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)	ICAEW
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Helen Pierpoint
E-mail address(es) of contact(s)	Helen.Pierpoint@icaew.com, tdaf@icaew.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.	Professional accountancy or professional organization (PAO) If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 211,600 members and students around the world. 81 of the top 100 global brands employ ICAEW Chartered Accountants. 82% of FTSE 100 companies have an ICAEW member on their board. Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor more than 11,500 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct. Recognised internationally as a leading authority and source of expertise on audit and assurance issues, the ICAEW Audit and Assurance Faculty is responsible for audit and assurance submissions on behalf of ICAEW. The faculty has around 32,000 members working in both

	practice and in business, as well as in organisations of all sizes in the private and public sectors.

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:

ICAEW welcomes the opportunity to comment on the Exposure Draft of proposed revisions to International Standard on Review Engagements (ISRE) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*, published by the IAASB on 6 May 2026. For questions on this response, please contact the ICAEW Audit and Assurance Faculty at tdaf@icaew.com. This response of 3 September 2026 has been prepared by the ICAEW Audit and Assurance Faculty.

KEY POINTS

Support for the project and modernisation of the standard

1. ICAEW supports the IAASB's objective of modernising ISRE 2410 and, where appropriate for a limited assurance interim review engagement, improving its consistency with the ISAs. The standard has remained largely unchanged since 2005, while auditing and assurance practices and stakeholder expectations have evolved.
2. We applaud the considerable effort the IAASB and staff have invested throughout this project, particularly the willingness to engage with stakeholders and reconsider proposals in response to concerns raised. We generally support the direction of travel, but we believe that refinements are needed before the standard is finalised.

Proportionality and user expectations

3. Closer alignment between ISRE 2410 and the ISAs is desirable. However, there is a balance to be struck to ensure that clear blue water is maintained between what is expected of an auditor during a limited assurance interim review engagement and what is expected during an audit of financial statements. Further refinement of the proposed revised standard is needed in several areas – particularly in relation to going concern – to achieve this balance. The language, structure, and level of prescription of some of the requirements and application material are strikingly similar to the reasonable assurance requirements in the ISAs.
4. For example, proposed para. 59 may be read as meaning that management is always required to prepare a formal going concern assessment at every interim review engagement, even where the applicable financial reporting framework does not require it. Proposed para. A112 relates to management's plans to address going concern uncertainties and may be read as meaning that procedures such as obtaining evidence of the intent and ability of other parties to provide or maintain financial support should be performed routinely. Such procedures are more commonly associated with audits than interim review engagements.
5. Our concerns with specific aspects of the proposed standard aside, the number of requirements has increased significantly. Even if none of the proposed new requirements and application material were

problematic on their own, together they are likely to result in a significant increase in the time and cost required to perform an engagement. These costs will ultimately be borne by entities through higher fees. At the same time, entities may perceive or even expect the engagement to be moving closer to an audit in nature, despite receiving the same level of limited assurance.

6. The level of assurance provided when compared with the effort and risks that auditors may face to obtain that assurance, may mean that some firms may be less willing to accept or continue interim review engagements. This has implications for competition and choice in the public interest entity (PIE) audit market and companies currently choosing to undergo interim review engagements on a voluntary basis may decide that it is no longer worth the increased cost.

7. We encourage the IAASB to make clear how user needs and expectations have informed the proposals. Further targeted outreach could mirror that being undertaken as part of the Audit Evidence and Risk Response project.

User expectations and what ‘good’ looks like

8. The IAASB should consider developing guidance materials for the benefit of users, explaining the nature of limited assurance, and the key differences between limited and reasonable assurance engagements. For auditors, it would be useful for IAASB to clearly differentiate between the work effort expected in an interim review engagement and an audit. Practical implementation guidance outside the standard, supported by illustrative examples of what a well-executed interim review engagement looks like in practice, would be helpful, particularly in the following areas:

    - the level of understanding of the entity required for a first-year engagement
    - the nature and extent of work on components in a group limited assurance engagement
    - the level of work effort required in relation to going concern.

    ICAEW stands ready to assist with this.

The interim review report – proposed structure and going concern

9. On balance, we support the proposed new structure of the interim review report. It is more closely aligned with the audit report and will therefore improve ease of use for users.

