MALAYSIAN INSTITUTE OF ACCOUNTANTS

3 September 2026

Mr. Willie Botha
Technical Director
International Auditing and Assurance Standards Board
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, 10017 USA

Dear Willie

RESPONSES TO THE PROPOSED INTERNATIONAL STANDARD ON REVIEW ENGAGEMENTS 2410 (REVISED), REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE INDEPENDENT AUDITOR OF THE ENTITY'S ANNUAL FINANCIAL STATEMENTS

The Auditing and Assurance Standards Board (AASB) of the Malaysian Institute of Accountants (MIA) welcomes the opportunity to provide its comments on the Exposure Draft, Proposed International Standard on Review Engagements 2410 (Revised), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements* issued by the International Auditing and Assurance Standards Board (IAASB).

We attach in Appendix 1 our responses to the questions in the Exposure Draft. We hope our comments will contribute to further deliberation by the IAASB on the matter. If you have any queries or require clarification of this submission, please contact Simon Tay Pit Eu at +603 2722 9271 or email to simontaypiteu@mia.org.my.

Thank you.

Yours sincerely
MALAYSIAN INSTITUTE OF ACCOUNTANTS

G SHANMUGAM
Chief Executive Officer

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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)	Malaysian Institute of Accountants (MIA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Simon Tay Pit Eu
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	simontaypiteu@mia.org.my
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.	Asia Pacific 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).	

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 are supportive of the objective of ED-2410 and agree that modernising the standard is responsive to the public interest. The proposed ED-2410 should improve consistency in the performance and reporting of interim review engagements and establish a clearer global baseline.

However, we propose that the IAASB consider further clarification on the level of limited assurance expected in an interim review engagement. Due to the nature and extent of the proposed procedures, it may no longer be appropriate to suggest that an engagement performed under ED-2410 could result in a level of assurance that is marginally above “clearly more than inconsequential”. We are therefore of the view that the IAASB should consider providing a more detailed explanation of how an interim review is positioned within the spectrum of limited assurance as described in paragraph 16 of the International Framework for Assurance Engagements.

Furthermore, the proposed ED-2410 introduces or strengthens requirements on materiality, fraud, NOCLAR, going concern, related parties, comparative information and group interim reviews. If an engagement is performed under these requirements and provides assurance only marginally above “clearly more than inconsequential,” we are concerned that there could be engagements which receive substantially different work effort and reports issued based on inconsistent levels of limited assurance. Such variation would not be within the IAASB’s objective of establishing a consistent global baseline.

We would therefore suggest that the IAASB explain, in the requirements or application material, how the auditor should consider the characteristics of the entity, the needs of intended users and the required procedures when determining the meaningful level of assurance to be obtained. The explanation need not prescribe a fixed level, but it should enhance clarity that the work effort required by ED-2410 is expected to result in a robust and consistently understood level of limited assurance.

We also recommend clarifying the meaning of terms such as “likely,” “may”, and “not likely” in the context of limited assurance engagements. Clarification of the terms would promote more consistent judgment when identifying procedures, determining the sufficiency of procedures implied by those terms and reducing divergence in practice.

It is noted that although the same language is used in both ISRE 2400.57 and ISSA 5000.148.L, the IAASB may consider providing clarity in a similar manner as the ISA 315 (Revised 2019) project, where ISA 200 was amended to clarify that "could" in the definition of risk of material misstatement means a "reasonable possibility" of misstatement.

Finally, we would also highlight concerns over the going concern reporting requirements, where the requirements should be carefully articulated to avoid users from inferring a level of assurance beyond that provided by a limited assurance engagement. More detailed feedback can be referred to in our responses to Questions 12 and 13 of this comment letter.

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 the proposed ED-2410 broadly strikes an appropriate balance between strengthening requirements in areas of public interest while maintaining the nature of a limited assurance engagement. We also support strengthening the requirements relating to fraud, NOCLAR and going concern and agree that these matters should receive appropriate attention in an interim review engagement.

As noted in our response to Question 1, this balance would be reinforced by further clarification of the expected level of limited assurance provided by an interim review engagement. In particular, the final standard could be enhanced to avoid implying that an engagement performed in accordance with ED-2410 results in a level of assurance that is only marginally above "clearly more than inconsequential."

The final standard should also continue to emphasise proportionality. The work effort should remain commensurate with a review engagement and should neither default to procedures more appropriately associated with an audit nor require work performed primarily for the forthcoming annual audit. It is important that the intended users of the interim financial information clearly understand the distinction between an audit and an interim review and that reporting is framed in a manner that does not widen the expectation gap.

