

Standards Newsletter

Irish Auditing & Accounting Supervisory Authority



Welcome to the June 2023 edition of our standards newsletter. It provides the latest news and information about IAASA's auditing and assurance standards projects.

In this edition you'll find information on the revision of ISA (Ireland) 600 for group audits, updates to the CEA guidance note, ethics for auditors in Ireland, proposed revisions to ISA (UK) 505 and international developments.

We hope you find it informative and helpful.

All Irish standards are available on our website.
[\[iaasa.ie/auditing-and-assurance-standards/\]](https://iaasa.ie/auditing-and-assurance-standards/)

Highlights

ISA (IRELAND) 600 (REVISED FEBRUARY 2023) AUDITS OF GROUP FINANCIAL STATEMENTS

UPDATING OF GUIDANCE NOTE ON AUDITOR REPORTING TO THE CEA

ETHICS FOR AUDITORS IN IRELAND

PROPOSED REVISIONS TO ISA (UK) 505 EXTERNAL CONFIRMATIONS

INTERNATIONAL DEVELOPMENTS

June 2023

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ISA (IRELAND) 600 (REVISED FEBRUARY 2023) SPECIAL CONSIDERATIONS - AUDITS OF GROUP FINANCIAL STATEMENTS (INCLUDING THE WORK OF COMPONENT AUDITORS)

In February we issued a revised version of ISA (Ireland) 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors) and related conforming amendments.

The revised standard is effective for audits of financial statements for periods beginning on or after 15 December 2023, with early adoption permitted.

The main changes relate to:

- Clarification of ISA 600's scope and links to other ISAs
- Adoption of a risk-based approach
- Quality management
- Communication and documentation
- Professional scepticism
- Scalability and component auditor involvement



The revised standard and related conforming amendments are available on our website.

A video on the key changes is also available on IAASA's [YouTube channel](#).

UPDATES TO GUIDANCE NOTE 01/2019 THE DUTY OF AUDITORS TO REPORT TO THE CORPORATE ENFORCEMENT AUTHORITY

We recently updated the guidance note on Reporting to the Corporate Enforcement Authority, which was originally published in 2019. Changes have been made to references to company law in the guidance note arising from the Companies (Corporate Enforcement Authority) Act 2021. Updated references to ISAs and other relevant legislation have also been made.

The updated guidance note is available on our website.

[Click for Guidance
Note 01/2019](#)



ETHICAL STANDARD FOR AUDITORS (IRELAND)

Statutory auditors in Ireland must comply with the Ethical Standard for Auditors (Ireland) issued by IAASA. The current version of the standard was issued in November 2020 and is available on the auditing standards section of IAASA's website.

The Ethical Standard of Auditors (Ireland) is based on the UK Ethical Standard issued by the Financial Reporting Council (FRC). It is designed to reflect the principles of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants.

IESBA have made several revisions since 2020, including changes to the definition of public interest entity and to the technology related provisions of the Code.

The FRC recently indicated intentions to revise the UK Ethical Standard. It is expected that the revisions will include changes to reflect recent amendments to the IESBA Code. When the final version of the revised UK Ethical Standard is issued, we will review it to consider whether to adopt it in Ireland, and to identify any changes required to reflect Irish legislation and market conditions. We will consult on any significant changes before revising the Irish standard. We expect any consultation required will take place during 2024.

In the meantime, Irish auditors must continue to comply with the Ethical Standard for Auditors (Ireland), November 2020 edition.

FRC CONSULTATION ON REVISIONS TO ISA (UK) 505 EXTERNAL CONFIRMATIONS

The FRC recently issued a consultation on proposed revisions to ISA (UK) 505 External Confirmations. The proposals include more material on the use of digital platforms, strengthened requirements for investigating exceptions and a ban on negative confirmations.

IAASA policy is to adopt the UK standards for use in Ireland, with changes for Irish law and market conditions where necessary. When the final standard is issued in the UK, IAASA will consult on its adoption in Ireland and any changes that may be required to adapt it for use here.

INTERNATIONAL DEVELOPMENTS

CONSULTATIONS BY THE INTERNATIONAL STANDARD SETTING BOARDS

Since the start of the year, IAASA has submitted responses to three consultations by the International Auditing and Assurance Standards Board (IAASB) and IESBA, which related to:

- IAASB Strategy and Work Plan 2024-2027
- Technology-related revisions to the IESBA Code
- Proposed Part 10 (Groups) of the ISA for Less Complex Entities

We are also drafting responses to the following consultations:

- IESBA Strategy & Work Plan 2024-2027
- Revisions to ISA 570 Going Concern

All IAASA comment letters are published on its website.

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ASSURANCE OF SUSTAINABILITY REPORTING

Under the EU Corporate Sustainability Reporting Directive (CSRD), large public companies will have to report on sustainability information from 2024. The CSRD also requires that an independent auditor or accredited independent certifier provides limited assurance on that information.

The Department of Enterprise Trade and Employment is currently transposing the CSRD into Irish law and is holding a webinar to provide an update on this topic from 3.00pm to 4.00pm on Tuesday 4 July.

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There are currently no standards applicable to the assurance of sustainability reporting under the CSRD.

The IAASB plans to consult on its proposed standard ISSA 5000: 'General Requirements for Sustainability Assurance Engagements' in the coming months. It has engaged with a range of stakeholders in developing its proposals, including the European Commission. The proposed standard is intended to be used worldwide, by both auditors and independent assurance providers, and to apply to any sustainability reporting framework.

IAASA will continue to monitor developments in this area and update stakeholders as required.