10. We agree with the proposal to introduce a separate section relating to going concern in the report. This aligns with the requirements for auditors in the UK, where a separate going concern section was introduced as part of revisions to the UK equivalent of ISRE 2410, effective 2021. Once again, ICAEW stands ready to support further IAASB outreach by facilitating engagement with UK auditors performing interim review engagements. A better understanding of implementation challenges and lessons learned would support jurisdictions introducing such requirements for the first time.

11. However, we have specific concerns with two proposed requirements addressing going concern in the report. This includes disclosures regarding going concern ‘close calls’ (proposed para. 111) and referring to previous management disclosures of material uncertainties reported in the most recent annual report (proposed para. 109). Close calls in particular generated considerable debate, with some taking the view that there is no good argument for requiring the disclosure of close calls at all in this type of engagement, and that there should be no requirement to treat close calls any differently to other matters when considering whether they should be included as emphases of matter. IAASB should reconsider this area before finalisation, including the removal of proposed paras 109 and 111.

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: **Neither agree/disagree, but see comments below**

Detailed comments (if any):

12. ISRE 2410 has remained largely unchanged since it was issued in 2005. We agree that it is in the public interest to modernise the standard and align the structure with the modern suite of ISAs. All standards should be up to date with global practice and stakeholder expectations.
13. However, we are not persuaded that the proposals achieve an appropriately public-interest-responsive outcome in all areas, particularly in relation to ISA-alignment. In several places, the proposed standard looks and reads like an ISA – a standard on auditing rather than on a review engagement. The standard has a total word count and number of requirements that rival many of the lengthier ISAs and, more importantly, a level of prescription that is not clearly justified in the context of a limited assurance engagement.
14. An interim review engagement does not provide the same level of assurance as a financial statement audit. Caution is therefore needed when adding ISA-like content, particularly a substantial volume of it, to a limited assurance engagement standard. Requiring greater auditor work effort and more audit-like work will increase costs for the audit firm and result in higher engagement fees for entities. While this may be expected to an extent if global practice and stakeholder expectations have changed, we are concerned that the additional of ISA-like content is excessive. It may also give the impression that an interim review engagement provides a higher level of assurance than it does.
15. If the distinction between audits and review engagements becomes too narrow, the associated effort and potential regulatory risk may result in firms being less inclined to take them on or continue them, further affecting competition and choice in the PIE audit market. Furthermore, companies currently undergoing them on a voluntary basis may be unable to justify the increased costs.
16. It would be helpful for the IAASB to issue clear guidance directed at current and potential users of interim review reports explaining limited assurance and the differences between this and reasonable assurance.

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: **Disagree, with comments below**

Detailed comments (if any):

17. We support the IAASB's objective of addressing public interest issues and aligning ISRE 2410 with developments in the ISAs. However, we are not persuaded that it has achieved an appropriate balance between enhancing the standard and preserving the distinct nature of an interim review engagement as a limited assurance engagement.

18. Not all the additional requirements will necessarily result in substantial additional work and most, when read in isolation, are not clearly problematic. Nevertheless, the cumulative effect will increase the work required of auditors and entities and the following examples of requirements and application material are disproportionate to the objectives of a limited assurance engagement.

Requirements

- Proposed para. 59. This implies that management are able to produce a formal going concern assessment at every interim review engagement, even where the applicable financial reporting framework does not require it. The requirement may be perceived as indirectly imposing additional responsibilities on management through a standard directed at auditors. Please see our response to **question 12** for more details.
- The proposed requirement in para. 91 is for the auditor to 'form a conclusion about whether the interim financial information is free from material misstatement'. Although similar wording appears in para. 181 of ISSA 5000, *General Requirements for Sustainability Assurance Engagements,* (which deals with both reasonable and limited sustainability assurance engagements), we believe that this language is too strong for a standard that deals exclusively with limited assurance engagements. The conclusion should only confirm whether anything has come to the auditor's attention that has caused the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework. As drafted, the proposed wording risks implying a level of assurance that is close to that obtained in an audit. The IAASB should reconsider the language of this paragraph.

