

2026

**PROPOSED NARROW SCOPE  
REVISIONS**  
JANUARY 2026

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Public trust and confidence in quality auditing and accounting



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Upholding quality corporate reporting and an accountable profession

## Our Values



### Excellence

Striving to be  
the best we  
can be



### Independence

Regulating  
impartially and  
objectively



### Integrity

Being  
trustworthy and  
respectful

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

## Table of Contents

ISA (Ireland) 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (Ireland)	2
ISA (Ireland) 210 Agreeing the Terms of Audit Engagements	5
ISA (Ireland) 220 Quality Management for an Audit of Financial Statements	6
ISA (Ireland) 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	7
ISA (Ireland) 260 Communication with Those Charged with Governance	8
ISA (Ireland) 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	14
ISA (Ireland) 315 Identifying and Assessing the Risks of Material Misstatement	16
ISA (Ireland) 510 Initial Audit Engagements - Opening Balances	17
ISA (Ireland) 570 Going Concern	18
ISA (Ireland) 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)	19
ISA (Ireland) 700 Forming an Opinion and Reporting on Financial Statements	20
ISA (Ireland) 701 Communicating Key Audit Matters in the Independent Auditor's Report	27
ISA (Ireland) 705 Modifications to the Opinion in the Independent Auditor's Report	28
ISA (Ireland) 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	29
ISA (Ireland) 710 Comparative Information - Corresponding Figures and Comparative Financial Statements	30
ISA (Ireland) 720 The Auditor's Responsibilities Relating to Other Information	31
ISA (Ireland) 800 Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	35
ISA (Ireland) 805 Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	37
ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements	39
ISQM 2 Engagement Quality Reviews	47

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**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 200**

**OVERALL OBJECTIVES OF THE INDEPENDENT AUDITOR  
AND THE CONDUCT OF AN AUDIT IN ACCORDANCE WITH  
INTERNATIONAL STANDARDS ON AUDITING (IRELAND)**

**Introduction**

**An Audit of Financial Statements**

- 9A. Some of the requirements set out in the ISAs (Ireland) are applicable only to audits of financial statements of publicly traded entities, reflecting significant public interest in the financial condition of these entities due to the potential impact of their financial well-being on stakeholders. (Ref: Para. A13A–A13B)
- 9B. Stakeholders have heightened expectations regarding an audit engagement for a publicly traded entity because of the significance of the public interest in the financial condition of the entity. The purpose of the requirements in the ISAs (Ireland) that apply to audits of financial statements of publicly traded entities is to meet these expectations, thereby enhancing stakeholders' confidence in the entity's financial statements that can be used when assessing the entity's financial condition. (Ref: Para. A13A–A13E)

**Definitions**

13. For purposes of the ISAs (Ireland), the following terms have the meanings attributed below ...
- (l) Professional skepticism – An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.
  - (l)B Publicly traded entity – An entity that issues financial instruments that are transferrable and traded through a publicly accessible market mechanism, including through listing on a stock exchange. A listed entity as defined by relevant securities law or regulation is an example of a publicly traded entity. For purposes of the ISAs:
    - (i) If law, regulation or professional requirements define more explicitly a publicly traded entity in a specific jurisdiction, the auditor applies that more explicit definition. For example, law, regulation or professional requirements may define publicly traded entities for purposes of defining entities that are considered public interest entities, by making reference to specific public markets for trading securities, incorporating exemptions for specific types of entities, or setting size criteria.
    - (ii) When terms other than publicly traded entity are applied to entities by law, regulation or professional requirements to meet the purpose described in paragraphs 9A and 9B, such terms are regarded as equivalent to “publicly traded entity”.
  - (m) Reasonable assurance – In the context of an audit of financial statements, a high, but not absolute, level of assurance.

**Application and Other Explanatory Material**

**An Audit of Financial Statements**

*Public Interest in the Financial Condition of an Entity (Ref: Para. 9A-9B)*

- A13A. The auditor may determine that there are entities other than publicly traded entities where stakeholders have heightened expectations regarding the audit engagement, reflecting significant public interest in the financial condition of those entities. Therefore, the auditor may also apply one or more requirements set out in an ISA (Ireland) for audits of financial statements of

## **PROPOSED NARROW SCOPE REVISIONS**

### **JANUARY 2026**

publicly traded entities to the audits of such other entity(ies). Paragraphs A13B–A13E may be relevant in this regard.

A13B. The extent of public interest in the financial condition of an entity may, for example, be affected by:

- The nature of the business or activities, such as taking on financial obligations to the public as part of the entity's primary business.
- Whether the entity is subject to regulatory supervision designed to provide confidence that the entity will meet its financial obligations.
- Size of the entity.
- The importance of the entity to the sector in which it operates including how easily replaceable it is in the event of financial failure.
- Number and nature of stakeholders including investors, customers, creditors and employees.
- The potential systemic impact on other sectors and the economy as a whole in the event of financial failure of the entity.

A13C. Law, regulation or professional requirements, including relevant ethical requirements, may define or designate an entity(ies) as a "public interest entity" or may use terms other than "public interest entity" to describe entities in which there is a significant public interest in their financial condition. For example, the IESBA Code has identified certain categories of public interest entity, including:

- A publicly traded entity,
- An entity one of whose main functions is to take deposits from the public, or
- An entity one of whose main functions is to provide insurance to the public.