We would propose that the IAASB consider enhancing the application material or developing practical implementation guidance and illustrative examples demonstrating how review procedures may be scaled based on the nature, size and complexity of the entity, the areas where material misstatements are likely to arise, and reference the auditor's existing knowledge from prior audits and interim reviews. Such guidance would support more consistent application of the standard while preserving the intended principles-based approach.

Adequate transition time, training and methodology support will also be important to facilitate consistent implementation across jurisdictions.

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 agree that ED-2410 appropriately addresses the concepts of professional scepticism and professional judgment. For consistent application, we would also suggest the IAASB consider including the definitions of these terms within the standard, or a cross-reference to the relevant definitions in the IAASB Glossary.

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):
We are supportive of the proposed description of an interim review engagement and its distinction from an audit of financial statements. However, we have noted that certain aspects of the introduction, objectives and concluding requirements could be aligned more closely with the nature and form of conclusion expressed in the interim review report.

In particular, the following paragraphs may be revised as follows, with additions indicated by underlined italics and deletions indicated by strikethrough:

- Paragraph 6: In an interim review engagement, the auditor expresses a conclusion designed to enhance the degree of confidence of intended users about an entity's interim financial information, prepared by management in accordance with an applicable financial reporting framework. The auditor's conclusion, *as to whether anything has come to the auditor's attention that causes the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework,* is based on obtaining limited assurance *from the performance of review procedures.* ~~about whether the interim financial information as a whole is free from material misstatement. The auditor performs review procedures to obtain sufficient appropriate evidence as the basis for the limited assurance conclusion~~.

- Paragraph 11: In conducting a review of interim financial information, which is a limited assurance engagement, the objectives of the auditor are:

  (a) To obtain *sufficient appropriate evidence,* ~~limited assurance *engagement*~~, ~~about whether the interim financial information as a whole is free from material misstatement, whether due~~

~~to fraud or error, thereby~~ to enable the auditor to express a conclusion about whether anything has come to the auditor's attention that causes the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with an applicable financial reporting framework; and…

- Paragraph 91: The auditor shall form a conclusion, based *on the evidence obtained, as to whether anything has come to the auditor's attention that causes the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework.* ~~about whether the interim financial information is free from material misstatement~~.

Paragraph 9 may also be aligned with ISA 700.25 by explaining that an interim review does not provide a basis for expressing an audit opinion on whether the interim financial information gives a true and fair view, or is presented fairly in all material respects, in accordance with the applicable financial reporting framework.

We suggest that the IAASB consistently frame the objective and conclusion throughout the standard around whether any matters have come to the auditor's attention that would cause the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with the applicable financial reporting framework. We would also propose that the IAASB clarify that the term "auditor" is used because the review is performed by the independent auditor of the entity's annual financial statements, not because an audit of the interim financial information is being performed.

5.	Is ED-2410 sufficiently clear that while the auditor performs primarily inquiries and analytical procedures, *all procedures* performed for the purpose of achieving the overall objective of the interim review engagement are "review procedures"? If not, what suggestions do you have to make this clearer? *(See Section I-F, paras. 44-47 in the EM)*

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

Detailed comments (if any):
We agree that ED-2410 is generally sufficiently clear that all procedures performed for the purpose of achieving the overall objective of the engagement are review procedures. Further to this, additional application material illustrating how concerns may be resolved through further review procedures, without necessarily requiring substantive audit testing, would be helpful in supporting a more consistent understanding and implementation of the concept of "other review procedures".

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 comments below**

Detailed comments (if any):
We agree that the proposals are sufficiently clear that, for recurring engagements, the auditor leverages knowledge and understanding obtained from prior annual audits and interim reviews. A defining feature of an engagement under ED-2410 is that it is performed by the auditor of the entity's annual financial statements. We, therefore, suggest reinforcing this concept throughout the standard, where appropriate, by referring to updating the auditor's existing understanding rather than obtaining a new understanding.

For example, paragraph 43(a) could refer to updating the auditor's understanding of the entity, its environment, the applicable financial reporting framework and the system of internal control. Paragraphs 58 and 59 could similarly refer to management updating its going concern assessment since the most recent annual financial statements rather than making an assessment without reference to prior work.

In addition, the proposed final standard could also address how existing knowledge is updated for unresolved going concern matters and the current status of fraud or suspected fraud and NOCLAR matters identified in the most recent annual audit.

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 support the requirement to determine materiality for the interim financial information as a whole and the related principle-based application material. The proposal addresses a gap in the extant standard without introducing undue prescription. Detailed approaches to determining materiality will be appropriately addressed through individual firm methodology.

