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)	Deloitte Touche Tohmatsu Limited
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Jennifer Haskell; Dora Burzenski
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	jhaskell@deloitte.com; dburzenski@deloitte.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:

Click or tap here to enter text.

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 project responds to legitimate public interest concerns. However, as described below in our detailed comments, we do have concerns regarding the expanded scope of the interim review engagement (see response to Question 2) and recommendations to modify the wording of specific paragraphs or add additional application material.

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 ED-2410 achieves an appropriate balance in certain areas where the IAASB has introduced more robust requirements (e.g., going concern, fraud, and non-compliance with laws and regulations).

Our concern relates to the cumulative scale of the standard, not to any specific requirement, and we are not suggesting that any requirement be deleted. ED-2410 expands from 27 requirements in extant ISRE 2410 to 125 requirements in ED-2410; a more than 450% increase. While some of this growth responds to real public interest gaps, the increase is a relevant data point when assessing whether ED-2410, in the aggregate, remains proportionate to a limited assurance engagement performed primarily through inquiry and analytical procedures. That proportionality concern is heightened by the fact that, unlike an audit, an interim review could be performed quarterly; and therefore the cost of evidencing compliance with the expanded requirement set could be incurred repeatedly within a single year, not simply once.

Much of that incremental cost falls on matters the auditor has already performed and documented as part of the annual audit. Paragraph A186 of ED-2410, for example, states that "maintaining separate documentation for each engagement" assists the auditor in complying with the requirements in paragraph 120 of ED-2410; however, as drafted, paragraph 120 does not distinguish between identifying which evidence is relevant to each engagement (which we agree is appropriate) and physically duplicating such evidence in both files (which we do not believe is necessary). Absent clarification, we expect firms will create interim review documentation that re-state or copy documentation already maintained as part of the annual audit documentation, solely to demonstrate compliance with paragraphs 120–125 of ED-2410, adding cost without adding evidence or improving the reliability of the auditor's conclusion.

We recommend the IAASB revise paragraph A186 to clarify that separate documentation does not require duplication, along the following lines (additions underlined, deletions strikethrough):

A186. Such policies or procedures may also include specific considerations for the auditor to address when audit procedures for the annual financial statements are performed concurrently with the review of interim financial information (see paragraph A92). Maintaining separate documentation for each engagement allows the auditor to clearly distinguish the evidence obtained from procedures performed for purposes of the respective engagements. <u>This does not require the interim review engagement documentation to duplicate evidence or documentation already prepared for the audit of the annual financial statements. Provided the interim review engagement documentation clearly identifies the evidence relevant to the interim review engagement, the auditor may satisfy this by including a sufficiently specific cross-reference to the relevant audit documentation, rather than reproducing such documentation as part of the interim review engagement documentation.</u> ~~This separation assists the auditor with complying with paragraph 120, which specifies that the documentation for the interim review engagement evidences the basis for the auditor's limited assurance conclusion.~~

We also support a conforming clarification in paragraph 120 of ED-2410 (or its application material, paragraph A184 of ED-2410) confirming that a sufficiently specific cross-reference to audit documentation satisfies the "sufficient to enable an experienced auditor..." documentation standard in paragraph 120 of ED-2410, such as the following (additions underlined).

120. The auditor shall prepare, on a timely basis, documentation that is sufficient to enable an experienced auditor, having no previous connection with the engagement, to understand: (Ref: Para. A184–A186)

(a) The nature, timing and extent of the procedures performed to comply with this ISRE and applicable legal and regulatory requirements;

(b) The results of the procedures performed, and the auditor's conclusions formed on the basis of those results; and

(c) Significant matters arising during the engagement, the auditor's conclusions reached thereon, and significant professional judgments made in reaching those conclusions.

<u>Where audit documentation exists that is relevant to a matter addressed by the interim review engagement, the auditor may satisfy (a)–(c) above in relation to that matter by including in the</u>

interim review engagement documentation a sufficiently specific cross-reference to the relevant audit documentation, rather than reproducing such documentation.