A13D. In addition, those responsible for setting law, regulation or professional requirements may also designate categories of "public interest entities". Depending on the facts and circumstances in a specific jurisdiction, such categories may include:

- Pension funds.
- Collective investment vehicles.
- Private entities with large numbers of stakeholders (other than investors).
- Not-for-profit organizations or governmental entities.
- Public utilities.

A13E. The auditor may also consider the following factors in determining whether to apply one or more requirements in an ISA (Ireland) for audits of publicly traded entities to the audit of another entity(ies):

- Whether the entity is treated as a public interest entity for purposes of relevant ethical requirements, including those related to independence.
- Whether the entity is likely to become a publicly traded entity in the near future.
- Whether in similar circumstances, the auditor has applied the differential requirements for publicly traded entities to other entities.
- Whether the entity has been specified as not being a publicly traded entity by law, regulation or professional requirements.
- Whether the entity or other stakeholders requested the auditor to apply the differential requirements for publicly traded entities to the entity and, if so, whether there are any reasons for not meeting this request.

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

- The entity's corporate governance arrangements, for example, whether those charged with governance are distinct from the owners or management.
- Whether in similar circumstances, a predecessor auditor has applied differential requirements for publicly traded entities to the entity.

### **Scalability Considerations**

A65b. The considerations specific to smaller entities included in some ISAs (Ireland) have been developed primarily with entities other than publicly traded entities in mind. Some of the considerations, however, may be helpful in audits of smaller publicly traded entities.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 210  
AGREEING THE TERMS OF AUDIT ENGAGEMENTS**

**Application and Other Explanatory Material**

*Agreement of the Responsibilities of Management* (Ref: Para. 6(b))

- A12. The way in which the responsibilities for financial reporting are divided between management and those charged with governance will vary according to the resources and structure of the entity and any relevant law or regulation, and the respective roles of management and those charged with governance within the entity. In most cases, management is responsible for execution while those charged with governance have oversight of management. In some cases, those charged with governance will have, or will assume, responsibility for approving the financial statements or monitoring the entity's internal control related to financial reporting. In larger or more complex entities, a subgroup of those charged with governance, such as an audit committee, may be charged with certain oversight responsibilities.



**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 220  
QUALITY MANAGEMENT FOR AN AUDIT OF FINANCIAL  
STATEMENTS**

**Application and Other Explanatory Material**

*Relevant Ethical Requirements* (Ref: Para. 1, 16–21)

- A38. ISA (Ireland) 200 (Updated December 2018)<sup>1</sup> requires that the auditor comply with relevant ethical requirements, including those pertaining to independence, relating to financial statement audit engagements. Relevant ethical requirements may vary depending on the nature and circumstances of the engagement. For example, certain requirements related to independence may be applicable only when performing audits of publicly traded or public interest entities. ISA (Ireland) 600 (Revised February 2023) includes additional requirements and guidance to those in this ISA (Ireland) regarding communications about relevant ethical requirements with component auditors.

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<sup>1</sup> ISA (Ireland) 200 (Updated 2018), paragraphs 14 and A16–A19.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 240  
THE AUDITOR'S RESPONSIBILITIES RELATING TO  
FRAUD IN AN AUDIT OF FINANCIAL STATEMENTS**

**Requirements**

**The Auditor's Report**

40-1. As required by ISA (Ireland) 700 (Revised November 2020), the auditor's report for audits of public interest entities and publicly traded entities shall explain to what extent the audit was considered capable of detecting irregularities, including fraud<sup>11d</sup>. This explanation shall be specific to the circumstances of the audited entity and take account of how the auditor planned and performed procedures to address the identification and assessment of the risks of material misstatement.

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**Application and Other Explanatory Material**

Identification and Assessment of the Risks of Material Misstatement Due to Fraud

*Risks of Fraud in Revenue Recognition* (Ref: Para. 27)

A30. The risks of fraud in revenue recognition may be greater in some entities than others. For example, there may be pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition in the case of publicly traded entities when, for example, performance is measured in terms of year-over-year revenue growth or profit. Similarly, for example, there may be greater risks of fraud in revenue recognition in the case of entities that generate a substantial portion of revenues through cash sales.

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<sup>11d</sup> ISA (Ireland) 700 (Revised November 2020), *Forming an Opinion and Reporting on Financial Statements*, paragraph 29-1.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 260  
COMMUNICATION WITH THOSE CHARGED WITH  
GOVERNANCE**

Introduction

Scope of this ISA (Ireland)

1. This International Standard on Auditing (Ireland) (ISA (Ireland)) deals with the auditor's responsibility to communicate with those charged with governance in an audit of financial statements. Although this ISA (Ireland) applies irrespective of an entity's governance structure or size, particular considerations apply where all of those charged with governance are involved in managing an entity, and for publicly traded entities. This ISA (Ireland) does not establish requirements regarding the auditor's communication with an entity's management or owners unless they are also charged with a governance role.

