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)	KPMG International
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Bernie Szentirmay
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	bernieszentirmay@kpmg.com
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.	Global
	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.	Accounting firm
	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:

N/A

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):

We agree that the proposals in ED-2410 are responsive to the public interest.

We recognize that ISRE 2410 has not been revised since 2005 and, accordingly, we support the proposed revisions to the standard. In particular, we welcome the redrafting of the standard in the IAASB's clarity format, and the alignment of principles, concepts and terminology within the standard with those used in other IAASB standards. Such standards include, where applicable, the reporting standards in the 700 series of the International Standards on Auditing (ISAs), ISA 220 (Revised), ISQM 1, and ISRE 2400 (Revised).

We refer to our response to Question 13, in which we highlight our concerns with certain aspects of the proposals related to reporting on going concern matters, together with our related recommendations.

We also refer to our responses to Question 4, regarding our concerns and related recommendations to further enhance the proposed revised standard in order to more clearly distinguish it, in terms of the specific nature and circumstances of an interim review performed in accordance with ED-2410, from a review performed in accordance with ISRE 2400 (Revised).

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 are supportive, overall, of the balance that the IAASB has struck between the work effort required to express a limited assurance conclusion on the interim review engagement, and the enhanced requirements in the public interest in certain areas.

We consider that the majority of the proposed revisions are commensurate with a principles-based standard that is risk-based, and for which the work effort required in terms of engagement performance is proportionate to a limited assurance engagement. This includes the enhancements that explicitly require the performance of certain procedures in relation to matters of significant public interest, i.e., fraud, NOCLAR and going concern. We believe that the proposed revisions also provide helpful guidance regarding the required procedures for an interim review in respect of these areas, while also clarifying that the auditor may determine the need to perform additional procedures if they become aware of a matter, in relation to these areas, that causes the auditor to believe that the interim financial information may be materially misstated.

However, we highlight concerns with the specific reporting requirements at paragraph 108 in respect of going concern when nothing has come to the auditor's attention to indicate that there is a material uncertainty related to going concern (MURGC) in the interim period. We do not believe that these reporting requirements are commensurate with the work effort associated with a limited assurance engagement, which consists primarily of inquiry and analytical procedures. Furthermore, we believe that these reporting requirements could create a potential expectation gap regarding the following:

- the work effort that underlies an explicit conclusion that "nothing has come to the auditor's attention to indicate that a MURGC exists" (paragraph 108(b)), particularly because there is no equivalent reporting requirement in ISRE 2400 (Revised); and
- regarding the requirement to explain that the auditor's statements "are not a guarantee as to the entity's ability to continue as a going concern", which we are concerned implies that, while not a guarantee, a reasonably high level of assurance is being provided. Refer to our responses to Questions 12 and 13 for further information.

We also note the following in our response to Question 13 in respect of going concern reporting:

- we do not believe the reporting requirement at paragraph 109(c) is necessary, and we are concerned that it may result in unintended consequences when there is auditor rotation;
- we do not consider the proposed reporting requirement at paragraph 111 for matters related to going concern (other than a material uncertainty) to be necessary or appropriate. We are concerned that this may exacerbate the expectation gap, and may give rise to confusion as to what matters in the financial statements are considered "fundamental" to the user's understanding of the financial information and therefore warrant an Emphasis of Matter.

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 comments below**

Detailed comments (if any):

We welcome the revisions to ED-2410 to explicitly require the auditor to exercise professional skepticism and professional judgement when planning and performing an interim review engagement, together with the related application material to emphasize key aspects of this. We believe the inclusion of this material is important to give greater prominence to these foundational concepts when performing an interim review engagement.

We also support the IAASB's approach to include cross-references in the application material to ISA 220 (Revised), recognizing that the concepts of professional skepticism and professional judgement are equally relevant to review engagements as to audit engagements. We consider that such cross-referencing is appropriate to enable the IAASB to streamline ED-2410, ensuring that material addressing professional skepticism and professional judgment remains proportionate to the standard as a whole.

We recommend that the IAASB include additional considerations in respect of professional skepticism in the application material to ED-2410, to more explicitly address professional skepticism when making inquiries, as inquiries are a key feature of review engagements, and are relatively more significant to the performance of interim review engagements and to obtaining sufficient appropriate evidence than for audit engagements. Such material may address matters including careful consideration by the auditor as to which individuals to make enquiries of, ensuring that inquiries themselves are sufficiently robust and challenging, and ensuring that those individuals within the engagement team that make the inquiries are appropriately experienced and have sufficient expertise to do so.

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: **Neither yes/no, but see comments below**

Detailed comments (if any): We consider that the introduction section of ED-2410 provides a clear, overarching description of the nature and purpose of an interim review engagement and how this differs from an audit of financial statements (i.e., that it is a limited assurance engagement that is primarily based on inquiries and analytical procedures). We believe that this provides important foundational context for the work effort needed to achieve the objectives set out in the standard.