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

Detailed comments (if any):
We agree that the concepts and principles in ED-2410 are capable of being applied to group interim reviews and support the IAASB's approach of introducing limited, targeted group-specific requirements. The final ISRE 2410 (Revised) should preserve flexibility for the group auditor to determine the appropriate approach based on the facts and circumstances of the engagement.

We would, however, propose removing wording that could potentially imply that component auditors will be involved on a frequent basis. Accordingly, the term "often will" in paragraph A63 should be removed when referring to component auditors, as this may establish an unintended expectation of more frequent component auditor involvement than what may necessarily be the case. For consistency, we would also propose the following revision to paragraph 89:

89. The auditor shall evaluate whether sufficient appropriate evidence has been obtained from the review procedures performed, *<u>including, if applicable, from the work performed by component auditors in a group interim review engagement,</u>* to enable….

Additional practical guidance would be helpful on the factors relevant to determining component auditor involvement, particularly given the shorter timeframe of an interim review compared with a group audit on annual financial statements. When component auditors are involved, it would also be useful for the application material, such as paragraph A65, to address communications between the group auditor and component auditors, including materiality amounts or thresholds, significant matters to be reported, the timing of communications, and the group auditor's involvement in planning, directing, supervising, reviewing and evaluating their work.

10.	Are the requirements in ED-2410 that address specific considerations related to group interim review engagements appropriate? If not, please explain your reasons, and provide suggestions for additional requirements or application material that might be needed. *(See Section I-F, paragraphs 37-40 in the EM)*

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

Detailed comments (if any):
We generally agree with the specific group requirements but propose further refinements to enhance clarity.

In particular, the IAASB may consider the following:

- **Paragraph 69** could be amended to begin with *"For a group interim review engagement, the <u>group auditor</u> ~~auditor~~ shall..."* to enhance clarity that the responsibility lies with the group auditor. It should also be clarified that reconciliation procedures are performed for components selected on a risk-based approach, as the current drafting may unintentionally imply the reconciliation procedures are required for all components.

- **Paragraph 89** should be revised to explicitly require consideration, where applicable, of evidence obtained from the work of component auditors when evaluating whether sufficient appropriate evidence has been obtained.
- As mentioned in our response to Q9**, Paragraph A63** should be revised to avoid implying routine component auditor involvement. The words *"often will"* should be removed, as it may create an unintended expectation that component auditors are more often involved in group interim reviews than what would ordinarily be the case.
  Apart from this, the application material in Paragraph A63 should also be updated to refer to the “group auditor”, instead of referring to the “group engagement partner”.
- **Paragraph A65** could be edited as follows: “…matters expected to be communicated to the group auditor and the *timing and* form of such communications…”, to address the need for timely communication between the group auditor and component auditors.
- **Paragraph A70** may be revised to mention that “The *group* auditor may consider designating an amount…” to clarify that the materiality amount or threshold designated for use by component auditors is determined by the group auditor.
- **Paragraph A64** should remove the wording of *"an element of unpredictability"*, which does not appear relevant in the context of interim review procedures. We also suggest that the IAASB clarify the reference to a component whose interim financial information is *"significant to the group as a whole."* As ISA 600 (Revised) no longer uses the significant component concept, the term “*significant to the group*” may create uncertainty as to whether a similar concept is intended to apply in the context of a group interim review engagement. Further guidance on how this should be interpreted in the context of an interim review engagement would be helpful to avoid inconsistent interpretation and application.

In addition, we would also encourage the IAASB to consider enhancing the application material to provide practical guidance on considerations relating to the competence and capabilities of component auditors, including non-network firms, and on evaluation and documentation of component auditor work in a manner proportionate to a limited assurance engagement.

We would also propose that the standard explain more clearly how the IESBA Code’s ethical and independence requirements apply in a group interim review, including the group engagement team and component auditors.

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

11.	Do you agree that the work effort requirements related to fraud and NOCLAR are appropriate and proportionate to the circumstances of an interim review engagement, recognizing that the engagement is performed by the auditor of the entity's annual financial statements and has responsibilities related to fraud and NOCLAR in the context of that engagement? If not, please explain your reasons, and provide suggestions for the auditor's approach to fraud and NOCLAR in an interim review engagement. *(See Section I-F, paras. 54-56 in the EM)*

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

Detailed comments (if any):
Broadly, we agree that the proposed work effort relating to fraud and NOCLAR is appropriate and proportionate to the circumstances of an interim review engagement. We would suggest the following refinements to further enhance and clarify the requirements:

- **Paragraph 55(b)** could be combined with paragraph 55(a), as the concerns regarding the reliability of management representations appear to be already addressed in paragraph 55(a).
- **Paragraph A102** should be clarified to indicate that the considerations described in the application material, for example, obtaining legal advice and withdrawal from the engagement, may also apply when fraud is identified or suspected.
- **Paragraph A104** should be broadened to generally acknowledge that additional obligations may arise in instances of NOCLAR under the relevant ethical requirements. Further clarification would be consistent with paragraphs 9 and A8 of ISA 250 and would better reflect that an auditor's responsibilities may extend beyond the matters described in the application material.