Requirements

*Auditor Independence*

17. The auditor shall communicate with those charged with governance the relevant ethical requirements, including those related to independence, that the auditor applies for the audit engagement, including if applicable in the circumstances, any independence requirements specific to audits of financial statements of certain entities. (Ref: Para. A29)
18. The auditor shall communicate with those charged with governance a statement that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.<sup>1k</sup>
- 18A. For audits of financial statements of publicly traded entities, the statement required by paragraph 17 shall include:
  - (a) All relationships and other matters between the firm, network firms, and the entity that, in the auditor's professional judgment, may reasonably be thought to bear on independence. This shall include total fees charged during the period covered by the financial statements for audit and non-audit services provided by the firm and network firms to the entity and components controlled by the entity. These fees shall be allocated to categories that are appropriate to assist those charged with governance in assessing the effect of services on the independence of the auditor; and (Ref: Para A29A)
  - (b) In respect of threats to independence that are not at an acceptable level, the actions taken to address the threats, including actions that were taken to eliminate the circumstances that create the threats or applying safeguards to reduce the threats to an acceptable level. (Ref: Para. A30-A32)

The Communication Process

*Forms of Communication*

21. The auditor shall communicate in writing with those charged with governance regarding auditor independence as required by paragraph 17-18A and 18R-1.

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<sup>1k</sup> In Ireland, auditors are subject to ethical requirements from two sources: IAASA's Ethical Standard concerning the integrity, objectivity and independence of the auditor and the ethical pronouncements established by the auditor's relevant professional body. In the case of listed companies, IAASA's Ethical Standard, *Part B, Section 1 – General Requirements and Guidance*, paragraphs 1.54 to 1.62 address communication with those charged with governance.

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

### Application and Other Explanatory Material

#### *Auditor Independence* (Ref: Para. 17-18A)

A29. The auditor is required to comply with relevant ethical requirements, including those related to independence, relating to financial statement audit engagements<sup>2</sup> and to communicate with those charged with governance about the requirements the auditor applies. Relevant ethical requirements may:

- Establish independence requirements that are specific to audits of financial statements of certain entities specified in the relevant ethical requirements, such as the independence requirements for audits of financial statements of public interest entities in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). If applicable in the circumstances of the audit engagement, this ISA (Ireland) requires that the auditor also communicates with those charged with governance that the auditor applies such independence requirements.
- Require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities specified in the relevant ethical requirements.<sup>3</sup> ISA (Ireland) 700 (Revised) addresses the requirements for the auditor's report relating to the auditor's independence and the relevant ethical requirements the auditor applied.<sup>4</sup>
- Require or encourage the auditor to determine whether it is appropriate to apply independence requirements that are specific to audits of financial statements of certain entities to audits of financial statements of other entities not specified in the relevant ethical requirements.<sup>5</sup> If this is the case and the auditor is required to publicly disclose when the auditor applied such independence requirements, the auditor may discuss with management or those charged with governance whether there is a risk of misunderstanding the nature of the entity and any need for additional disclosure.

A29A. Relevant ethical requirements or law or regulation may also specify particular communications to those charged with governance for matters that may reasonably be thought to bear on independence. For example, the IESBA Code requires the auditor to communicate with those charged with governance information regarding fees,<sup>6</sup> including fees for sustainability assurance engagements, and the provision of non-assurance services for audit clients that are public interest entities.<sup>7</sup>

A29-1. In Ireland, auditors are subject to ethical requirements from two sources: IAASA's Ethical Standard concerning the integrity, objectivity and independence of the auditor,<sup>24a</sup> and the ethical pronouncements established by the auditor's relevant professional body.

A30. The communication about relationships and other matters, and how threats to independence that are not at an acceptable level have been addressed varies with the circumstances of the engagement and generally addresses the threats to independence,

<sup>23c</sup> Responsibility for ensuring the annual report is fair, balanced and understandable rests with the board as a whole, in accordance with Code provision 27. The board may ask the audit committee to provide advice on this, in accordance with Code provision 25.

<sup>2</sup> ISA (Ireland) 200 (Updated October 2023), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (Ireland)*, paragraph 14.

<sup>3</sup> See, for example, the public disclosure requirements in the IESBA Code, paragraphs R400.20-R400.21.

<sup>4</sup> ISA (Ireland) 700 (Revised), paragraph 28(c)

<sup>5</sup> See, for example, encouragement in the application material in the IESBA Code, paragraph 400.19 A1.

<sup>6</sup> See, for example, paragraphs R410.23-R410.28 of the IESBA Code.

<sup>7</sup> See, for example, paragraph R600.21-R600.23 of the IESBA Code.

<sup>24a</sup> IAASA's Ethical Standard, *Part B, Section 1 – General Requirements and Guidance*, paragraphs 1.54 to 1.62 address communication with those charged with governance.

## PROPOSED NARROW SCOPE REVISIONS

### JANUARY 2026

safeguards to reduce the threats, and measures to eliminate the circumstances that created the threats.

- A31. Relevant ethical requirements or law or regulation may also specify particular communications to those charged with governance in circumstances where breaches of independence requirements have been identified. For example, the IESBA Code requires the auditor to communicate with those charged with governance in writing about any breach and the action the firm has taken or proposes to take.<sup>8</sup>
- A32. The communication requirements relating to auditor independence that apply in the case of publicly traded entities and public interest entities may also be appropriate in the case of entities, other than publicly traded entities and public interest entities, including those where the auditor determines that there is significant public interest in the financial condition of those entities<sup>9</sup>. Examples of such entities may include financial institutions (such as banks, insurance companies, and pension funds), and other entities such as not for profit organisations.

#### The Communication Process

##### Considerations Specific to Smaller Entities

- A40. In the case of audits of smaller entities, the auditor may communicate in a less structured manner with those charged with governance than in the case of, for example publicly traded or larger entities.

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<sup>8</sup> See Section 290.39–49 of the IESBA Code, which addresses breaches of independence.