Differentiation from a review performed in accordance with ISRE 2400 (Revised)

However, we believe that the introduction to the standard should also clearly describe the specific nature and purpose of an interim review performed in accordance with ED-2410 in terms of providing greater clarity as to how this differs from a review of historical financial statements performed in accordance with ISRE 2400 (Revised). We consider that such material should emphasize that the auditor draws on their extensive understanding of the entity and its environment, and leverages their knowledge to design and perform procedures to obtain limited assurance. Additionally, we consider that this description should highlight that as a result of the auditor's understanding and knowledge of the entity and its environment, the auditor is required to identify and address areas in the interim financial information where material misstatements are likely to arise, but, unlike a practitioner performing a review engagement in accordance with ISRE 2400 (Revised), is not required to address all material items (including disclosures) in the financial statements. This difference in approach is a key feature of an interim review performed in accordance with ED-2410, as acknowledged in the Explanatory Memorandum (EM), at paragraph 10(b), which states that "*the practitioner's audit expertise, together with their knowledge of the entity, provide for a more robust basis for the design and performance of procedures to obtain limited assurance than engagements performed in* *accordance with ISRE 2400 (Revised)…*" and therefore we consider that it should be explicitly stated as foundational context with ISRE 2410 itself.

Clarification that the level of limited assurance provided by ED-2410 is intended to be comparable to the level of limited assurance provided by ISRE 2400 (Revised)

Furthermore, while the proposed description as to how an interim review engagement differs from an audit of financial statements provides important foundational context to inform the work effort needed to achieve limited assurance, we consider that, in respect of the more granular requirements of the proposed standard itself, there remains a potential for misunderstanding and inconsistency in practice. This is primarily because the purpose of an interim review engagement performed in accordance with ED-2410 is to report on interim financial information, usually in respect of publicly traded entities, or entities which otherwise have a high public profile, and such engagements are performed by the auditor of the entity, drawing on their extensive understanding and knowledge of the entity and its environment. Accordingly, there may be a market expectation or perception that the objective of the engagement, i.e., to obtain limited assurance such that this "enhances the intended users' confidence about the interim financial information to a degree that is *clearly more than inconsequential* [emphasis added]" is intended to provide a "higher level" of limited assurance than would usually be envisaged when performing a review engagement in accordance with ISRE 2400 (Revised). Refer to our response to Question 5 for further discussion, together with our related recommendations.

Accordingly, we recommend that the IAASB consider including additional content within the introduction section of the standard to provide greater clarity, in the form of foundational context, that the limited assurance provided by an interim review engagement performed in accordance with ED-2410 is intended to be a comparable level of assurance as limited assurance provided by a review performed in accordance with ISRE 2400 (Revised). In other words, both are review engagements that provide a similar level of limited assurance, and it is the start points, in terms of the understanding and knowledge of the practitioner, that differ.

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 comments below**

Detailed comments (if any):

We agree that the proposed revised standard appropriately reflects the core principle that interim review engagements are based primarily on inquiries and analytical procedures, supplemented by other procedures when necessary. Furthermore, we believe that the standard is clear that all procedures, including such supplementary procedures, are "review procedures". However, we set out below certain concerns and recommendations for additional enhancements to the proposed standard to expand on this core principle and provide greater clarity in order to drive consistency in practice, in the public interest.

Supplementary procedures - review procedures versus audit procedures

The proposed standard provides examples of supplementary procedures, e.g., inspection, observation etc. However, we highlight that such procedures are also described within the ISAs as audit procedures, with the difference being that the *nature and extent* of these procedures may be less when performing an interim review than for an audit. This distinction is important, in particular, following our concerns, as set out in our response to Question 4, that we do not consider that ED-2410 is sufficiently distinguished from ISRE 2400 (Revised). Accordingly, there may be an expectation that the auditor performs more robust procedures under ED-2410 and/or that the assurance provided is greater than for other limited assurance engagements. This expectation may arise because:

- review engagements in accordance with ED-2410 are performed by an entity's auditor, drawing on their greater knowledge and understanding of the entity and its environment; and
- such engagements generally are performed in respect of entities that are publicly traded and/or are otherwise higher public profile entities.

This perception may be exacerbated by the references within ED-2410 to the performance of *audit* procedures when performing an interim review (see below).

Accordingly, we recommend that ED-2410 explicitly clarify that the nature and extent of review procedures, including supplementary procedures, generally are less when performing an interim review in accordance with ED-2410 than when performing an audit. Furthermore, we recommend that ED-2410 include illustrative examples in the application material to further clarify this point. These could draw on the brief examples of review procedures set out at paragraph 45 of the EM, and compare and contrast the extent of such procedures when performed in respect of an interim review versus when performed during an audit engagement for a particular entity. We note that the application material at paragraphs A86 – A90 does clarify how the performance of analytical procedures for an interim review engagement may differ to those for an audit engagement, and the reasons for this, e.g., that expectations developed are ordinarily less precise because these may be designed to support expectations about the direction of trends, relationships and ratios, which we welcome. Accordingly, we recommend that further clarity be provided for a wider range of review procedure types, beyond analytical procedures.

Performance of review procedures to address areas of the interim financial information where material misstatements are "likely to arise"

We support the overall structure and flow of ED-2410 in that auditors are required to design and perform review procedures to address areas of the financial statements where material misstatements are likely to arise. These "likely" areas are identified by the auditor based on their prior understanding and knowledge of the entity and its environment, and the auditor is not required to perform additional procedures unless they become aware of a matter(s) that causes them to believe that the interim financial information may be materially misstated.