Going Concern

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

12.	Do you agree that the work effort requirements related to going concern are appropriate and proportionate to the circumstances of an interim review engagement, recognizing that the engagement is performed by the auditor of the entity's annual financial statements and has responsibilities related to going concern in the context of that engagement? If not, please explain your reasons and provide suggestions for how ED-2410 should address the auditor's responsibilities related to going concern in an interim review engagement. *(See Section I-F, paras. 57-61 in the EM)*

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

Detailed comments (if any):

We agree, in principle, with strengthening the going concern requirements and support aligning the core concepts with those applied in the annual audit, while remaining proportionate to the nature of a limited assurance engagement. We would, however, highlight several matters for the IAASB's further consideration.

A key concern is the nature and extent of management's going concern assessment in the context of interim financial information. We are of the view that management's assessment for the interim period need not be performed or documented to the same extent as for the annual financial statements. For example, where the entity has profitable operations, no liquidity concerns and no identified events or conditions that may cast significant doubt on its ability to continue as a going concern, a less extensive analysis may be sufficient. To this end, we would also suggest that the application material supporting paragraph 59 clarify that management's going concern assessment for interim financial information need not be performed or documented to the same extent. Consistent with the principles in ISA 570 (Revised) paragraph A35, a less extensive assessment may be appropriate where there are no identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. It should also be made clear that the auditor is not responsible for rectifying deficiencies in management's analysis, while retaining responsibility to evaluate whether the going concern basis of accounting remains appropriate.

We are also concerned that certain aspects of the proposals may blur the distinction between a limited assurance review engagement and a reasonable assurance audit engagement. In particular, additional clarification would be helpful regarding the nature and extent of procedures expected when evaluating management's mitigation plans, assessing whether a material uncertainty may exist and determining whether sufficient appropriate evidence has been obtained. The final version of ED-2410 should enhance clarity that these requirements are not intended to require audit-level procedures or reasonable assurance in relation to going concern.

We also note that, while ED-2410 incorporates a number of concepts drawn from ISA 570 (Revised), it does not provide the same level of guidance on identifying and evaluating events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Accordingly, it may be unclear how the auditor is expected to assess whether a material uncertainty may exist or whether management's use of the going concern basis remains appropriate in the context of an interim review engagement. We therefore suggest that the IAASB provide additional guidance on the application of these concepts in an interim review engagement, including how the auditor's evaluation is expected to differ from that performed in an audit of financial statements under ISA 570 (Revised).

Further to this, we would also suggest that the IAASB reconsider whether management should be required to extend its assessment to at least twelve months from the date of approval of the interim financial information in all circumstances. A more proportionate approach may be to require such an extension when events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern.

To support consistent application in practice, we propose the following enhancements:

- **Paragraph 61** should be supported by guidance or application material addressing circumstances in which management is unwilling to update or extend its assessment.
- **Paragraph 62 (b)** may be revised to specifically refer to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, for consistency with paragraph A110.

- **Paragraph 63** should clarify that it applies to events or conditions identified in prior annual or interim assessments that remain unresolved at the interim review date. The application material could also explain how the auditor updates existing knowledge in such circumstances, including whether changes in conditions, management's plans, or other relevant factors require the auditor to revisit previous assessments of the likely outcomes of those plans and management's intent and ability to implement them. More specifically, **Paragraph 63(c)** requires the auditor to "consider performing other procedures as necessary in the circumstances regarding management's plans" when events or conditions are identified that may cast significant doubt on the entity's ability to continue as a going concern. While paragraph A112 provides examples of such procedures, further clarification would be helpful regarding the expected nature and extent of the auditor's work effort in an interim review engagement.
- **Paragraph 64** should include additional application material on situations involving insufficient evidence or multiple uncertainties whose interaction may prevent the auditor from forming a conclusion.