In Ireland, IAASA's Ethical Standard, *Part B, Section 1 – General Requirements and Guidance*, paragraph 1.54 requires the engagement partner to ensure that those charged with governance are “informed on a timely basis of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons.”

<sup>9</sup> ISA 200, paragraph A13A.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 265  
COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL TO  
THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT**

**Application and Other Explanatory Material**

**Significant Deficiencies in Internal Control** (Ref: Para. 6(b), 8)

- A9. Law or regulation in some jurisdictions may establish a requirement (particularly for audits of publicly traded entities) for the auditor to communicate to those charged with governance or to other relevant parties (such as regulators) one or more specific types of deficiency in internal control that the auditor has identified during the audit. Where law or regulation has established specific terms and definitions for these types of deficiency and requires the auditor to use these terms and definitions for the purpose of the communication, the auditor uses such terms and definitions when communicating in accordance with the legal or regulatory requirement.

**Communication of Deficiencies in Internal Control**

*Communication of Significant Deficiencies in Internal Control to Those Charged with Governance*  
(Ref: Para. 9)

- A12-1. In Ireland, where applicable, timely communication of significant deficiencies, in writing, to directors of publicly traded entities can assist them to comply with the provisions of the Irish Corporate Governance Code relating to internal control and reporting to shareholders.
- A13. In determining when to issue the written communication, the auditor may consider whether receipt of such communication would be an important factor in enabling those charged with governance to discharge their oversight responsibilities. In addition, for publicly traded entities in certain jurisdictions, those charged with governance may need to receive the auditor's written communication before the date of approval of the financial statements in order to discharge specific responsibilities in relation to internal control for regulatory or other purposes. For other entities, the auditor may issue the written communication at a later date. Nevertheless, in the latter case, as the auditor's written communication of significant deficiencies forms part of the final audit file, the written communication is subject to the overriding requirement<sup>10</sup> for the auditor to complete the assembly of the final audit file on a timely basis. ISA (Ireland) 230 states that an appropriate time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor's report.<sup>11</sup> ....
- A15. The level of detail at which to communicate significant deficiencies is a matter of the auditor's professional judgment in the circumstances. Factors that the auditor may consider in determining an appropriate level of detail for the communication include, for example:
- The nature of the entity. For instance, the communication required for a public interest entity may be different from that for an entity other than a public interest entity.
  - The size and complexity of the entity. For instance, the communication required for a complex entity may be different from that for an entity operating a simple business.
  - The nature of significant deficiencies that the auditor has identified.
  - The entity's governance composition. For instance, more detail may be needed if those charged with governance include members who do not have significant experience in the entity's industry or in the affected areas.
  - Legal or regulatory requirements regarding the communication of specific types of deficiency in internal control.

<sup>10</sup> ISA (Ireland) 230, *Audit Documentation*, paragraph 14.

<sup>11</sup> ISA (Ireland) 230, paragraph A21.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (Ireland) 315  
IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL  
MISSTATEMENT**

**Application and Other Explanatory Material**

The entity's organizational structure and ownership

A56. An understanding of the entity's organizational structure and ownership may enable the auditor to understand such matters as:

- The complexity of the entity's structure.

**Example:**

The entity may be a single entity or the entity's structure may include subsidiaries, divisions or other components in multiple locations. Further, the legal structure may be different from the operating structure. Complex structures often introduce factors that may give rise to increased susceptibility to risks of material misstatement. Such issues may include whether goodwill, joint ventures, investments, or special-purpose entities are accounted for appropriately and whether adequate disclosure of such issues in the financial statements has been made.

- The ownership, and relationships between owners and other people or entities, including related parties. This understanding may assist in determining whether related party transactions have been appropriately identified, accounted for, and adequately disclosed in the financial statements.<sup>12</sup>
- The distinction between the owners, those charged with governance and management.

**Example:**

In less complex entities, owners of the entity may be involved in managing the entity, therefore there is little or no distinction. In contrast, such as in some publicly traded entities, there may be a clear distinction between management, the owners of the entity, and those charged with governance.<sup>14A</sup>

- The structure and complexity of the entity's IT environment.

**Examples:**

An entity may:

- Have multiple legacy IT systems in diverse businesses that are not well integrated resulting in a complex IT environment.
- Be using external or internal service providers for aspects of its IT environment (e.g., outsourcing the hosting of its IT environment to a third party or using a shared service center for central management of IT processes in a group).

<sup>12</sup> ISA (Ireland) 550 establishes requirements and provide guidance on the auditor's considerations relevant to related parties.

<sup>14A</sup> ISA (Ireland) 260 (Updated December 2018), paragraphs A1 and A2, provide guidance on the identification of those charged with governance and explains that in some cases, some or all of those charged with governance may be involved in managing the entity.



**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 510  
INITIAL AUDIT ENGAGEMENTS—OPENING BALANCES**

**Illustrations of Auditor’s Reports with Modified Opinions**

The examples in the Appendix have not been tailored for Ireland.

Note: Throughout these illustrative auditor’s reports, the Opinion section has been positioned first in accordance with ISA 700 (Revised), and the Basis for Opinion section is positioned immediately after the Opinion section. Also, the first and last sentence that was included in the extant auditor’s responsibilities section is now subsumed as part of the new Basis for Opinion section.

**Illustration 1:**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600<sup>9</sup> (Revised February 2023) does not apply).
- The financial statements are prepared by management of the entity in accordance with International Financial Reporting Standards (IFRSs) (a general purpose framework). ....