Application material

- Proposed para. A112 outlines examples of other procedures the auditor may perform regarding management's plans to address events or conditions that may cast significant doubt about an entity's ability to continue as a going concern. Obtaining evidence of the intent and ability of other parties to provide financial support is only appropriate if there are indications that the other parties do not have the intent or ability to provide the support. Recalculating the aspects of models for mathematical accuracy is only necessary if there are indications that the calculation is inaccurate. We set out suggestions for alternative wording in our response to **question 12**.
- The list of procedures to obtain or update the auditor's understanding of the entity and its environment is set out in proposed para. A74. We have no objection to the procedures themselves, but the standard presents them as 'ordinarily' performed. Describing the list as non-exhaustive suggests to some that auditors are expected to perform all six procedures and potentially others. The paragraph implies an 'above and beyond' approach to the list of procedures while simultaneously assuring the auditor that the list is not prescriptive. Please see our response to **question 5** for further details.

- Together, proposed paras. A66 – A70 regarding materiality and A131 – A136 regarding other information and misstatements thereon are almost 1,000 words long spread over 11 paragraphs. It is not clear how this expanded content will substantively improve engagement quality or how it helps to clarify the distinction in work effort between an interim review engagement and an audit. Please see our response to **question 16** for more details.

19. We set out in our responses to the questions below the specific changes that we believe are needed to address these concerns. We also ask the IAASB to issue practical implementation guidance outside the standard, including illustrative examples that clarify the work effort and procedures expected in a well-executed interim review engagement.

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 comments below**

Detailed comments (if any):

20. We agree that proposed paras. 8 and 9 of the Introduction represent a clear explanation of the nature and purpose of an interim review engagement and appropriately emphasise that the procedures performed, and conclusion and level of assurance provided, are different from a financial statement audit.

21. However, the proposed standard does not consistently reflect the distinction highlighted in the Introduction. The length, structure and the more prescriptive nature of certain requirements and application material appear more aligned with an auditing standard than a standard designed for a limited assurance engagement.

22. Adding content from other recently revised standards to maintain consistency between the international auditing and assurance standards is important. However, it is equally important to consider the *relevance* of material contemplated to a limited assurance standard.

23. There are challenges in practice in distinguishing between the level of understanding of the entity required in an interim review engagement as the level required for an audit, particularly for first-year engagements.

24. Similar challenges exist regarding the work effort required in a review of interim financial information of groups, in terms of how that work effort differs from that of a group audit. The expected nature and extent of the review of component auditors' work is not sufficiently clear.

25. It would be useful if practical application guidance addressed these issues.

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

Detailed comments (if any):

26. We agree that in most places the standard achieves the clarity intended. However, we are not persuaded that the standard is clear enough that an interim review engagement does not, in every case, *have* to be supplemented by procedures other than inquiries and analytical procedures. As a result, there is a risk that auditors may adopt a more defensive approach and perform work beyond that which is necessary.

27. Some other review procedures suggested by ED-2410 go beyond what in our view is necessary to achieve the overall objective of an interim review engagement in normal circumstances. For example, procedures to address management's plans regarding going concern issues in proposed para. A112 are more extensive than those that are typically seen in a limited assurance interim review engagement. Please see our response to **question 12** for suggested alternative wording. Consideration should be given to the development of further guidance clarifying the circumstances in which procedures beyond inquiries and analytical procedures might be necessary.

28. Certain sections of the application material create uncertainty over whether the procedures described are illustrative or are expected to be performed in most, if not all, circumstances. For example, proposed para. A74 makes clear that its list of procedures to obtain or update the auditor's understanding of the entity is not prescriptive, which is in keeping with the purpose of application material. However, references to such procedures being 'ordinarily' performed, together with the statement that the list is non-exhaustive, could imply that auditors should not only be performing all six procedures, but should potentially be performing more. The IAASB should reconsider the wording of this paragraph. Replacing 'Ordinarily, such procedures include (…)' with 'These procedures may include the following' would help address our concerns by making it clearer that the procedures listed are illustrative rather than expected in all circumstances.

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):

29. In our view, paras. 41 and 42 represent a good example of requirements that are proportionate for a limited assurance engagement. There is sufficient direction for the auditor to appropriately determine materiality in the context of an interim review engagement, without reaching the level of prescription and excessive detail of certain other requirements. However, we ask the IAASB to reconsider whether all of the related application material in proposed paras. A66–A70 is necessary. Material that does not provide additional practical guidance or clarify how materiality is applied in an interim review engagement should be removed.