13.	Do you agree with the proposals to introduce a new separate section relating to going concern in the auditor’s interim review report? If not, please explain your reasons and provide suggestions for how ED-2410 should address transparency about going concern in the interim review report. *(See Section I-H, paragraphs 74-79 in the EM)*

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

Detailed comments (if any):

While there is support for enhancing transparency about going concern in the interim review report and for a separate Going Concern section, concerns were also raised that mandatory reporting in every interim review report could widen the expectation gap and imply a level of work beyond that performed in a limited assurance engagement.

In principle, we support enhanced transparency about going concern in the interim review report and agree that a separate Going Concern section may improve visibility and consistency with annual audit reporting. However, the reporting language should be carefully anchored to the limited assurance nature of the engagement and the review procedures performed, as there is a risk that users may interpret explicit going concern statements as indicating work comparable to that performed in an audit or as extending conclusions reached in the auditor's report on the annual financial statements.

In view of the above, we therefore propose that the IAASB reconsider whether explicit going concern statements are necessary in every interim review report. Any enhancement proposed in the ED-2410 should improve transparency without creating an expectation that audit-level procedures have been performed or that the auditor is providing a higher level of assurance than is intended in a limited assurance engagement. In the event the IAASB proceeds with the requirement, we would suggest the IAASB also consider that such enhanced reporting should only be required in circumstances involving a material uncertainty related to going concern or significant going concern disclosures.

In particular:

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

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

Detailed comments (if any):

We do not support the proposed required statements as currently drafted. In our view, the statements risk implying a level of assurance and work effort that exceeds what may normally be provided in a limited assurance engagement. In particular, referring to whether a material uncertainty "exists" may be interpreted as conveying a form of conclusion that is more consistent with reasonable assurance than limited assurance.

We nevertheless support the objective of enhancing transparency regarding going concern in the interim review report. If the IAASB retains the requirement for specific going concern reporting, we believe the wording should be reframed using clear language that is explicitly linked to the review procedures performed and the limited assurance nature of the engagement.

The wording should instead be clarified to indicate that, in the context of the review and based on procedures that are less extensive than those performed in an audit, nothing has come to the auditor's attention that causes the auditor to believe that management's use of the going concern basis is inappropriate or that a material uncertainty may exist, such as:

“In the context of our review of the interim financial information, and in forming our conclusion thereon based on the review procedures performed, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention that causes us to believe that management's use of the going concern basis of accounting in preparing the interim financial information may be inappropriate or to indicate that a material uncertainty may exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.”

The prominence and placement of these statements should also be carefully considered so that they do not unintentionally imply a work effort that is beyond limited assurance.

(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):

We generally agree that the proposed scenarios are broadly comprehensive. However, we are concerned about the operability of paragraph 109, particularly the requirement to refer to the prior annual financial statements and auditor's report whenever a material uncertainty related to going concern was reported at year-end.

In our view, interim reporting should focus primarily on conditions, uncertainties and disclosures relevant at the interim reporting date. Accordingly, reference to going concern reporting in the most recent annual auditor's report should be required only when it remains relevant to understanding current-period circumstances.

As such, paragraph 109(c) should not require a reference to the prior annual financial statements and auditor's report merely because a material uncertainty was reported at year-end. If the uncertainty remains at the interim reporting date, the current interim disclosures and the requirements of paragraph 110 should apply. If the uncertainty has been resolved, a mandatory reference to the prior report may place undue emphasis on historical conditions that are no longer relevant to users' understanding of the entity's current financial position and circumstances.

We also suggest that the IAASB consider whether the requirements in paragraphs 109 and 110 could instead be consolidated to reduce repetition and improve understandability. The consolidated requirement could address circumstances where events or conditions identified during the interim period give rise to material uncertainty related to going concern that has been appropriately disclosed by management. It should also include references to the relevant interim financial information disclosures, any material uncertainty reporting in the most recent annual audit report where relevant, the statement that the interim review conclusion is not modified and relevant the statements currently set out in paragraph 108.

In addition, the IAASB may consider additional application material to address circumstances involving a predecessor auditor, instances of multiple uncertainties of which only some remain unresolved, resolution of a previously reported material uncertainty, and management's appropriate use of a basis of accounting other than going concern, such as a liquidation basis. The application material should explain how the interim review report is affected in these circumstances and emphasise that the reporting objective is to communicate matters relevant to the current interim period rather than to present the review report as an update of the prior annual auditor's report.