**Illustration 2:**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised February 2023) does not apply).
- The financial statements are prepared by management of the entity in accordance with IFRSs (a general purpose framework). ...

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (Ireland) 570  
GOING CONCERN**

Requirements

***Use of Going Concern Basis of Accounting is Appropriate***

- 21-1. If the auditor concludes that the going concern basis of accounting is appropriate, the auditor shall include a section in the auditor's report with the heading "Conclusions relating to Going Concern", or other appropriate heading, and include: (Ref: Para. A27-1–A27-3)
- (a) Where the auditor concludes that no material uncertainty related to going concern has been identified, a statement that the auditor has not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue;
  - (b) A conclusion that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate;
  - (c) For entities that are required, and those that choose voluntarily, to report on how they have applied the Irish Corporate Governance Code, or to explain why they have not, the auditor has nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements; and
  - (d) For public interest entities, other publicly traded entities and entities that are required, and those that choose voluntarily, to report on how they have applied the Irish Corporate Governance Code, an explanation of how the auditor evaluated management's assessment of the entity's ability to continue as a going concern and, where relevant, key observations arising with respect to that evaluation.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 600  
SPECIAL CONSIDERATIONS—AUDITS OF GROUP FINANCIAL  
STATEMENTS (INCLUDING THE WORK OF COMPONENT**

Illustration of Independent Auditor's Report When the Group Auditor Is Not Able to Obtain Sufficient Appropriate Audit Evidence on Which to Base the Group Audit Opinion

The example in this appendix has not been tailored for Ireland. Illustrative auditor's reports tailored for use with audits conducted in accordance with ISAs (Ireland) are given in IAASA's Compendium of Illustrative Auditor's Reports.

**For purposes of this illustrative auditor's report, the following circumstances are assumed:**

- **Audit of a complete set of consolidated financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is a group audit of an entity with subsidiaries (i.e., ISA 600 applies).**
- **The consolidated financial statements are prepared by management of the entity in accordance with IFRSs (a general purpose framework) ...**

**INDEPENDENT AUDITOR'S REPORT**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

*[Reporting in accordance with ISA 700 (Revised) – see Illustration 2 in ISA 700 (Revised). The last two paragraphs which are applicable for audits of publicly traded entities only would not be included.]*

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**International Standard on Auditing (Ireland) 700  
Forming an Opinion and Reporting on Financial Statements  
Definitions**

**Requirements**

**Basis for Opinion**

28. The auditor's report shall include a section, directly following the Opinion section, with the heading "Basis for Opinion", that: (Ref: Para. A32)
- (a) States that the audit was conducted in accordance with International Standards on Auditing (Ireland) and applicable law; (Ref: Para. A33)
  - (b) Refers to the section of the auditor's report that describes the auditor's responsibilities under the ISAs (Ireland);
  - (c) Includes a statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit, and has fulfilled the auditor's other ethical responsibilities in accordance with these requirements.
    - (i) The statement shall identify the jurisdiction of origin of the relevant ethical requirements or refer to the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code); and (Ref: Para. A34–A35, A36–37)
    - (ii) If the relevant ethical requirements require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities, the statement shall indicate that the auditor is independent of the entity in accordance with the independence requirements applicable to the audits of those entities; and (Ref: Para. A35A)
- In Ireland, auditors are subject to ethical requirements from two sources: IAASA's Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by the auditor's relevant professional body. When identifying the relevant ethical requirements in the auditor's report, the auditor indicates that these include IAASA's Ethical Standard, applied as required for the types of entity determined to be appropriate in the circumstances.
- (d) States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.

**Irregularities including Fraud**

- 29-1. The auditor's report for audits of public interest entities and publicly traded entities shall explain to what extent the audit was considered capable of detecting irregularities, including fraud. (Ref: Para. A39-1–A39-5)

**Key Audit Matters**

30. For audits of complete sets of general purpose financial statements of publicly traded entities, the auditor shall communicate key audit matters in the auditor's report in accordance with ISA (Ireland) 701 (Revised December 2025).

**Auditor's Responsibilities for the Audit of the Financial Statements**

40. The Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report also shall: (Ref: Para. A50)
- (a) State that the auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit;
  - (b) State that the auditor provides those charged with governance with a statement that the auditor has:
    - (i) Complied with relevant ethical requirements regarding independence; and

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

- (ii) For audits of financial statements of publicly traded entities, communicated with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards; and
- (c) For audits of financial statements of publicly traded entities and any other entities for which key audit matters are communicated in accordance with ISA (Ireland) 701 (Revised December 2025), state that, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. (Ref: Para. A53)

### **Name of the Engagement Partner**

46. The name of the engagement partner shall be included in the auditor's report on financial statements of publicly traded entities unless, in rare circumstances, such disclosure is reasonably expected to lead to a significant personal security threat. In the rare circumstances that the auditor intends not to include the name of the engagement partner in the auditor's report, the auditor shall discuss this intention with those charged with governance to inform the auditor's assessment of the likelihood and severity of a significant personal security threat. (Ref: Para. A61–A63)

