first sentence.

Translations

17. 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 requirements, application material, or specific illustrations or appendices to which your comments relate.

Overall response: **No**

Detailed comments (if any):

Click or tap here to enter text.

Effective Date

18. The IAASB believes that an appropriate implementation period would be approximately 18 months after the expected date of approval of the proposed revised standard. Do you agree that this will provide a sufficient period to support effective implementation of the proposed standard? If not, what do you propose and why?

(See Section I-I, paragraphs 85-86 in the EM)

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

Questions to Inform the International Ethics Standards Board for Accountants (IESBA)

The IESBA is seeking views from respondents related to the application of the IESBA Code. Respondents for whom these questions are relevant are encouraged answer these questions to inform the IESBA's consideration of the need for any future actions.

(See the Introduction, paragraphs 12-14, and Section I-C in the EM)

Group Interim Review Engagements

E.1. 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 I-C, 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 there is a need to clarify the application of Section 405 with respect to group review engagements, including group interim reviews? If so, please explain why. Also explain what clarifications would be useful and whether they should be made inside or outside the Code.

Overall response: **No (with no further comments)**

Detailed comments (if any):

Non-compliance or Suspected Non-compliance with Laws and Regulations

E.1. 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 believe the application of the Code as described in Section I-C, paragraph 29, in the EM is clear when information concerning non-compliance or suspected non-compliance with laws and regulations comes to the auditor's attention when performing an interim review engagement? If not, please explain why. Also explain what clarifications would be useful and whether they should be made inside or outside the Code.

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

This document was prepared by the Staff of the International Auditing and Assurance Standards Board (IAASB).

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

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