However, in terms of the review procedures that the auditor is required to perform, we believe the proposed standard may lack clarity as follows:

- the proposed standard does not explicitly state that the auditor is **not** required to perform review procedures to address all material items in the financial information (including disclosures), as would be required by ISRE 2400 (Revised) paragraph 47(a); and
- the proposed standard is not sufficiently clear that the use of the term "likely" with respect to identifying areas in the interim financial information where material misstatements are "likely" to arise, is an

intentionally higher probability threshold than the “reasonable possibility” threshold that the auditor uses when identifying and assessing risks of material misstatement in a financial statement audit.

Further to the above, while we support the requirement, at paragraph 70, to perform additional procedures to either conclude that a matter is not likely to cause the interim financial information as a whole to be materiality misstated, or determine that the matter causes the interim financial information as a whole to be materially misstated, we believe that auditors may perceive a need, or an expectation, to perform more extensive procedures to obtain more persuasive evidence to reach a higher evidential threshold than would otherwise be necessary for a limited assurance engagement to “dispel” or “confirm” their concern. We believe this may be driven, as described earlier, by the following:

- the fact that an interim review performed in accordance with ISRE 2410 is performed by the entity’s auditor and is premised on being planned and performed based on the auditor’s deep knowledge and understanding of the entity; and
- that such reviews are usually required to be performed on the interim financial information of listed entities or entities with a high public profile.

As a result, we note that this dual lens (as described in the EM as a “review engagement versus auditor-as-practitioner”) may inadvertently increase work effort expectations, unless clearer boundaries are articulated.

We therefore recommend that the IAASB:

- include guidance within ED-2410 to reinforce that review procedures in general should remain proportionate to limited assurance, even when matters are identified such that the requirement at paragraph 70 for a “deeper dive” is applicable;
- include clarification within the proposed standard that the use of the term “likely” with respect to identifying areas in the interim financial information where material misstatements are likely to arise, is an intentionally higher probability threshold than the “reasonable possibility” threshold that the auditor uses when identifying and assessing risks of material misstatement in a financial statement audit, which is a reasonable assurance engagement. In other words, it would be helpful to clarify that there may be risks of material misstatement identified in the audit that the auditor may consider do not relate to areas in the interim financial information where material misstatements are *likely* to arise and, when that is the case, it would not be necessary for the auditor to design and perform review procedures to address these as part of the review of the interim financial information;
- consider the inclusion of a more explicit explanation of this threshold in the auditor’s review report, including regarding the auditor’s responsibilities when a matter is identified that may indicate a material misstatement, to help clarify the auditor’s role and responsibilities and mitigate the risk of an expectation gap;
- explicitly state in ED-2410 that the auditor is not required to perform review procedures to address all material items in the financial information, including disclosures, as would be required by ISRE 2400 (Revised) paragraph 47(a);
- clarify that references in ED-2410 to performing audit procedures concurrently as part of performing the interim review are intended to be from an efficiency/effectiveness standpoint, to avoid creating a perception or expectation that audit procedures are *necessary* when performing an engagement in accordance with ISRE 2410 (other than when the interim review engagement is the first engagement performed by the auditor in respect of the particular entity) and a matter that may

cause the auditor to believe that the interim financial information may be materially misstated has been identified.

We recommend that the IAASB include illustrative examples in the application material regarding the above.

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: **<u>Yes, with comments below</u>**

Detailed comments (if any):

We consider that the standard is clear that, for recurring engagements, the auditor leverages the knowledge and understanding obtained from previous annual audits and interim review engagements.

We support the application material at A72-A73, which emphasizes that the auditor obtains an *update* to the understanding that the auditor already possesses, and leverages the knowledge obtained from previous annual audits (and interim review engagements within the period since that date), in order to fulfil the requirement at paragraph 43. We also acknowledge that a number of the required inquiries at paragraph 45 of ED-2410 are appropriately focused on *changes*, e.g., to accounting principles and significant accounting estimates, since the most recent audit of the entity's financial statements, as well as on *new* events or transactions that have occurred since the year end.

We recommend that the IAASB include additional clarification within ED-2410 that as a result of this robust knowledge and understanding obtained from previous annual audits (and interim review engagements) that the auditor leverages, the auditor is not required to perform review procedures to address all material items in the financial information, including disclosures, as would be required by ISRE 2400 (Revised) paragraph 47(a). Refer to our response to Question 5.

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: **<u>Agree, with comments below</u>**

Detailed comments (if any):

We support the inclusion in the proposed standard of application material to address considerations that apply when the review of interim financial information is the first engagement performed for the audit client. We note that this is a scenario that may cause confusion in practice, and therefore may result in inconsistent application of the requirements of the standard.