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 support emphasizing professional skepticism; however, the current drafting in paragraph A19 of ED-2410, which refers to "*… and questioning the reliability of information intended to be used as evidence…*", could be read as requiring the auditor to question the reliability of information as a default position. We recommend replacing paragraph A19 of ED-2410 with the language in paragraph A16 of ISRE 2400, which reads: Professional skepticism is necessary for the critical assessment of evidence in a review. This includes questioning inconsistencies and investigating contradictory evidence, and questioning the reliability of responses to inquiries and other information obtained from management and those charged with governance. It also includes consideration of the sufficiency and appropriateness of evidence obtained in the light of the engagement circumstances.

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 comments below**

Detailed comments (if any):

Paragraph A3 of ED-2410 is already covered in paragraphs A72 and A73 of ED-2410 and does not align with paragraph 3 of ED-2410. Therefore, we recommend deleting paragraph A3 of ED-2410. In addition, we believe the current drafting of paragraph A3 of ED-2410 could be interpreted to require more extensive work than intended.

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 believe that ED-2410 is sufficiently clear that, while the auditor performs primarily inquiries and analytical procedures, all procedures performed are for the purpose of achieving the overall objective of the interim review engagement. However, we have concerns that paragraph 43(b) **of ED-2410** does not achieve the intended balance. As drafted, we are concerned it creates a meaningful risk of inconsistent, and in many cases disproportionate, work effort in practice, notwithstanding the IAASB's stated intent, as explained in Explanatory Memorandum paragraphs 44–47, that this requirement is not equated with the identification and assessment of risks of material misstatement under ISA 315 (Revised 2019).

Our reasons are as follows:

1. **Structural similarity to ISA 315.** The requirement to obtain an understanding of the entity, its environment, the applicable financial reporting framework and its system of internal control, and, based on that understanding, to identify "areas... where material misstatements... are likely to arise," mirrors the structure auditors already use under ISA 315 (Revised 2019) to identify and assess risks of material misstatement. Paragraph A72 **of ED-2410** clarifies that this ISRE does not require identification and assessment of risk in the manner of ISA 315, but that clarification appears only in application material, several paragraphs removed from the requirement itself, and is immediately followed by a footnote that names ISA 315 (Revised 2019) directly. In our view, this juxtaposition is at least as likely to reinforce the association with ISA 315 as to dispel it.
2. **The auditor performing this engagement is not a "clean slate" practitioner.** Unlike a practitioner performing a review under ISRE 2400 (Revised), the auditor performing an interim review under ED-2410 is, by definition, the same auditor responsible for the ISA 315-based risk assessment for the same entity's annual audit (and often even the same engagement team, applying the same firm methodology and technology). Paragraphs 43(a), A72 and A74 of ED-2410 direct the auditor to leverage the understanding and risk assessment work performed for the annual audit as an input to the requirement in paragraph 43(b) of ED-2410. Combined with the structural similarity noted above, this creates a strong practical incentive for firms to operationalize paragraph 43(b) of ED-2410 by extending or substantially reproducing the annual audit's ISA 315 risk assessment documentation in the interim review documentation, rather than performing the more limited identification the IAASB intends.

We recommend the IAASB retain the substance of paragraph 43(b) of ED-2410, but add an explicit limiting clause directly within the requirement (rather than relying solely on application material)so the boundary travels with the "shall" wherever it is operationalized into firm methodology (additions underlined):

> (b) Based on that understanding, identify areas in the interim financial information where material misstatements, whether due to fraud or error, are likely to arise, <u>for the purpose of designing review procedures in accordance with paragraph 44</u>.

We believe this preserves the IAASB's underlying objective that auditors focus review procedures on the areas of greatest risk of material misstatement, while more effectively guarding against firms operationalizing this requirement as a parallel or extended ISA 315 risk assessment process, which would be disproportionate to the objective of a limited assurance engagement.