(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 comments below**

Detailed comments (if any):
We agree with the proposed approach. We would, however, suggest the IAASB consider clarifying the rationale for requiring an explicit statement that *“Our conclusion is not modified in respect of the matter”* under paragraph 111. As ISA 570 (Revised 2024) does not require an equivalent statement that the audit opinion is not modified when reporting a going concern matter that does not constitute a material uncertainty (i.e., a “close call”), further explanation of the requirement in ED-2410 would be helpful to support consistent application.

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 are supportive of the proposed new report structure, including presenting the conclusion first, and agree that greater consistency with the auditor's report on the annual financial statements should improve familiarity and navigation for users. We also support the decision not to include a section analogous to Key Audit Matters as the nature and extent of procedures performed in a limited assurance engagement do not provide a sufficient basis for such reporting.

We are of the opinion that a Key Audit Matters-style section would not be appropriate because inquiries, analytical procedures and other review procedures do not provide a comparable basis for identifying and communicating matters of most significance in the engagement.

Notwithstanding the above, we have the following suggestions for the IAASB's consideration:

- **Paragraph 95(c)(iii)** may be amended to refer to interim financial information *"that has been reviewed"*.
- The final standard should retain the requirement that the report refer to the ISRE only when the report complies with the reporting requirements of the standard.
- The final standard should retain the condition that an Emphasis of Matter paragraph is included only when sufficient appropriate evidence has been obtained that the matter is not likely to be materially misstated.

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: **Yes, with comments below**

Detailed comments (if any):

We generally agree with the proposal; however, we note that there may be practical issues arising from the proposed approach, particularly for interim financial information prepared in accordance with IAS 34 or equivalent frameworks. Differing interpretations of whether the applicable framework is a fair presentation or compliance framework could lead to diversity and inconsistency in the form of the auditors' review conclusion.

We propose that the IAASB develop additional application material and illustrative examples, in consultation with the IASB, explaining the factors relevant to classification and the expected form of conclusion for common IAS 34 scenarios. In particular, the illustrative guidance could provide clarity on how auditors determine whether a framework is a fair presentation or compliance framework, including consideration of the wording and characteristics of the framework, requirements for additional disclosures, and whether departure from a requirement may be necessary to achieve fair presentation.

We would also suggest that paragraph A151 include IAS 34 as an example of an applicable financial reporting framework, and references to IFRS Accounting Standards should clearly encompass IAS 34 where applicable.

In Malaysia, where listed issuers commonly prepare interim financial information under MFRS 134, differing interpretations of the framework classification could result in inconsistent reporting between firms. For example, following an auditor rotation, the incoming auditor may adopt a different wording of conclusion from the outgoing auditor despite no change in the entity's reporting framework or circumstances, potentially confusing users.

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):

The following are proposed refinements to improve the clarity, consistency and operability of ED-2410 for the IAASB's consideration:

Scope and Definitions

- Paragraph 1 should clarify that financial statements audited for a period shorter than twelve months, such as a first reporting period or a "stub period" arising from a transaction, may constitute the relevant annual financial statements for the purposes of the standard. As drafted, the reference to the auditor of the entity's "annual financial statements" could be interpreted as excluding auditors appointed to audit a period of less than one year, notwithstanding that such financial statements may serve as the entity's annual financial statements in practice.
- Paragraph 2 should clarify the intended application of "other historical financial information", including the types of information within scope and whether a complete set of annual financial statements is excluded. Additional explanation would help distinguish engagements within the scope of ED-2410 from other assurance engagements.
- Paragraph 13(e) should clarify that financial information prepared for a period of less than one year that is subject to audit may constitute the relevant annual financial statements for purposes of ED-2410. For example, where an entity's first audited reporting period is shorter than twelve months, the auditor of those financial statements should be eligible to perform interim review engagements for subsequent interim periods.
- Definitions of "auditor", "engagement team", "professional skepticism" and "professional judgment" should be included, and the definition of engagement team should address component auditors where applicable.

Engagement Acceptance and Responsibility of Engagement Partner

- Paragraph 23 should require the engagement partner to take overall responsibility for the interim review report being appropriate in the circumstances, consistent with the approach in paragraph 25(c) of ISRE 2400. We therefore suggest the following is added to paragraph 23:

  (d) The auditor's interim review report being appropriate in the circumstances:

- Consistent with the above, paragraph A29(d) should be moved to the requirements section to support this responsibility.
- Paragraph 28 should prohibit acceptance of the engagement when the auditor has reason to believe that relevant ethical requirements, including independence, will not be satisfied.
- Paragraph 36 should be aligned with other IAASB standards by using the phrase "*when there is no reasonable justification for doing so*."
- Inclusion of an illustrative engagement letter in the final standard, similar to the extant ISRE 2410, would also be helpful in promoting consistent application.