We recognize that ED-2410 is applicable to interim review engagements performed by an entity's auditor, and, as such, not only addresses recurring engagements, but also accommodates interim review engagements that are the first engagement to be performed for a particular audit client. As auditors in these circumstances do not have the understanding of the entity and its environment, and prior knowledge, obtained through performing an audit of the entity's annual financial statements, to draw on in order to identify areas in the interim financial information where material misstatements are likely to arise, we support the inclusion of the additional considerations, set out at paragraphs A77-A79 to address such engagements. In particular, we welcome the clarification that the auditor is required to obtain the understanding and knowledge as described at paragraph 43, and we support the inclusion of guidance regarding making arrangements with predecessor auditors to review their working papers for the preceding annual audit and interim period(s).

We also acknowledge the statement, at paragraph A79, which clarifies that in the scenario in which the predecessor auditor does not respond to requests from the successor auditor, the successor auditor may "have no alternative but to perform the procedures needed to obtain the understanding of the entity and its environment and the entity's system of internal control required for purposes of the audit of the annual financial statements".

Practical challenges for successor auditors

We highlight that practical challenges for successor auditors may arise in certain circumstances regarding obtaining the necessary understanding of the entity and its environment following the completion of the prior year audit of the entity's annual financial statements by the predecessor auditor. Such challenges may arise, in particular, when interim financial information is required to be prepared on a quarterly basis.

Developing this understanding for an interim review engagement that is the first engagement performed for an audit client, which includes communication with the predecessor auditor and review of their workpapers, and considerations of any significant issues discussed with management in connection with their initial appointment as the entity's auditors, represents a significant work effort, and necessarily takes time. ED-2410 recognizes that the auditor may face specific difficulties in the event that the predecessor auditor does not cooperate with the successor auditor regarding requests to review workpapers, at paragraph A79, as noted above. However, it does not acknowledge the practical challenges, in particular, as a result of time constraints, that may arise even where there is full cooperation from a predecessor auditor. We recommend, therefore, that the proposed standard discuss this issue further at A79, and related potential actions that a successor auditor may take in these circumstances. These may include:

- successor auditors making arrangements, where permissible in accordance with laws and regulations, to begin their work earlier as the change of auditors is anticipated and may be planned for, e.g., they may "shadow" the predecessor auditor as they perform their final audit engagement, if the predecessor auditor will permit such activity before they have completed their audit;
- agreeing that the predecessor auditor will perform review procedures over interim financial information for the first quarter and the successor auditor will concurrently obtain an understanding of the entity and its environment, and then perform the interim review in respect of the second quarter.

Further to the above, we recommend that ED-2410 address circumstances in which it is not practicable for the successor auditor to obtain the robust understanding of the entity and its environment, and the entity's system of internal control, required for purposes of the audit of the annual financial statements, and on which ED-2410 is premised. This may be the case when the predecessor auditor does not cooperate with requests to review their workpapers and it is not permissible for the successor auditor to obtain access to the confidential information of the entity prior to being appointed as the successor auditor. As a result, the successor auditor may not able to develop a sufficient understanding of the entity and its environment prior to the reporting date of the first quarter. We recommend that the IAASB explore whether, in this scenario, the successor auditor may instead perform their first review of the interim financial information in accordance with ISRE 2400 (Revised). If the IAASB believes this to be an appropriate course of action, we suggest that the content at A79 be expanded to direct auditors to do so in these circumstances.

We note that in this scenario, alternative course(s) of action may include withdrawal from the engagement, where this is permissible in accordance with laws and regulations, or, in the event that such circumstances are anticipated, the auditor may decide that they are unable to accept the engagement in the first instance. However, such outcomes may give rise to unfavourable consequences, including potential barriers to auditor rotation or delayed financial reporting. Therefore, we believe that the auditor being permitted to perform an interim review in accordance with ISRE 2400 (Revised) instead of ISRE 2410 in these specific circumstances may be preferable, and better serve the public interest.

We recognize that ISRE 2400 (Revised) is intended to be used by practitioners that are not auditors of the entity, as such practitioners have not developed an understanding and knowledge of an entity through performing an audit of the entity's prior annual financial statements. To avoid confusion for users of such a review report, we recommend that ED-2410 set out additional content for auditors to include in the review report in these circumstances, to explain that the review is performed in accordance with ISRE 2400 (Revised) because, although appointed as auditors of the entity, this is a first-time engagement for the client and it has not been practicable for the auditor to obtain the understanding and knowledge required by ISRE 2410.

In connection with the above, we recommend that this additional application material introduce appropriate "guardrails" regarding determining impracticability of application of ED-2410 in this scenario, to avoid auditors following this route unless absolutely necessary.

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: **<u>Agree, with comments below</u>**

Detailed comments (if any):

We support the introduction of the requirement, at paragraph 41, to determine materiality for the interim financial information as a whole, which we believe addresses a significant gap in the extant standard and provides a necessary basis both for planning an interim review and designing review procedures, and in evaluating the results of these, including misstatements.

We agree with the IAASB's approach to developing requirements and related application material that retains a principles-based approach, and provides considerations in the application material rather than establishing prescriptive requirements at a more granular level. We believe this approach is appropriate in that it enables auditors to use their professional judgement in determining materiality, such that they are able to take account of the particular complexities associated with interim reviews (e.g., partial-year results, seasonality etc.).

