

2021

Feedback Paper

ISRE (Ireland) 2410
Review of Interim Financial
Information Performed by
the Independent Auditor of
the Entity

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Mission

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest.

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1. Summary

Following public consultation, IAASA is issuing ISRE (Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

The standard is effective for reviews of interim financial information for periods commencing on or after 15 December 2021, with early adoption permitted.

2. Responses received

IAASA received 4 responses, as listed below – one from a recognised accountancy body and three from audit firms. The full responses are available [here](#) on the IAASA website.

1. Chartered Accountants Ireland (CAI)
2. EY
3. KPMG
4. PwC

3. Matters on which IAASA consulted and summary of responses

A summary of the responses received to the specific questions asked in the consultation and, where relevant, IAASA's response are set out below.

No.	Matters on which IAASA consulted
1.	Do you agree with IAASA's intention to adopt ISRE (Ireland) 2410, <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i> ? If not, please give your reasons and describe any alternatives that you wish IAASA to consider.
Summary of Responses	All respondents agreed with IAASA's proposal to adopt ISRE (Ireland) 2410. One respondent identified two paragraphs in the proposed standard that, in their view would benefit from further clarification. <ul style="list-style-type: none">• In their view, the statement in paragraph 8-1 that "auditors may wish to refer to the requirements and application material contained within ISA (Ireland) 570" may create an unrealistic expectation of the work undertaken in a review engagement. They also expressed the view that guidance on how to adapt the material in ISA (Ireland) 570 as required for a review engagement would be helpful to ensure consistent application of the standard.

- They stated that the procedures required by paragraph 27-1 in relation to management’s going concern assessment are closely aligned to audit procedures and inconsistent with the type of procedures undertaken elsewhere in an interim review. They believe that the requirements will be inconsistently applied in practice and suggested that the requirements would benefit from a clarification that they are based on the interim review procedures in paragraphs 19 – 21.

Another respondent noted that the consultation paper referred to the FRC’s indication that it has postponed a full revision of ISRE (UK) 2410 pending the outcome of the UK government’s recent consultation on “Restoring Trust in Audit and Corporate Governance”. They encouraged IAASA to consider and consult on any revisions to ISRE (Ireland) 2410 given the potential divergence in requirements between the UK and Ireland arising from the UK review.

IAASA Response In respect of the views of one respondent expressing reservations regarding the content of the standard:

- Para 8-1 does not impose an additional requirement on auditors. Rather, it is a suggestion that auditors who require additional guidance may wish to refer to the requirements and application material in ISA (Ireland) 570, modifying them as necessary for a limited review engagement. The procedures that an auditor must perform in relation to going concern are detailed elsewhere in the standard (in particular paragraphs 27 to 27-2) and IAASA considers that these should be sufficient to ensure a consistent approach to this topic by auditors.
- Auditors must use their professional judgement to determine the nature and extent of the review procedures required to meet the risks identified in an interim review engagement, including those related to going concern. It is not expected that this will lead to an ‘audit’ level of work in the vast majority of cases. A footnote has been added to paragraph 27-1 to clarify that the auditor’s understanding of the entity is that obtained in accordance with paragraphs 12 to 18 (‘Understanding the Entity and its Environment, Including its Internal Control’).

As always, IAASA will consider whether any further changes to the UK standard by the FRC are appropriate for Ireland, particularly those that are made to reflect changes in UK legislation. IAASA will engage in consultation with relevant stakeholders if it is proposed to make substantive amendments to ISRE (Ireland) 2410.

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2. In the context of IAASA’s policy to make minimal amendments to the UK standards, are there any provisions in the proposed standard that conflict with Irish or EU law?
If so, please:
- identify the relevant legal provisions;
 - give reasons for your view; and
 - describe how you believe these matters should be addressed in ISRE (Ireland) 2410.

Summary of Responses No respondent identified a potential conflict with Irish or EU law.

3. In the context of IAASA’s policy to make minimal amendments to the UK standards, are there any areas where there are distinct differences between the Irish and UK markets which would impact on the applicability of the proposed standard in Ireland?
If so, please:
- i. give your reasons;
 - ii. identify the market sectors, audited entities etc. in Ireland impacted by the proposed standard; and
 - iii. describe how you believe these matters should be addressed in ISRE (Ireland) 2410.

Summary of Responses	No respondent identified any market differences impacting on the applicability of the standard in Ireland.
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4. Is the proposed effective date, i.e. for reviews of interim financial information for periods commencing on or after 15 December 2021, appropriate?
If not, please give reasons and indicate the effective date that you would consider appropriate.

Summary of Responses	Three respondents were in agreement with the effective date. One respondent was of the view that it provides too short a lead in time for companies and their auditors.
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IAASA Response	Given the withdrawal of ISRE (UK and Ireland) 2410, IAASA considers that it is in the public interest to have an assurance standard tailored for Irish auditors undertaking reviews of interim financial statements with an effective date that is consistent with the changes made by the FRC. It is not anticipated that the new standard will require additional work for the entities concerned. The standard is effective for reviews of interim financial information for periods commencing on or after 15 December 2021, with early adoption permitted.
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4. Conclusion

Following the consultation and having regard to the responses received, IAASA is adopting ISRE (Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. The final standard can be found [here](#).

A short presentation setting out the key features of the new standard is available [here](#).

The effective date is for reviews of interim financial information for periods commencing on or after 15 December 2021, with early adoption permitted.



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