In addition, the lead into the procedures in paragraph A74 of ED-2410 includes the following: “Ordinarily, such procedures include the following:” We believe use of “ordinarily” implies a requirement. Therefore, we recommend that it be revised to read: Such procedures may include the following. This also keeps the paragraph better aligned with the closing sentence which indicates the list is not exhaustive nor prescriptive.

Lastly, the group audit bullet in paragraph A74 of ED-2410 includes the following wording: “those processed in connection with the annual financial statements.” We recommend using clearer terminology such as “those recorded in connection with the annual financial statements or previous interim periods”.

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

Detailed comments (if any):

Click or tap here to enter text.

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: **Agree, with comments below**

Detailed comments (if any):

We agree with the requirement in paragraph 41 of ED-2410 for the auditor to determine materiality for the interim financial information as a whole and to apply that materiality in designing and evaluating the results of review procedures. We also agree with the general principles in paragraphs A66–A68 of ED-2410, which appropriately adapt the ISA 320 materiality framework to the context of a limited assurance engagement.

However, we believe more application material is needed to address a common practical scenario: interim periods in which the entity's assets and liabilities are not significantly different from those reflected in the annual financial statements, but profit or loss for the interim period is comparatively small simply because it covers a period shorter than a full financial year (and may also be affected by seasonality). Paragraph A68 of ED-2410 permits the auditor to use the same benchmark and percentage applied in the annual audit "as a starting point," and paragraph A69 of ED-2410 addresses normalizing materiality where an entity's operations are subject to cyclical variations or where results differ significantly from the prior interim period or expected annual results. Neither paragraph directly addresses the more basic mechanical effect of applying the annual audit's percentage to a much smaller, but not otherwise unusual, interim profit-or-loss figure.

We are concerned this gap could result in two unintended consequences:

1. Materiality for the interim review that is disproportionately low relative to users' actual information needs, driving a level of investigation and evidence-gathering that approaches that of an audit, which is contrary to the IAASB's own stated intent (EM paragraph 44) that paragraphs 43 and 44 of ED-2410 operate together to keep the auditor's work effort proportionate to a limited assurance engagement; and
2. Unnecessary fluctuation in materiality from one interim period to the next (for example, between a seasonally strong and seasonally weak quarter) that is driven by the timing of when profit is earned within the financial year, rather than by any change in the entity's circumstances or users' information needs (and therefore working against the consistency objective underlying this project).

We considered whether guidance addressing this gap could create tension with how materiality is addressed in the applicable financial reporting framework for purposes of the entity's own recognition and disclosure decisions. For example, IAS 34, *Interim Financial Reporting*, provides that materiality for recognition, measurement, classification and disclosure purposes is assessed in relation to interim period data, not forecast or projected annual data. Our suggested wording below does not, in our view, create tension with that principle, because it does not recommend that the auditor extrapolate or annualize interim results; it addresses only the benchmark and percentage the auditor applies to actual interim-period data for purposes of planning and performing the review. We raise this only to note that we considered it, given that ED-2410, consistent with the IAASB's standards generally, is intended to remain neutral as to the applicable financial reporting framework, and we would not expect the final application material to reference a specific framework by name.

Without clarification, we expect inconsistent practice, with some firms determining materiality that shrinks mechanically in periods of seasonally lower profit, resulting in disproportionate work effort in those periods and materiality that varies period-to-period for reasons unrelated to the entity or its users' needs. Therefore, we recommend that the IAASB add the following new application material immediately following paragraph A69:

In some cases, an entity's assets and liabilities at the interim date are not significantly different from those reflected in its most recent annual financial statements, while its profit or loss for the interim period is comparatively small, reflecting the shorter period covered by the interim financial information and, in some cases, seasonal factors. If the auditor were to apply the same percentage used for the annual audit to the unadjusted interim profit or loss, the resulting quantitative materiality for the interim financial information could be substantially lower than materiality determined for the annual financial statements, without this reflecting any change in users' information needs. This is because users of interim financial information ordinarily consider it together with the entity's most recent annual financial statements and financial trends over time, rather than viewing the interim period's results in isolation. In these circumstances, the auditor may judge it more appropriate to determine materiality for the interim financial information by reference to a benchmark that is not distorted by the length of the interim period, such as total assets or total equity, or by applying a different percentage to profit or loss than was applied for the annual audit. This is a matter of professional judgment, having regard to the factors in paragraphs A66–A69 and any circumstances specific to the interim period that indicate a different level of materiality is more appropriate; it does not mean that materiality for the interim financial information will always remain the same as, or move in direct proportion to, materiality determined for the annual financial statements.

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 comments below**

Detailed comments (if any):

We agree that overall, the requirements in ED-2410 that address specific considerations related to group interim review engagements are appropriate, but recommend the following changes:

1) Paragraph 69 and A119 – delete

Given the requirement in paragraph 68 of ED-2410 and the absence of a corresponding requirement in ISA 600 similar to paragraph 69 of ED-2410, we do not believe paragraphs 69 or A119 of ED-2410 are necessary. In addition, it is unclear what the phrase "*records of significant consolidation journal entries and adjustments*" is intended to mean.

2) Paragraph A64 – refine wording to align with ISA 600

We note a concern with the reference in paragraph A64 of ED-2410 to “The interim financial information of the component is significant to the group as a whole.” This wording may inadvertently encourage practitioners to draw parallels with the former “significant” and “non-significant” component classifications in the previous version of ISA 600, which could create ambiguity in scoping and involvement decisions for an interim review engagement. We suggest changing this bullet to state “The interim financial information of the component is material to the group as a whole”, to avoid unintended linkage to legacy classifications and to improve clarity in application.

3) Paragraph A65 – expand application material on NOCLAR and fraud communications

Given the proposed enhancements relating to fraud and non-compliance with laws and regulations (NOCLAR), we recommend expanding the last sentence of paragraph A65 of ED-2410 to explicitly acknowledge that communications may include information on these matters (additions underlined):

Such communications may also include communications about the relevant ethical requirements, including those related to independence, that apply to the group interim review engagement <u>and about identified or suspected fraud or non-compliance with laws and regulations identified by the auditor that may affect the interim financial information of the component, or identified by the component auditor that may affect the group interim financial information</u>.

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 comments below</u>**

Detailed comments (if any):

We generally agree that the proposed requirements relating to fraud and NOCLAR are appropriate and proportionate for an interim review engagement, recognizing the engagement is performed by the auditor of the annual financial statements.

However, we are concerned about the operability and proportionality of paragraph 54 of ED-2410 as drafted, specifically the placement of the “unless clearly inconsequential” threshold. As written, paragraph 54(a) of ED-2410 would require the auditor to obtain an understanding of the matter, including the entity’s investigation process and any remedial actions taken, even where the matter is clearly inconsequential. In practice, the auditor may be able to conclude early that an item is clearly inconsequential (e.g., isolated misappropriation of low-value office supplies not involving finance staff, management, or TCWG), and requiring follow-up inquiries in each such instance may be disproportionate for an interim review.

We suggest the IAASB clarify or revise paragraph 54 of ED-2410 so the "unless clearly inconsequential" qualifier applies to paragraph 54(a) as well as 54(b) of ED-2410, or remove "including about the entity's process to investigate the matter and any remedial actions taken" from paragraph 54(a) of ED-2410. Removal would also better align the language with paragraph 56 of ED-2410.

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 generally agree that the proposed work effort requirements related to going concern are appropriate and proportionate for an interim review engagement. We also note that the requirements in paragraph 63(b)(ii) and (iii) of ED-2410 are consistent with ISA 570.