However, we highlight that challenges may arise, in particular, in evaluating whether identified misstatements are material as a result of the unique nature and circumstances of interim review engagements.

We therefore suggest that the IAASB consider developing additional guidance addressing scenarios in which there may be increased complexity, particularly in relation to the following:

- determining materiality for the interim period in conjunction with the auditor's determination of materiality for the annual financial statements, including considering the appropriateness of materiality for the interim period relative to materiality determined for the audit of the annual financial statements. Such guidance may focus, in particular, on:
    - Circumstances where interim results are not proportionately representative of full-year performance, e.g., where there are seasonality effects, or there is specific activity that is expected to occur in a subsequent period prior to the year-end;
    - Qualitative considerations in respect of matters such as significant or unusual transactions within the interim period, as a result of which it may be appropriate for auditors to apply the same or a similar materiality lens for the interim period as for the annual period, based on the auditor's considerations regarding the financial information needs of users of the interim financial information; and
    - Consideration of qualitative factors when determining whether misstatements are material, including whether such misstatements may affect key metrics and ratios such as earnings per share, covenant compliance or regulatory capital thresholds, management compensation triggers, as well as performance trends.
- determining materiality in relation to the interim period, recognising that interim measurements may rely on estimates to a greater extent than measurements of annual financial data; and
- the evaluation of misstatements, including considering the implications for the interim financial information as well as the expected effects for the annual financial statements. This may include specific considerations when evaluating misstatements that may have originated in a preceding annual period, and the potential effects of the misstatement(s) on a cumulative basis on future annual periods, as we believe that it may be appropriate when evaluating such misstatements to also consider materiality determined for the annual financial statements as a whole, rather than solely interim materiality.

We suggest that such guidance may be most appropriately addressed in the form of non-authoritative guidance, including illustrative examples.

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 comments below**

Detailed comments (if any):

We welcome the inclusion of requirements and application material for group interim review engagements, which we consider will enhance clarity and help to promote more consistent performance of review engagements in respect of group interim financial information, in the public interest.

In particular, we support:

- the emphasis on the group auditor's responsibility for determining the involvement of component auditors, if any; and
- the alignment of principles with other IAASB standards, in particular, that the special circumstances for group engagements are clearly recognized, noting that these are also included in ISSA 5000, which addresses both reasonable and limited assurance engagements.

We recognize that the requirement at paragraph 39 of ED-2410 is applicable only if component auditors are involved, with the related application material further clarifying that "the group engagement partner may determine, based on professional judgement, that it is possible to obtain sufficient appropriate evidence… by performing procedures at the group level alone". We are supportive of this conditionality, as we note that, given the nature of an interim review, being a limited assurance engagement based primarily on inquiry and analytical review, it may frequently be the case that the group engagement partner determines that it is appropriate to perform procedures entirely at the group level, without the need to involve component auditors.

Further clarification to avoid setting an expectation that it would be usual or expected that component auditors would be involved in an interim review

However, we highlight that the related application material, at paragraph A63, states that the group engagement partner may, "and often will", determine that component auditors are to be involved. Furthermore, the following paragraph, A64, in describing factors that the group auditor may consider in determining the nature, timing and extent of involvement of component auditors, if any, sets out matters such as whether component auditors are involved in performing the audit of the group's annual financial statements, and, if so, whether the reasons for that involvement may also be relevant in the context of the interim review engagement, as well as whether the interim financial information of the component is significant to the group as a whole. We consider that, taken together, this content may indicate that it would be usual/frequent, and often necessary, to involve component auditors when they have been, or are expected to be, involved in the audit of the group financial statements (although we acknowledge that the factors also include consideration as to whether it is practicable to perform inquiries and other review procedures at the group level). Accordingly, we recommend that paragraph A63 more clearly acknowledge the fact that an interim review, that is based primarily on inquiry and analytical review, means that it will often be practicable to perform inquiries and other review procedures necessary with less involvement of component auditors than is considered necessary for the financial statement audit. We also suggest that the reference to "often will" in paragraph A63 be removed, such that the statement refers only to "may".

In addition, we recommend that the factors set out at paragraph A64 also include the circumstances in which review procedures performed by the group auditor bring a matter to their attention that indicates that there may be a material misstatement of the interim financial information, and additional procedures are required to be performed in accordance with paragraph 70. We believe that this is a scenario where a group auditor would need to consider whether involvement of a component auditor is necessary to “confirm or dispel” such a matter.

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: **<u>Yes, with comments below</u>**

Detailed comments (if any):

We support the inclusion of requirements and application material addressing group interim review engagements, and agree that the proposals represent a significant enhancement to the extant standard, which contains very limited guidance in this area. We believe that the introduction of requirements relating to the involvement of component auditors, communication with component auditors, and reconciliation of the group interim financial information to consolidation schedules and to the records of significant consolidation entries and journals will help to drive consistency in practice in this area, and engagement quality, in the public interest.

In particular, we support the inclusion of:

- the requirement for the group auditor to determine the nature, timing and extent of involvement of component auditors, if any; and
- material to emphasize the importance of communication between the group auditor and component auditors, including expectations regarding work performed and results obtained.