### ***Auditor's Report Prescribed by Law or Regulation***

50. If the auditor is required by law or regulation of a specific jurisdiction to use a specific layout, or wording of the auditor's report, the auditor's report shall refer to International Standards on Auditing only if the auditor's report includes, at a minimum, each of the following elements: (Ref: Para. A70–A71)
- (a) A title.
  - (b) An addressee, as required by the circumstances of the engagement.
  - (c) An Opinion section containing an expression of opinion on the financial statements and a reference to the applicable financial reporting framework used to prepare the financial statements (including identifying the jurisdiction of origin of the financial reporting framework that is not International Financial Reporting Standards or International Public Sector Accounting Standards, see paragraph 26).
  - (d) An identification of the entity's financial statements that have been audited.
  - (e) A statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit, and has fulfilled the auditor's other ethical responsibilities in accordance with these requirements.
    - (i) The statement shall identify the jurisdiction of origin of the relevant ethical requirements or refer to the IESBA Code.
    - (ii) If the relevant ethical requirements require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities, the statement shall indicate that the auditor is independent of the entity in accordance with the independence requirements applicable to the audits of those entities.
  - (f) Where applicable, a section that addresses, and is not inconsistent with, the reporting requirements in paragraph 22 of ISA (Ireland) 570 (Revised December 2025).
  - (g) Where applicable, a Basis for Qualified (or Adverse) Opinion section that addresses, and is not inconsistent with, the reporting requirements in paragraph 23 of ISA (Ireland) 570 (Revised December 2025).
  - (h) Where applicable, a section that includes the information required by ISA (Ireland) 701 (Revised December 2025), or additional information about the audit that is prescribed by

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

law or regulation and that addresses, and is not inconsistent with, the reporting requirements in that ISA.<sup>13</sup> (Ref: Para. A72–A75)

- (i) Where applicable, a section that addresses the reporting requirements in paragraph 24 of ISA (Ireland) 720 (Revised December 2025).
- (j) A description of management's responsibilities for the preparation of the financial statements and an identification of those responsible for the oversight of the financial reporting process that addresses, and is not inconsistent with, the requirements in paragraphs 33–36.
- (k) A reference to International Standards on Auditing and the law or regulation, and a description of the auditor's responsibilities for an audit of the financial statements that addresses, and is not inconsistent with, the requirements in paragraphs 37–40. (Ref: Para. A50–A53)
- (l) For audits of complete sets of general purpose financial statements of publicly traded entities, the name of the engagement partner unless, in rare circumstances, such disclosure is reasonably expected to lead to a significant personal security threat.
- (m) The auditor's signature.
- (n) The auditor's address.
- (o) The date of the auditor's report.

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### Application and Other Explanatory Material

Relevant ethical requirements

A35A. Relevant ethical requirements may:

- Establish independence requirements that are specific to audits of financial statements of certain entities specified in the relevant ethical requirements, such as the independence requirements for audits of financial statements of public interest entities in the IESBA Code. Relevant ethical requirements may also require or encourage the auditor to determine whether it is appropriate to apply such independence requirements to audits of financial statements of entities other than those entities specified in the relevant ethical requirements.
- Require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities. For example, the IESBA Code requires that when a firm has applied the independence requirements for public interest entities in performing an audit of the financial statements of an entity, the firm publicly disclose that fact, unless making such disclosure would result in disclosing confidential future plans of the entity.<sup>14</sup>

ISA (Ireland) 260 sets out requirements and guidance about the auditor's communication with those charged with governance, which includes communications for these cases.<sup>15</sup>

A35-1. IAASA's Ethical Standard applies to all audit engagements performed in compliance with ISAs (Ireland). For audit engagements of certain types of entities (Publicly Traded; SME Publicly Traded; Public Interest), it includes either additional, or less stringent, requirements that apply in certain circumstances.<sup>27a</sup>

A35-2. The firm is required to establish policies and procedures in accordance with IAASA's Ethical Standard<sup>27b</sup> that set out the circumstances in which the additional requirements, applicable to audit engagements for certain types of entities (Publicly Traded; SME Publicly Traded; Public Interest), apply to other audit engagements.

<sup>13</sup> ISA (Ireland) 701 (Revised December 2025), paragraphs 11–16.

<sup>14</sup> IESBA Code, paragraphs R400.20–R400.21

<sup>15</sup> ISA (Ireland) 260 (Revised), paragraphs 16A and A29

<sup>27a</sup> IAASA's Ethical Standard, *Part B, Section 1 – General Requirements and Guidance*, paragraph 1.42.

<sup>27b</sup> IAASA's Ethical Standard, *Part B, Section 1 – General Requirements and Guidance*, paragraph 1.43.

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

A35-3. When identifying the relevant ethical requirements in the auditor's report and indicating that these include IAASA's Ethical Standard, the auditor indicates that they were applied as required for each type of entity (Publicly Traded; SME Publicly Traded; Public Interest) for which IAASA's Ethical Standard includes additional requirements:

- (a) That is relevant in the case of the audited entity; and
- (b) Where (having regard to the policies and procedures referred to in paragraph A35-2) the auditor determined it to be appropriate to apply to the audit engagement the additional requirements included in IAASA's Ethical Standard applicable for that type of entity.

A35-4. Where the firm has taken advantage of an exemption provided in IAASA's Ethical Standard in relation to audits of small entities, the auditor's report discloses this fact.<sup>27c</sup>

A36. Law or regulation, national auditing standards or the terms of an audit engagement may also require the auditor to provide in the auditor's report more specific information about the sources of the relevant ethical requirements, including those related to independence, that applied to the audit of the financial statements.

Key Audit Matters (Ref: Para. 31)

A40. This ISA (Ireland) requires communication of key audit matters for audits of financial statements of publicly traded entities. Law or regulation may also require communication of key audit matters for audits of entities other than publicly traded entities, for example, entities characterized in such law or regulation as public interest entities.