30. The proposed revised standard requires the auditor to 'determine materiality' as opposed to simply considering it. We have no objection to the stronger terminology and, in this case, support its alignment with ISA 320 as it reflects current practice.

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):

31. We broadly agree. However, please see our response to **question 4**.

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):

32. Yes. However, the IAASB should reconsider proposed paras. 69 and A63.

33. Obtaining evidence that the group interim financial information reconciles to the underlying accounting records appears to be sufficiently addressed by proposed para. 68. In addition, the meaning of a 'significant consolidation journal entries and adjustments' is unclear. Without clarification, this wording may be interpreted as audit level work effort in a limited assurance engagement. This paragraph should be removed.

34. The wording of proposed para. A63 is likely to cause confusion and misinterpretation. It states that 'the group engagement partner may and often will determine that component auditors are to be involved' in forming a conclusion on the group interim financial information. Auditors might infer from this that component auditor involvement is expected in most group interim review engagements, potentially resulting in unnecessary work effort. The paragraph also states that component auditors may be asked to 'provide information,' but it is not clear what this means. The IAASB should reconsider the wording of this section and clarify whether 'provid(ing) information' refers to the documentation of review procedures.

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>Neither agree/disagree, but see comments below</u>**

Detailed comments (if any):

35. We understand the project's emphasis on fraud and NOCLAR, given the importance of these matters to the public interest. However, these are also areas where the IAASB should take particular care to ensure that the proposed requirements and application material remain proportionate to the limited assurance provided by an interim review engagement.
36. Our concerns are less about individual requirements and more about their contribution to the cumulative effect of added and enhanced material resulting in significant increases in auditor and entity work effort and blurring the boundaries between limited assurance and reasonable assurance.
37. In relation to fraud, we recommend that the 'unless the fraud or suspected fraud is clearly inconsequential' caveat in 54(b) is extended to cover para. 54(a) as well.

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

Detailed comments (if any):

38. As with fraud and NOCLAR, we understand the importance of this issue to this project. However, we have concerns that some ISA-derived requirements and application material have been incorporated into ISRE 2410 without sufficient consideration as to their relevance and proportionality to limited assurance engagements. This has significant implications for auditor and entity time and costs.
39. Proposed para. 59, for example, may be read to mean that the auditor should expect, as a matter of course, that management are able to produce a formal going concern assessment at each interim

review engagement, as with each annual financial statement audit. This holds true even when the applicable financial reporting framework imposes no such requirement on the entity. It also creates the impression that the IAASB is indirectly imposing responsibilities on management through a standard directed at auditors. Examples of what management might realistically be able to produce, on which the auditor can perform limited assurance procedures and reach a conclusion, would be helpful.

40. As noted above, proposed para. A112 should also be reconsidered. The procedures described therein are disproportionate to a typical interim review engagement. We suggest the following wording be adopted:

The auditor's decision to perform other procedures regarding management's plans is a matter of professional judgment. Such procedures are designed and performed for the purpose of providing the auditor with a basis for the auditor's evaluation in accordance with paragraph 64.

Examples

- *When management's plans include obtaining financial support from other parties, the auditor may make inquiries about ~~perform procedures to obtain evidence of~~ the intent and ability of those parties to maintain or provide such support.*
- *When management's plans involve significant assumptions and complex models, the auditor may review ~~recalculate aspects of~~ the model for mathematical accuracy and consistency ~~to obtain evidence that the calculations were applied in accordance~~ with the assumptions and methods selected.*

41. Subject to the comments above, the proposed work effort requirements and supporting application material are, in most respects, capable of being applied in a manner that remains proportionate to the nature of an interim review engagement.

42. In the UK, auditors performing interim review engagements have been subject to enhanced going concern requirements since the Financial Reporting Council (FRC)'s revisions to the UK equivalent of the standard that became effective in December 2021.

43. ICAEW stands ready to facilitate IAASB outreach with UK auditors with practical experience of applying enhanced going concern requirements to interim review engagements. This could provide valuable insights into implementation challenges, practical considerations and lessons learned that may be relevant for jurisdictions introducing such requirements for the first time.