However, consistent with our broader observations on the proposed standard, we believe that further clarification would be helpful to ensure that the requirements are applied in a manner proportionate to a limited assurance engagement. In particular, we recommend that additional guidance be included regarding the following:

- Extent of component auditor involvement - while we believe that the requirements appropriately mirror concepts from ISA 600 (Revised), we note that group auditors may interpret them as setting an expectation that component auditors would often (and perhaps even usually) be involved in performing an interim review (refer to our response to Question 9);
- Centralisation of procedures by the group auditor - given that the group auditor will typically have extensive prior audit knowledge of the group and its components, further guidance on how this knowledge may be leveraged in determining the nature and extent of interim review procedures to perform in respect of certain components, and whether to involve component auditors in performing such procedures, would support greater efficiency and consistency.

In particular, we recommend that the factors to consider in determining the nature, timing and extent of involvement of component auditors, set out at paragraph A64, including the consideration as to whether it is practicable to perform inquiries and other review procedures at the group level or through shared service centers, give greater recognition to the fact that a number of these are matters that may be able to be addressed by the group auditor when performing an interim review. In addition, such emphasis would be more clearly aligned with the fact that, as a limited assurance engagement, an interim review is based primarily on inquiry and analytical procedures, which may be able to be performed by a group auditor without the need to involve a component auditor; and

- The group auditor's evaluation of the competence and capabilities of the component auditor (if component auditors are involved), noting that the group auditor's knowledge of the component auditor from the performance of the year-end audit may be leveraged and updated. Such material may be included in the application material, similar to the content at A115 in respect of evaluation of the competence and capabilities of an auditor's expert, if one is used, which also discusses that the auditor may have prior experience with using a particular expert. We note that paragraph A115 refers to ISA 620 in this regard, and we recommend that the application material relating to evaluation of the competence and capabilities of component auditors similarly refer to ISA 600 (Revised), for purposes of streamlining this standard.

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: **<u>Agree (with no further comments)</u>**

Detailed comments (if any):

We agree that the work effort requirements related to fraud and NOCLAR are appropriate and proportionate to the circumstances of an interim review engagement.

We recognize that the auditor has responsibilities related to fraud and NOCLAR as part of their audit of the entity's annual financial statements, and we believe that ED-2410 appropriately balances those responsibilities with the fact that an interim review is a limited assurance engagement.

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: **Agree, with comments below**

Detailed comments (if any):

We agree that the work effort requirements related to going concern are appropriate and proportionate to the circumstances of an interim review engagement as set out by the IAASB.

However, we have concerns regarding certain aspects of the reporting requirements, in particular, regarding the requirements at paragraph 108 that the auditor includes the following statements in the interim review report:

- that "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
- that "the auditor's statements are based on the evidence obtained … and are not a guarantee as to the entity's ability to continue as a going concern".

We are concerned that inclusion of the above statements in the auditor's interim review report may widen the "expectation gap". Refer to our response to Question 13 for further information.

We also note that the requirement at paragraph 109(c), when the auditor's report on the most recent annual financial statements of the entity included a MURGC and the related events or conditions remain at the interim reporting date, to include reference in the auditor's interim review report to the related disclosures in the annual financial statements and a statement that the auditor's report on those financial statements included a MURGC, appears unnecessary and may have unintended consequences. Refer to our response to Question 13 for further information.

We also have concerns regarding the requirement at paragraph 111 to report on matters in respect of going concern other than a material uncertainty when, in the auditor's judgment, such matters are fundamental to users' understanding of the interim financial information. We do not believe this requirement is necessary or appropriate, and we have concerns regarding the examples provided at paragraph A174. Refer to our response to Question 13 for further information.

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: **Disagree, with comments below**

Detailed comments (if any):

We have concerns regarding certain aspects of the IAASB's proposals regarding reporting in respect of going concern. We believe that the principles and related requirements of ISA 570 (Revised) have been incorporated, with adaptations, into ED-2410, with the objective of providing a similar degree of transparency regarding going concern matters to users of interim financial statements as is provided to users of year-end financial statements.

However, we do not believe that this proposed approach is appropriate as there is a significant difference between an audit, being a reasonable assurance engagement and an interim review, being a limited assurance engagement that is based primarily on inquiry and analytical review procedures. Accordingly, we have concerns regarding the below.

Baseline statements required at paragraph 108

We have concerns regarding the following "baseline statements":

- the proposed inclusion of the separate section relating to going concern and the granular statements required by paragraph 108 within a limited assurance report on interim financial information, as we believe this could create an imbalance in terms of appearing to place more emphasis on going concern matters versus other aspects of the review engagement; and
- in particular, the following statements required at paragraph 108:
  - the "baseline statement" required at paragraph 108(b) of the proposed standard, i.e., that the auditor would specifically state, under the heading of "Going Concern" that "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".