A41. The auditor may also decide to communicate key audit matters for entities other than publicly traded entities, including those where the auditor determines that there is a significant public interest in the financial condition of those entities. Examples of such entities may include financial institutions (such as banks, insurance companies, and pension funds), and other entities such as not-for-profit organizations.

Considerations specific to public sector entities

A43. Publicly traded entities are not common in the public sector. However, public sector entities may be significant due to size, complexity or public interest aspects. In such cases, an auditor of a public sector entity may be required by law or regulation or may otherwise decide to communicate key audit matters in the auditor's report.

Name of the Engagement Partner (Ref: Para. 46)

A61. The objective of the firm in ISQM (Ireland) 1<sup>16</sup> (Updated September 2024) is to design, implement and operate a system of quality management that provides the firm with reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Notwithstanding the objective of ISQM (Ireland) 1 (Updated September 2024), naming the engagement partner in the auditor's report is intended to provide further transparency to the users of the auditor's report on the financial statements of a publicly traded entity.

A62. Law, regulation or national auditing standards may require that the auditor's report include the name of the engagement partner responsible for audits other than those of financial statements of publicly traded entities. The auditor may also be required by law, regulation or national auditing standards, or may decide to include additional information beyond the engagement partner's name in the auditor's report to further identify the engagement partner, for example,

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<sup>27c</sup> IAASA's Ethical Standard, *Part B, Section 6 – Provisions Available for Audits of Small Entities*, paragraph 6.15.

<sup>16</sup> ISQM (Ireland) 1 (Updated September 2024), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, paragraph 14.

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

the engagement partner's professional license number that is relevant to the jurisdiction where the auditor practices.

### Appendix

(Ref: Para. A19)

#### Illustrations of Independent Auditor's Reports on Financial Statements

The examples in the Appendix have not been tailored for Ireland.

- Illustration 1: An auditor's report on financial statements of a publicly traded entity prepared in accordance with a fair presentation framework
- Illustration 2: An auditor's report on consolidated financial statements of a publicly traded entity prepared in accordance with a fair presentation framework
- Illustration 3: An auditor's report on financial statements of an entity other than a publicly traded entity prepared in accordance with a fair presentation framework (where reference is made to material that is located on a website of an appropriate authority)
- Illustration 4: An auditor's report on financial statements of an entity other than a publicly traded entity prepared in accordance with a general purpose compliance framework

#### **Illustration 1 – Auditor's Report on Financial Statements of a Publicly Traded Entity Prepared in Accordance with a Fair Presentation Framework**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised) does not apply). ...
- The relevant ethical requirements that apply to the audit comprise the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* together with the ethical requirements relating to the audit in the jurisdiction, and the auditor refers to both. The IESBA Code and the ethical requirements relating to the audit in the jurisdiction include independence requirements that are applicable to audits of financial statements of public interest entities. They also require the auditor to publicly disclose that the independence requirements applicable to audits of financial statements of public interest entities were applied.



# PROPOSED NARROW SCOPE REVISIONS

## JANUARY 2026

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ABC Company [or Other Appropriate Addressee]

#### Report on the Audit of the Financial Statements<sup>17</sup>

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of financial statements of public interest entities in [jurisdiction]. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Illustration 2 – Auditor's Report on Consolidated Financial Statements of a Publicly Traded Entity Prepared in Accordance with a Fair Presentation Framework**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of a publicly traded entity using a fair presentation framework. The audit is a group audit of an entity with subsidiaries (i.e., ISA 600 (Revised) applies)...
- Relevant ethical requirements that apply to the audit are those of the jurisdiction. The ethical requirements relating to the audit in the jurisdiction include independence requirements that are applicable to audits of financial statements of public interest entities. They also require the auditor to publicly disclose that the independence requirements applicable to audits of financial statements of public interest entities were applied.

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ABC Company [or Other Appropriate Addressee]

#### Report on the Audit of the Consolidated Financial Statements<sup>18</sup>

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to audits of the financial statements of public interest entities in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Illustration 3 – Auditor's Report on Financial Statements of an Entity Other than a Publicly Traded Entity Prepared in Accordance with a Fair Presentation Framework**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

<sup>17</sup> The sub-title "Report on the Audit of the Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

<sup>18</sup> The sub-title "Report on the Audit of the Consolidated Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised) does not apply)....

### **Illustration 4 – Auditor’s Report on Financial Statements of an Entity Other than a Publicly Traded Entity Prepared in Accordance with a General Purpose Compliance Framework**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity required by law or regulation. The audit is not a group audit (i.e., ISA 600 (Revised) does not apply)...

## INDEPENDENT AUDITOR’S REPORT

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. . We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 701  
COMMUNICATING KEY AUDIT MATTERS IN THE INDEPENDENT  
AUDITOR'S REPORT**

**Introduction**

**Scope of this ISA (Ireland)**

5. This ISA (Ireland) applies to audits of complete sets of general purpose financial statements of publicly traded entities and circumstances when the auditor otherwise decides to communicate key audit matters in the auditor's report. This ISA (Ireland) also applies when the auditor is required by law or regulation to communicate key audit matters in the auditor's report.<sup>19</sup> However, ISA (Ireland) 705 (Updated October 2024) prohibits the auditor from communicating key audit matters when the auditor disclaims an opinion on the financial statements, unless such reporting is required by law or regulation.<sup>20</sup>

This ISA (Ireland) also applies to audits of complete sets of general purpose financial statements of unlisted public interest entities and entities that are required, and those that choose voluntarily, to report on how they have applied the Irish Corporate Governance Code<sup>4a</sup>.