However, we suggest a minor drafting enhancement to improve clarity and alignment with ISA 570. Specifically, paragraph 63(b)(i) of ED-2410 ("*The feasibility of management's plans*") could be clarified by revising it to "*The feasibility of management plans in the circumstances*," consistent with the intent reflected in ISA 570 (e.g., ISA 570.A72, which refers to whether management's plans may be feasible in the circumstances).

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 comments below**

Detailed comments (if any):

We agree that the circumstances addressed in paragraphs 108–111 of ED-2410 capture scenarios that are frequently encountered in practice, particularly where going concern uncertainties are relevant at an interim reporting date. However, we do not believe it is necessary to make reference to the prior-year auditor's report or disclosures in the annual financial statements as required by paragraph 109(c) of ED-2410. The auditor is not required, in the auditor's report on the annual financial statements, to reference a prior year material uncertainty related to going concern, nor does ED-2410 require a reference to a prior interim period's disclosures related to going concern. If the same reasons for the material uncertainty exist as of an interim date, the interim financial information would include the necessary disclosures, and the interim review report would include reference to those disclosures. We believe including a reference to the prior-year auditor's report and disclosures could be confusing, especially if the reasons for the uncertainty are different from period to period.

(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 do not agree with the requirement in paragraph 111 of ED-2410. Paragraph 111 of ED-2410 appears to address circumstances that are substantially similar to those covered by the proposed Emphasis of Matter requirement in paragraph 117 of ED-2410 (i.e., drawing attention to a disclosed matter that is fundamental to users' understanding, with an unmodified conclusion). In our view, paragraph 117 of ED-2410 appropriately addresses these situations without a separate, going-concern-specific requirement. In addition, creating a distinct reporting requirement for "going concern matters other than a material uncertainty" may elevate going concern above other equally fundamental matters in a way that may be difficult to justify in an interim review context. Further, we would recommend that A174 and A175 of ED-2410 be moved to application material for paragraph 117 of ED-2410.

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 generally support the proposed new structure for the auditor's interim review report, including alignment with the auditor's report structure, as this may improve clarity and consistency for users. However, we have concerns about certain elements as follows:

Paragraph 102 of ED-2410 may be more burdensome than is appropriate for an interim review engagement:

- The requirement in paragraph 102(a) of ED-2410 to describe and quantify the financial effects of a misstatement, and to include an explicit statement when this is "impracticable," may not be necessary in the context of an interim review given the more limited scope compared with an audit. We suggest reconsidering whether the "*If impracticable, the auditor shall include a statement stating that fact*" is needed, or further justify such a statement needing to be made in the context of a review.
- The phrase "*if it is practicable to do so*" in paragraph 102(c) of ED-2410 would benefit from additional guidance. Consistent with the approach in ISA 705, it would be helpful to clarify whether inclusion of omitted disclosures is expected only when the auditor has obtained a sufficient basis for doing so, and what factors should be considered in assessing practicability given the differentiated scope of a review engagement from an audit engagement.

In addition, we suggest the IAASB reconsider, or further explain, the interaction between a modified conclusion and reporting on going concern. Specifically, while paragraph 114 of ED-2410 appropriately prohibits separate Going Concern / Material Uncertainty sections when the auditor disclaims a conclusion, it is less clear how going concern reporting is intended to operate in circumstances where the auditor expresses an adverse conclusion. Given the inherently lower level of work effort in an interim review, there may be circumstances where it is not appropriate, or practicable, for the auditor to conclude or report separately on going concern when expressing an adverse conclusion. To improve clarity for users and support consistent application, we recommend adding application material (or cross-references) to clarify whether, and in what circumstances, a separate Going Concern or Material Uncertainty section is appropriate when an adverse conclusion is issued, having regard to the limited procedures in an interim review engagement.

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):

Other matters we would like to raise include the following:

1. Paragraph 1: We suggest deleting the phrase "*not because the auditor is performing an audit*" from the final sentence of paragraph 1 of ED-2410. The phrase may be confusing in practice. In many cases, the same auditor will be engaged to perform both the annual audit and the interim review, so stating "not because" can be read as contradicting that reality. The sentence already explains the intended point that the term "auditor" is used because the engagement is performed by the independent auditor of the annual financial statements; so removing the additional clause would avoid ambiguity while preserving the intended meaning.