    While we recognize the difference in language used as compared to an auditor's report on the financial statements of the entity, i.e. that ED-2410 proposes that the auditor state that "nothing has come to the auditor's attention to indicate that a material uncertainty related to going concern ("MURGC") exists", versus "the auditor has not identified a MURGC", we believe that this difference is subtle. As a result, we are concerned that the inclusion of the statement could cause confusion as to the auditor's responsibilities to identify an MURGC, and could exacerbate the "expectation gap" regarding the auditor's responsibilities in respect of going concern on a limited assurance engagement. Specifically, we believe this reporting requirement could create a potential expectation gap regarding the work effort that underlies an explicit conclusion (particularly because there is no equivalent reporting requirement in ISRE 2400 (Revised).
  - the statement required at paragraph 108(c) that "the auditor's statements are based on the evidence obtained … and are not a guarantee as to the entity's ability to continue as a going concern".

> While we consider this wording to be appropriate in respect of audits of annual financial statements, being reasonable assurance engagements and therefore in respect of which it is important to clarify that reasonable assurance is a high level of assurance but is not a guarantee, we are concerned that inclusion of commentary that the auditor's statements are "not a guarantee" in auditors' interim review reports may widen the "expectation gap". We believe that users may infer from this statement that the limited assurance provided by such an engagement, while not a guarantee, is still a reasonably high level of assurance, and may raise doubts or cause confusion as to the level of assurance being provided when such language is included in a review report.

As a result of the above, we recommend that the requirements at paragraph 108 be removed, i.e., that the auditor is not required to include the separate section entitled "Going Concern" in the auditor's report, or the statements required by 108(a), (b) and (c).

Requirements to report "by exception" on going concern matters, at paragraphs 109-110

Generally, we support the inclusion of the requirements at paragraphs 109-110, which require the auditor to report "by exception" regarding going concern matters. We believe these requirements are commensurate with the required work effort for a review of interim financial information.

We note, however, that proposed paragraph 109(c) requires the going concern section of the auditor's interim review report to refer, where applicable as described at paragraph 109, to the related disclosure(s) in the annual financial statements and to include a statement that the auditor's report on those financial statements included a MURGC section. We consider the inclusion of these references in the auditor's interim review report to be unnecessary. This is on the basis that users of interim financial information and the review report thereon are primarily interested in matters affecting the entity's ability to continue as a going concern currently – rather than at a previous reporting date – and therefore we do not consider that the additional references to the annual financial statements and the auditor's report thereon provide further information that would be necessary for users of the interim financial information. Furthermore, such required referencing may have unintended consequences, e.g., when there is auditor rotation, as successor auditors would be required to make reference to disclosures in prior year financial statements that were not subject to audit by the successor auditor, and to the related auditor's reports that were issued by the predecessor auditor and are not the responsibility of the successor auditor.

In addition to the above, we highlight that certain events or conditions that lead an auditor to conclude that there is a MURGC may also remain across annual period ends, however, the auditor is not required to include references to the previous annual financial statements or auditor's reports thereon in their auditor's reports on subsequent annual financial statements.

Accordingly, we recommend that the requirement at paragraph 109(c) be removed.

Reporting requirement when "Other Circumstances Related to Going Concern" arise, at paragraph 111

We disagree with the proposed reporting requirement for "Other Circumstances Related to Going Concern". This requirement applies when a matter related to going concern, other than a material uncertainty, is, in the auditor's judgment, of such importance that it is fundamental to users' understanding of the interim financial information.

Our concerns are as follows:

- We do not consider it necessary or appropriate to require the auditor to address going concern matters, other than a material uncertainty, that are, in the auditor's judgement, fundamental to users' understanding of the interim financial information, separately from other matters presented or disclosed in the interim financial information that the auditor judges to be fundamental to users' understanding. Proposed paragraph 117 addresses all such matters comprehensively, within the established framework of emphasis of matter reporting in respect of the engagement as a whole. We are concerned that establishing a parallel mechanism within paragraph 111, in respect of going concern matters specifically, may suggest a disproportionate emphasis on going concern over other aspects of the interim review, and may also suggest that the scenarios set out at paragraph A174 are of elevated importance as compared to other aspects of the interim review engagement.

- In connection with the above, while the two examples set out at paragraph A174 may be of significance to users of the financial statements, we consider it very unlikely that they would be considered matters that would be "fundamental" to users' understanding of the interim financial information. We are concerned that their inclusion as examples at paragraph A174 could inappropriately send the opposite message and create an expectation that they are always, or are likely to be, considered "fundamental" to user's understanding when such circumstances arise.
- Furthermore, creating such an expectation may result in a reduction in the "threshold" when considering whether an Emphasis of Matter is appropriate, from matters that are deemed to be "fundamental" to users, in the auditor's judgement, to a lower threshold based on the scenarios set out at A174 that are instead more aligned with matters that are of "significance". This could have unintended consequences not only for reporting in respect of interim review engagements, but also in respect of reporting on audit engagements, potentially leading to a more widespread use of Emphasis of Matter paragraphs. We highlight that such an outcome would not be aligned with the IAASB's objectives, noting that ISA 706.A6 states that "a widespread use of Emphasis of Matter paragraphs may diminish the effectiveness of the auditor's communication about such matters".
- We have additional concerns regarding the first example at paragraph A174, in respect of a MURGC that was included in the auditor's report on the entity's most recent annual financial statements and the events or conditions that gave rise to the MURGC have been resolved in the interim period, and the resolution has been disclosed in the interim financial information. We do not consider this to be an appropriate example of a scenario related to going concern that the auditor may consider it appropriate to draw users' attention to on the basis that it is fundamental to users' understanding of the interim financial information. This is because, firstly, users of the interim financial information and the auditor's review report thereon are primarily interested in matters affecting the entity's ability to continue as a going concern currently, and therefore a matter which has been resolved is very unlikely to be fundamental to their understanding. Furthermore, we highlight that ISA 570 (Revised) does not include an equivalent example in respect of a MURGC that was included in the auditor's report on the prior year annual financial statements (or included in the auditor's report on interim financial information in the annual period) and has been resolved before the current year end, and, accordingly, we do not consider it necessary or appropriate to include this example in ED-2410.