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: **Disagree, with comments below**

Detailed comments (if any):

44. We do not support proposed para. 109 – particularly para. 109(c) – which requires the separate section of the interim review report to include reference to management's disclosures regarding a material uncertainty in both the annual financial statements and the interim financial information. We question the purpose and usefulness of such a requirement. Users of interim financial information are primarily interested in matters affecting the entity's ability to continue as a going concern at the reporting date of the interim financial information, not a previous reporting period.

45. In circumstances where the interim review information does not contain reference to the material uncertainty reported in the previous annual report, it is disproportionate to require the auditor to include such a reference in the interim review report. Even in an ISA-compliant financial statement audit, the audit report would not ordinarily be expected to draw attention to a material uncertainty reported in a previous year's financial statements solely because it had existed previously.

46. The IAASB should consider removing proposed para. 109. Please see our response to **question 13(c)** for our views on proposed para. 111.

(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):

47. We do not support the requirement in para. 111, which effectively requires the auditor to address so-called 'close call' situations in the separate going concern section of the interim review report.

48. It is unclear why these 'close call' situations are distinguished from other matters that may be equally fundamental to users' understanding of the interim financial information (under proposed para. 117). The proposals do not clearly demonstrate why such circumstances merit a separate reporting outcome rather than being considered within the broader framework for Emphasis of Matter reporting.

49. Requiring close call situations to be addressed separately risks adding complexity and length to the interim review report without a corresponding benefit to users. We are concerned that this may contribute to report clutter and dilute the impact of information that is most relevant to users' decision-making. We note in our main points above that many questioned a requirement to disclose close calls at all in this type of engagement. It is unclear how an auditor could determine that such matters are fundamental to users' understanding without undertaking procedures more akin to those required by ISA 570, *Going Concern*.

50. Proposed para. 117 outlines circumstances that would warrant an Emphasis of Matter paragraph to be included in the report in any case which provides an appropriate mechanism by which the auditor is able to draw attention to matters related to going concern that are fundamental to users' understanding of the interim financial information. The IAASB should consider removing proposed para. 111.

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):

51. We broadly support the proposed new structure of the interim review report. We are aware of concerns that an interim review report that more closely resembles an auditor's report could widen the expectations gap and create the perception that an interim review engagement provides a level of assurance that is closer to an audit. However, on balance, given that the proposed structure will be more familiar for users and the content easier to understand, we believe that the benefits outweigh the drawbacks. We are particularly supportive of the conclusion being presented earlier in the report.

52. To make clearer to users that the report concerns a limited assurance engagement and not a reasonable assurance engagement, the IAASB should consider amending the report's title to 'Independent Auditor's *Limited Assurance* Interim Review Report.'

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):

53. Requirements 75 – 80 addressing written representations have been placed before requirements 81 – 85 addressing the accumulation and evaluation of misstatements. In practice, written representations are obtained after the auditor accumulates and evaluates misstatements. The locations of the respective sections be amended to align with the flow of an interim review engagement. Similarly, it is not clear why requirement 119 ('Comparative Information' section) comes after the sections addressing the preparation of the interim review report and forming a conclusion. This should be placed after the 'Other Information' section (paras. 86 – 88).

54. We are not persuaded that the significantly expanded application material concerning materiality (proposed paras. A66 – A70) and other information and misstatements (proposed paras. A131 – A136) adequately reflects the nature of a limited assurance engagement or helps auditors understand how the work performed differs from that undertaken in an audit. IAASB should reconsider this material.

55. Although helpful, the illustrative examples within appendices 1 and 2 of ED-2410 only provide for situations where the interim review engagement covers an interim period of three months. It is unclear whether the absence of examples relating to longer periods, such as six-month interim periods, is a deliberate drafting choice. If so, it would be useful for the IAASB to explain the rationale for this approach.

56. We note various cross-references to the ISAs within ED-2410. We have no objection to this in principle, but we are concerned that this approach is not consistently applied to standalone international auditing and assurance standards. The ISA for LCE does not contain any direct references to the ISAs. The IAASB should clearly explain its rationale for selective cross-references to the ISAs.

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.

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.