2. Paragraph A1: In paragraph A1 of ED-2410, the phrase "or the auditor may expect to be engaged to do so" appears unnecessarily tentative and reads awkwardly in context. We suggest revising for clarity by replacing "may" with "is" (or otherwise simplifying the wording).

3. Paragraph A4: The sentence "*Therefore, that practitioner performs an interim review engagement in accordance with ISRE 2400 (Revised)*" in paragraph A4 of ED-2410 reads awkwardly and could be interpreted as a blanket statement, rather than a requirement that applies when a practitioner who is not the auditor of the annual financial statements is requested/engaged to perform an interim review. We suggest revising the wording to make the conditional nature explicit and to more clearly link the conclusion to the applicable standard as follows:

> Accordingly, if such a practitioner is engaged to perform an interim review of financial information, the engagement is performed in accordance with ISRE 2400 (Revised), rather than this ISRE.

4. Paragraph 45(g): We recommend that the IAASB clarify inquiries on internal control matters in paragraph 45(g) of ED-2410. As drafted, paragraph 45(g) of ED-2410 requires the auditor to inquire of management and others within the entity about "significant deficiencies" in internal control. However, under the ISAs, a "significant deficiency" is an auditor determination, defined as: "A deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance." While it is practicable to inquire of management about significant deficiencies identified in prior audits, management does not have a responsibility to characterize newly identified matters as "significant deficiencies." Accordingly, we suggest the requirement be framed to inquire about any significant changes in internal control and the potential effect of any such changes on the preparation of interim financial information.

5. Paragraphs 47 and A97: Paragraph 47 of ED-2410 refers to "meetings of shareholders," whereas paragraph A94 of ED-2410 refers to "meetings of owners." We recommend aligning terminology between these paragraphs. In addition, paragraph A94 of ED-2410 introduces "proceedings at other meetings," which is not explicitly reflected in the requirement in paragraph 47 of ED-2410. It would be helpful to clarify whether this broader scope is intended; if not, we suggest deleting that phrase from A94 of ED-2410 to avoid expanding the inquiry expectations beyond the requirements.

6. Paragraphs A131–A136: We support including application material on "other information," particularly to reinforce professional skepticism and the need to consider inconsistencies. However, paragraphs A131–A136 of ED-2410 appear overly detailed for ISRE 2410 and could be condensed into more principles-based guidance. We suggest streamlining them into one paragraph as set out below.

In reading and considering the other information, the auditor may, for example:

- Remain alert to information that may be inconsistent with (i) the interim financial information or (ii) the auditor's knowledge of the entity obtained during the interim review engagement and, where relevant, from prior audits or interim reviews.
- Consider whether apparent material inconsistencies indicate a material misstatement of the interim financial information or a material misstatement of the other information, and whether discussions with management and, where appropriate, those charged with governance, and the performance of additional review procedures are necessary to determine the implications for the interim financial information and the interim review report.
- If a material misstatement of the interim financial information or the other information is identified and is not corrected, consider the appropriate response in the circumstances, which may include further communication with those charged with governance, consideration of relevant ethical requirements (including avoiding association with information the auditor believes is materially false or misleading), applicable legal or regulatory reporting obligations, and the implications for the

interim review report and, where relevant, the audit of the entity's annual financial statements and the auditor's continuance of the client relationship.

7. Paragraph 76(e)(ii)(c): Paragraph 76(e)(ii)(c) of ED-2410 uses the wording "**Others if** the fraud could have an effect on the interim financial information." ISA 240 (Revised) uses "**Others where** the fraud could have an effect…". While we do not view this as a significant difference in meaning, we suggest aligning the wording for consistency across IAASB standards unless a different emphasis is intended in ISRE 2410.