As a result of the above, we recommend that proposed paragraph 111, together with the related examples at paragraph A174, be removed from ED-2410.

> 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: **Disagree, with comments below**

Detailed comments (if any):

See above.

> (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 comments below**

Detailed comments (if any):

We believe that the circumstances described in the requirements in paragraphs 108-110 of ED-2410 capture the most frequently encountered scenarios in practice. We consider that the proposed standard adequately addresses these matters, either explicitly, or through the references to these scenarios in the application material that is linked to more general requirements.

We disagree, as we note above, with proposed paragraph 111 and with the related specific examples set out at paragraph A174. While these scenarios may be encountered in practice, we consider that it would be very rare that such scenarios would be matters of such importance that they would be deemed by the auditor to be fundamental to users' understanding of the interim financial information. Accordingly, as we describe above, we recommend that paragraph 111 and the related application material at A174 be removed from ED-2410.

Refer also to our response to (a) above, in respect of paragraph 108, which we recommend is removed from the standard.

> (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: **Disagree, with comments below**

Detailed comments (if any):

We disagree with the proposed requirement at paragraph 111 to include a reference in the interim review report to disclosure(s) of matters related to going concern, other than a MURGC, when the matter is of such importance that it is fundamental to users' understanding of the interim financial information, as we describe above.

We recommend that paragraph 111 and the related application material at A174 be removed from ED-2410.

Further to the above, we recommend that paragraph A175 be linked to paragraph 112. We also note that paragraph 112 addresses inadequate disclosure, and the implications for the auditor's conclusion, however, this is only in the context of inadequate disclosure about a MURGC itself. Accordingly, we recommend that paragraph 112 be expanded to address inadequate disclosure regarding going concern matters more broadly, to align with paragraph 32 of ISA 570 (Revised).

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: **<u>Agree, with comments below</u>**

Detailed comments (if any):

We support the proposed new structure of the auditor's interim review report. We consider that alignment of the structure and layout of the auditor's interim review report with that of the auditor's report on the annual financial statements will be clearer for intended users of the report, in particular, because the conclusion will be placed upfront.

We note certain concerns regarding the going concern section of the auditor's interim review report, which we describe in our response to Question 13.

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: **<u>No, with comments below</u>**

Detailed comments (if any):

We support the reporting approach set out at paragraph 98 of ED-2410, under which the form of 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. We consider this approach to be consistent with the underlying principle in extant ISRE 2410, which currently provides for this differentiation in form of words used in the report.

Accordingly, we do not anticipate that there would be practical consequences such as changes in practice as a result of the proposed change to the standard, and we therefore consider it appropriate for ED-2410 to recognize and accommodate these differing approaches.

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):

Structure and flow of ED-2410 in terms of "risk identification" and "response"

We highlight that several of the required inquiries at paragraph 45 include elements that both help the auditor to update their understanding of the entity and its environment and identify changes (which provides a basis for the auditor to identify areas in the interim financial information where material misstatements, whether due to fraud or error, are likely to arise), as well as, to a lesser extent, being responsive in terms of constituting procedures to address those areas. Accordingly, we believe these may blur the line between risk identification (in this case, the identification of areas where material misstatement are likely to arise) and response. ED-2410 states, at paragraph A73, that "as a practical matter, the auditor's understanding is obtained and updated on an iterative basis throughout the engagement…". However, we recommend that the IAASB further clarify that "risk identification" in terms of the auditor updating their knowledge and the entity and its environment in order to identify areas in the interim financial information where material misstatements are likely to arise as required at paragraph 43, and "response", in terms of performing inquiries, analytical procedures and other review procedures, may often be performed concurrently.

In connection with the above, we highlight that the required inquiries, set out at paragraph 45, are proportionately more focused towards updating understanding of the entity and its environment, rather than representing responses to address areas of likely material misstatement. Accordingly, we recommend that the paragraph ordering be amended, such that paragraph 45 be placed immediately following paragraph 43, and under the same section heading. The application material to paragraph 44 may also acknowledge that the inquiries performed in accordance with paragraph 45 may assist with addressing aspects of areas where material misstatements are likely to arise.

Similarly, we recommend that the application material to paragraph 43 make reference to paragraphs 49, 52, and 58-62, which are the required procedures to obtain an understanding and identify areas where material misstatements are likely to arise, in relation to the specific matters of related parties, fraud and non-compliance with laws and regulations, and going concern, respectively.

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): N/A

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): N/A

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):

N/A

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):

N/A

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.