Review Procedures

- The requirements and application material for analytical procedures should distinguish review analytical procedures from substantive analytical procedures and explain when the outcomes of analytical procedures may trigger further inquiry or additional procedures.

In particular:

- Paragraph 13(a): While we acknowledge that the definition of analytical procedures in ED-2410 aligns with the definition in ISRE 2400 (Revised), we suggest that the IAASB consider the revisions made in proposed ISA 520 (Revised), Analytical Procedures, regarding the distinction between analytical procedures and substantive analytical procedures. We recommend adding application material to clarify that analytical procedures performed in an interim review engagement are review procedures and are not required to meet the requirements applicable to substantive analytical procedures in an audit.
- Paragraph 45(d) should address new significant accounting estimates in addition to changes in existing estimates. As drafted, the focus on changes in methods, assumptions and data may not clearly capture significant estimates arising for the first time during the interim period.
- Paragraph 45(g) should address remedial actions taken in response to significant deficiencies in internal control. Consideration should be given to requiring inquiry regarding significant deficiencies identified by management or the auditor and any actions taken to address those deficiencies.
- Paragraph 45(k) should be framed within significant, unusual or complex transactions or matters rather than as a standalone inquiry regarding significant journal entries. As currently drafted, the requirement may be interpreted more broadly than intended and create uncertainty regarding its scope. We would suggest consolidating this requirement with the requirement in 45(e) in relation to significant, unusual or complex transactions or matters that have affected the financial statements.
- Paragraph 46 may be revised for drafting clarity by stating*:* "When designing analytical procedures, the auditor shall consider whether the information to be used is adequate ~~for that purpose~~ *for the purpose of performing the analytical procedures."*

- Paragraph 48 should clarify that the auditor considers matters that have come to the auditor's attention during the interim review engagement when evaluating whether the interim financial information may be materially misstated. The current reference to "anything" may lead to inconsistent interpretations regarding the scope of the requirement and the basis of the auditor's knowledge. We would propose the following revision: “The auditor shall read the interim financial information, and consider whether there is anything *that has come to the auditor’s attention in the course of the interim review engagement* that causes the auditor to believe that….”

- Paragraph 49(b) should condition related party disclosure inquiries on disclosure being required by the applicable financial reporting framework, as not all frameworks require related party disclosure. We suggest revising as follows: “Whether related party transactions have been appropriately accounted for and disclosed in the interim financial information *when required by the appropriate financial reporting framework.”*

- Paragraph A74 could be refined by separating significant deficiencies in internal control from significant financial accounting and reporting matters of continuing significance, as these matters are distinct in nature and may warrant separate consideration. The IAASB may also consider clarifying the reference to uncorrected misstatements for consistency with terminology used elsewhere in the standard.

- Paragraph A87 should clarify the meaning of the last sentence in the paragraph, which states that the auditor's use of technological tools to perform analytical procedures does not change the auditor's intended purpose in performing those procedures.

- Paragraph A98 should explain that the reliability of information used in analytical procedures may be evaluated in a manner similar to information used for risk assessment procedures, rather than implying that controls would ordinarily be considered in a review engagement. Reference to controls in this context may inadvertently imply a level of work effort more commonly associated with an audit.

- Paragraph A111 focuses primarily on management's intent and does not address the other matters required by paragraph 63(b), namely the feasibility of management's plans, the likelihood of successful implementation and management's ability to carry out those plans. Additional guidance on these matters would support more consistent application in the context of a limited assurance engagement.

Written Representations, Reporting and Comparative Information

- Written representation requirements should be aligned with the related inquiry requirements, use terminology consistent with the fraud requirements, and address whether subsequent events have been appropriately adjusted or disclosed in the interim financial information.

In particular:

- Paragraph 76(d) should refer to internal control established to prevent or detect fraud or error, consistent with the wording used elsewhere in the standard.

- We recommend aligning the requirements in paragraph 76(e)(ii)-(iii) with the terminology used in the fraud requirements, as paragraph 52 refers only to "fraud or suspected fraud" while paragraph 76 refers to "allegations of fraud". The IAASB should use consistent terminology throughout the standard, either by incorporating “allegations” where intended or by aligning paragraph 76 with ISA 240 (Revised) terminology, to improve clarity and avoid differing interpretations of the auditor's responsibilities.
- Paragraph 88 should require consideration of implications for both the interim review report and the engagement where management refuses to correct a material misstatement of other information. The application material discusses the implications for both the interim review report (paragraph A135) and the engagement overall (paragraph A136); however, paragraph 88 only refers to the implications on the engagement. We would suggested the following edit:

  “If the auditor becomes aware that a material misstatement of the other information exists, and management refuses to correct the other information, the auditor shall consider the implications for the ~~engagement~~ *interim review report and the engagement.*”
- Paragraph 91 should be aligned with the form of limited assurance conclusion expressed in the interim review report.
- Paragraph A62 should not imply that communications required by paragraph 57 are optional. The examples may inadvertently suggest that communication of fraud, suspected fraud, NOCLAR or suspected NOCLAR to those charged with governance is discretionary. We therefore propose better positioning these examples to align with the requirements of paragraph 57.
- Additional application material could also address comparative information that was not previously reviewed or was reviewed by a predecessor auditor.

Editorial and Drafting Comments

- Paragraph 11(a) should refer to *“the applicable financial reporting framework”*.
- Paragraphs 21 and 23(a) should consistently use the term *“interim review engagement”* rather than *“engagement”*.
- Paragraph 34(e) should clarify that the auditor will not express an opinion on the interim financial information. We suggest this requirement is revised to say “A statement that the engagement is not an audit, and that the ~~practitioner~~ *auditor* will not express an opinion on the interim financial information”
- Paragraph 45(c) should refer to new transactions or events. We suggest adding “Whether any new transactions *or events* have necessitated…” as we feel this should not be limited to only transactions.
- Paragraph 76(e)(ii)-(iii) should be aligned with the terminology used in ISA 240 (Revised).
- Paragraph 88 should refer to implications for both the interim review report and the engagement.
- Consider whether paragraphs A17 and A18 are necessary given the auditor's existing familiarity with the IESBA Code.

We also encourage the IAASB to provide additional implementation guidance on the application of the "sufficient appropriate evidence" concept in a limited assurance engagement, including examples illustrating:

- when inquiry and analytical procedures alone may be sufficient;
- when additional review procedures may be necessary; and
- when limitations in obtaining evidence may result in a modified conclusion

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: **Yes, see comments on translation below**

Detailed comments (if any):
We have not identified specific translation issues. However, we consider that particular care may be required when translating concepts such as "limited assurance", "sufficient appropriate evidence", "material uncertainty" and the "going concern basis of accounting" so that the distinction between a review engagement and an audit engagement is capable of being maintained across jurisdictions.

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 comments below**

Detailed comments (if any):
We are supportive of an implementation period of approximately 18 months after approval. This should provide sufficient time for translation, adoption, methodology and tool updates, and training. We also agree that an effective date based on "*periods beginning on or after 15 December [year]*" would allow entities preparing quarterly interim financial information to apply the same standard consistently throughout a calendar reporting cycle.

If the standard is approved by June 2027, an effective date for periods beginning on or after 15 December 2028 would be appropriate. If approval occurs later, the effective date should be deferred to periods beginning on or after 15 December 2029.

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: **Yes, with comments below**

Detailed comments (if any):

We would propose that the IAASB and IESBA consider clarifying within the IESBA Code that Section 405 applies to group review engagements, including group interim reviews. Although paragraph 400.2 explains that Part 4A applies to both audit and review engagements unless otherwise stated, the references to ISA 600 (Revised) within Section 405 may create ambiguity about whether group interim reviews fall within its scope.

In particular, paragraph 405.2 A1, or related application material, could be modified to clarify that Section 405 applies when a group review, including a group interim review under ISRE 2410 (Revised), involves component auditors.

Further clarification would also be helpful on the interaction between the annual audit and interim review where ethical requirements may already have been, or will be, addressed as part of the annual audit. This should include explaining whether and how matters considered for the annual audit are applied again in the interim review, including the fee disclosure provisions in Section 410. Such clarification would promote consistent application while recognising that the interim review remains a separate assurance engagement.

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 comments below**

Detailed comments (if any):
In general, we consider the application broadly clear but would suggest further clarification or guidance on Section 360 in the context of an interim review. As the review is performed by the auditor of the annual financial statements and is closely connected with the audit, practitioners may not intuitively distinguish between the provisions applicable to review engagements and those applicable to audits.

The Explanatory Memorandum indicates that paragraphs R360.29–360.40 A1 apply to the interim review rather than the audit provisions in paragraphs R360.10–360.28 A1. Any further guidance should state this distinction prominently and explain why it applies notwithstanding that the practitioner is also the entity's annual auditor.

Such guidance should also explain the application of Section 360 when NOCLAR or suspected NOCLAR comes to the auditor's attention during an interim review engagement, including the interaction with the annual audit and the application of the provisions in group engagements involving component teams.

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.