8. Paragraph 91: We recommend rewriting paragraph 91 of ED-2410 to include additional language about a limited assurance engagement. For example: The auditor shall form a conclusion based on the limited assurance engagement about whether the interim financial information is free from material misstatement.

9. Paragraph 119: The proposed requirements relating to comparative information in paragraph 119 of ED-2410 are currently positioned after the section addressing the auditor's conclusion and the form of the review conclusion. We suggest this paragraph would be clearer and more logically sequenced if it were positioned earlier in the standard, such as before the section "Other Information". In our view, procedures and evidence relating to comparative information form part of the work performed to support the auditor's conclusion and therefore fit more naturally before the requirements and guidance that address reaching and reporting the conclusion. Reordering in this way may improve readability and flow for auditors and better reflect the chronology of an interim review engagement.

10. Appendix 1: We note that the illustrative "Conclusion" section refers to a *"three-month period then ended."* In many jurisdictions, interim financial reporting and related reviews are more commonly performed for a six-month (half-year) period. Using a three-month period in the illustrations may therefore be less broadly applicable. We suggest considering revising the illustrations to use a six-month period, or alternatively make the illustrations more jurisdiction-neutral by presenting the period as "[three-month/six-month] period then ended" (or providing a footnote/alternative wording). This would improve usability of the illustrations across jurisdictions while preserving the intent of the example.

11. Appendix 1: In Illustrations 2 and 6, the independence paragraph refers to compliance with the IESBA Code "*together with the ethical requirements that are relevant to interim review engagements in [jurisdiction]*." We question whether this jurisdiction-specific "together with" wording is more relevant for Illustrations 1, 3, 4, and 5 (publicly traded entity), where additional national independence requirements often apply, and where the illustration currently refers only to the IESBA Code "as applicable to audits or reviews of public interest entities." We suggest considering aligning the independence wording across all Illustrations, or explaining the rationale for the difference.

12. Appendix 1, Illustrations 3 and 4: In Illustrations 3 and 4, the "Going Concern" and "Material Uncertainty Related to Going Concern" sections, respectively, refer to "*in forming our conclusion thereon*." Given that Illustrations 3 and 4 are modified reports, we suggest revising the wording to "*in forming our qualified conclusion thereon*" to align with the phrasing used in Illustration 5 ("*in forming our qualified conclusion thereon*") and to avoid any ambiguity regarding the nature of the conclusion and ensure consistency.

13. Appendix 1, Illustration 4: The Qualified Conclusion section currently states: "*Based on our review, except for the incomplete disclosure of the information referred to in the Basis for Qualified Conclusion section of our report …*". We suggest revising this to the more standard formulation that refers to "the effects of the matter(s)" described in the Basis for Qualified Conclusion section. This wording is more consistent with commonly used qualified conclusion language and avoids characterizing the matter narrowly as "incomplete disclosure," while still clearly linking the qualification to the described issue.

We suggest replacing "*except for the incomplete disclosure of the information referred to in the Basis for Qualified Conclusion section of our report*" with "*except for the effects of the matter described in the Basis for Qualified Conclusion section of our report*". In addition, the second paragraph in the Qualified Conclusion section refers to "*ABC Company*" in describing the financial position and performance. For consistency with the report's defined term and to avoid unnecessary repetition, we suggest using "*the Company*" (as defined earlier in the report) instead of repeating "ABC Company."

14. Appendix 1, Illustration 5: The Qualified Conclusion paragraph states: "*except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described in the Basis for Qualified Conclusion section of our report*…". This phrasing is not the wording we would typically expect for a qualified conclusion arising from an inability to obtain sufficient appropriate evidence. We suggest using the more standard formulation: "*except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report*," which is clearer and more consistent with commonly used qualified reporting language. In addition, the second paragraph in the Qualified Conclusion section refers to "ABC Company" in describing the financial position and performance. For consistency with the report's defined term and to avoid unnecessary repetition, we suggest using "*the Company*" (as defined earlier in the report) instead of repeating "*ABC Company*."

