

**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)                                                                                    | Chamber of Auditors of the Czech Republic                          |
| Name(s) of person(s) responsible for this submission (or leave blank if the same as above)                                                                                          | Hana Muzatkova                                                     |
| Name(s) of contact(s) for this submission (or leave blank if the same as above)                                                                                                     |                                                                    |
| E-mail address(es) of contact(s)                                                                                                                                                    | kacr@kacr.cz                                                       |
| Geographical profile that best represents your situation (i.e., the geographical perspective from which are you providing feedback on ED-2410). Select the most appropriate option. | <u>Europe</u>                                                      |
|                                                                                                                                                                                     | If "Other", please clarify                                         |
| The stakeholder group to which you belong (i.e., the perspective from which are you providing feedback on ED-2410). Select the most appropriate option.                             | <u>Professional accountancy or professional organization (PAO)</u> |
|                                                                                                                                                                                     | If "Other", please specify                                         |
| Should you choose to do so, you may include information about your organization (or yourself, as applicable).                                                                       |                                                                    |

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

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

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 no further comments)

**Detailed comments (if any):**

Click or tap here to enter text.

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 no further comments)

**Detailed comments (if any):**

Click or tap here to enter text.

### Professional Skepticism and Professional Judgment

3. Does ED-2410 appropriately address the foundational concepts of professional skepticism and professional judgment, and the importance of applying these concepts throughout the interim review engagement? If not, what more might be needed in this regard?  
(See Section I-B, paragraph 22(a) in the EM)

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

**Detailed comments (if any):**

Click or tap here to enter text.

## *Fundamental Principles of an Interim Review Engagement*

4. Does the Introduction section of ED-2410 provide a clear description of the nature and purpose of an interim review engagement, and how it differs from an audit of financial statements, to provide foundational context for the work effort needed to achieve the objective of the engagement?

*(See Section I-B in the EM)*

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

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

## *Approaching an Interim Review Engagement in Accordance with ED-2410*

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

**Overall response:** 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 no further comments)

**Detailed comments (if any):**

Click or tap here to enter text.

## Group Interim Review Engagements

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

## 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 no further comments)

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

In particular:

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

**Detailed comments (if any):**

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- (c) Do you agree with the requirement in paragraph 111 of ED-2410 to include a reference in the interim review report to disclosure(s) of a going concern matter, other than a material uncertainty (for example, a “close call”) only when the matter is, in the auditor’s professional judgment, of such importance that it is fundamental to users’ understanding of the interim financial information, and to do so in a manner akin to an emphasis of matter paragraph? If not, please explain your reasons and provide suggestions for how such matters should be addressed in ED-2410.

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

**Detailed comments (if any):**

Click or tap here to enter text.

*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 no further comments)**

**Detailed comments (if any):**

Click or tap here to enter text.

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:** **No other matters to raise**

**Detailed comments (if any):**

Click or tap here to enter text.

### Translations

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

**Overall response:** **No**

**Detailed comments (if any):**

Click or tap here to enter text.

### Effective Date

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

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

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

**Detailed comments (if any):**

Click or tap here to enter text.

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

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

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

### Group Interim Review Engagements

E.1. Recognizing that ED-2410 requires the auditor to comply with relevant ethical requirements, including those related to independence, when performing an interim review engagement:

- (a) Given the context set out in Section I-C, paragraph 28, in the EM and taking into account that Part 4A of the Code applies to both audit and review engagements unless otherwise stated, do you believe there is a need to clarify the application of Section 405 with respect to group review engagements, including group interim reviews? If so, please explain why. Also explain what clarifications would be useful and whether they should be made inside or outside the Code.

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

**Detailed comments (if any):**

Click or tap here to enter text.

### 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.