15. Appendix 1, Illustration 6: We have the following comments related to Appendix 1, Illustration 6 in ED-2410:

- The first paragraph of the "Adverse Conclusion" section refers to "ABC Company (the Company) and its subsidiaries" but does not subsequently use the Company in place of ABC Company within the illustration. We suggest changing ABC Company in the first paragraph under the "Basis for Adverse Conclusion" section to the Company.
- Illustration 6 is the only illustration where the interim financial information is not labeled as "condensed". Is there a specific reason this example does not include "condensed"?
- The report includes an adverse conclusion due to non-consolidation of controlled entities. We are concerned that whether in these circumstances, an engagement partner would typically be comfortable including the Going Concern section where it states "nothing has come to our attention to indicate that a material uncertainty exists..." in such adverse report as drafted, given the pervasiveness implied by an adverse conclusion and the limited extent of the interim review procedures performed. Also, see our response to Question 14 above related to the requirement in paragraph 114 of ED-2410.
- In the Going Concern section, the first sentence refers to "*in forming our conclusion thereon*." Given that Illustration 6 is a modified report, if this section is retained, we suggest revising the wording to "*in forming our adverse conclusion thereon*" to align with the phrasing used in Illustration 5 ("*in forming our qualified conclusion thereon*") and to avoid any ambiguity regarding the nature of the conclusion and ensure consistency.
- In the Going Concern section, the first sentence states: "*…nothing has come to our attention that causes us to believe that Group's use of the going concern basis of accounting … is inappropriate.*" If this section is retained (see comment above), we suggest revising this to refer to "*management's*

use of the going concern basis", as the going concern basis is a management judgment applied in preparing the consolidated interim financial information and such language is consistent with the other Illustrations.

16. Appendix 2, Illustration 1: We suggest reconsidering the ordering of the first two paragraphs. In an interim review report, it may be clearer to first draw attention to the current-period interim financial information disclosure (e.g., "We draw attention to Note C…"), and then refer to the prior-year auditor's report to provide context that the material uncertainty was also reported previously and remains. As drafted, leading with the prior-year auditor's report may distract from the primary purpose of the interim review report—to highlight the current interim disclosure. However, see our comment on Question 13(b) above and our suggestion to remove the requirement to refer to the prior-year auditor's report and disclosures in the annual financial statements. Also, see our comment in response to Question 13(b) above.

17. Appendix 2, Illustration 3 (and paragraph 111): We support improved transparency on going concern in interim review reporting. However, we have concerns about the requirement in paragraph 111 of ED-2410 (see our comments on Question 13(c) above) and Illustration 3 in Appendix 2 of ED-2410due to the risk of over-use and misinterpretation when no material uncertainty exists.

- The "We draw attention to…" style wording, even with an unmodified conclusion, may be read by users as a warning signal. In practice, going concern communications are still sometimes misunderstood (including confusion with "material uncertainty related to going concern"), and we are concerned this illustration could encourage boilerplate use in any "close call" scenario—or where going concern would be a KAM in the annual audit—despite the intent that it apply only when the matter is truly fundamental to users' understanding.
- We also question why management's significant judgments on going concern (absent a material uncertainty) are being highlighted in a dedicated way relative to other significant judgments in the interim financial information.
- We would therefore recommend deleting Illustration 3 in Appendix 2 and paragraph 111 of ED-2410.

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 comments below**

Detailed comments (if any):

We do not believe there is a need to clarify the application of Section 405 of the IESBA Code to group interim review engagements.

This view is consistent with our response to Question 10. In particular, we do not believe ED-2410 should introduce additional or duplicative requirements or application material expressly addressing the application of Section 405 to group interim review engagements. Avoiding such provisions would reduce interpretive complexity and help prevent unnecessary duplication between ED-2410 and the requirements of the IESBA Code. *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.