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**Application and Other Explanatory Material**

*Form and Content of the Key Audit Matters Section in Other Circumstances (Ref: Para. 16)*

- A59. The determination of key audit matters involves making a judgment about the relative importance of matters that required significant auditor attention. Therefore, it may be rare that the auditor of a complete set of general purpose financial statements of a publicly traded entity would not determine at least one key audit matter from the matters communicated with those charged with governance to be communicated in the auditor's report. However, in certain limited circumstances (e.g., for a publicly traded entity that has very limited operations), the auditor may determine that there are no key audit matters in accordance with paragraph 10 because there are no matters that required significant auditor attention.

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<sup>19</sup> ISA (Ireland) 700 (Revised December 2025), *Forming an Opinion and Reporting on Financial Statements*, paragraphs 30–31.

<sup>20</sup> ISA (Ireland) 705 (Updated October 2024), paragraph 29.

<sup>4a</sup> Irish incorporated entities with an equity listing on Euronext Dublin are subject to the Irish Corporate Code. However, if an entity is dual-listed in both Ireland and the UK, it has the option to follow the Irish Corporate Governance Code or the UK Corporate Governance Code under Euronext Dublin listing rules. If an entity chooses to follow the UK Corporate Governance Code, the requirements in this ISA (Ireland) apply to the equivalent provisions of the UK Code.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON  
AUDITING (IRELAND) 705**

**MODIFICATIONS TO THE OPINION IN THE INDEPENDENT  
AUDITOR'S REPORT**

**Illustration 1 – Qualified Opinion due to a Material Misstatement of the Financial Statements**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023)<sup>12</sup> does not apply)...

**Illustration 2 – Adverse Opinion due to a Material Misstatement of the Consolidated Financial Statements**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of a publicly traded entity using a fair presentation framework. The audit is a group audit of an entity with subsidiaries (i.e., ISA (Ireland) 600 (Revised February 2023) applies)....

**Illustration 3 – Qualified Opinion due to the Auditor's Inability to Obtain Sufficient Audit Evidence Regarding a Foreign Associate**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of a publicly traded entity using a fair presentation framework. The audit is a group audit of an entity with subsidiaries (i.e., ISA (Ireland) 600 (Revised February 2023) applies)....

**Illustration 4 – Disclaimer of Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence about a Single Element of the Consolidated Financial Statements**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is a group audit of an entity with subsidiaries (i.e., ISA (Ireland) 600 (Revised February 2023) applies).

**Illustration 5 – Disclaimer of Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence about Multiple Elements of the Financial Statements**

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023), does not apply).

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON  
AUDITING (IRELAND) 706**

**EMPHASIS OF MATTER PARAGRAPHS AND OTHER MATTER  
PARAGRAPHS IN THE INDEPENDENT AUDITOR'S REPORT**

Application and Other Explanatory Material

Placement of Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Auditor's Report  
(Ref: Para. 9, 11)

- A17. Appendix 3<sup>13a</sup> is an illustration of the interaction between the Key Audit Matters section, an Emphasis of Matter paragraph and an Other Matter paragraph when all are presented in the auditor's report. The illustrative report in Appendix 4<sup>13a</sup> includes an Emphasis of Matter paragraph in an auditor's report for an entity other than a publicly traded entity that contains a qualified opinion and for which key audit matters have not been communicated.

**Appendix 3**

(Ref: Para. A17)

The example in the Appendix has not been tailored for Ireland.

Illustration of an Auditor's Report that Includes a Key Audit Matters Section, an Emphasis of Matter Paragraph, and an Other Matter Paragraph

For purposes of this illustrative auditor's report, the following circumstances are assumed:

Audit of a complete set of financial statements of a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023)<sup>13</sup> does not apply).

**Appendix 4**

(Ref: Para. A8)

The example in the Appendix has not been tailored for Ireland. Illustrative auditor's reports tailored for use with audits conducted in accordance with ISAs (Ireland) are given in the current version of IAASA's Compendium of Illustrative Auditor's Reports.

Illustration of an Auditor's Report Containing a Qualified Opinion Due to a Departure from the Applicable Financial Reporting Framework and that Includes an Emphasis of Matter Paragraph

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- ☐ Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023) does not apply).

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 710  
COMPARATIVE INFORMATION - CORRESPONDING  
FIGURES AND COMPARATIVE FINANCIAL STATEMENTS**

Appendix

**Illustrations of Auditor's Reports**

The examples in the Appendix have not been tailored for Ireland.

Note: Throughout these illustrative auditor's reports, the Opinion section has been positioned first in accordance with ISA 700 (Revised), and the Basis for Opinion section is positioned immediately after the Opinion section. Also, the first and last sentence that was included in the extant auditor's responsibilities section is now subsumed as part of the new Basis for Opinion section.

**Illustration 1 - Corresponding Figures** (Ref: Para. A5)

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023)<sup>10</sup> does not apply).

**Illustration 2 - Corresponding Figures** (Ref: Para. A5)

For purposes of this illustrative auditor's report the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023) does not apply).

**Illustration 3 - Corresponding Figures** (Ref: Para. A7)

For purposes of this illustrative auditor's report the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023) does not apply).

**Illustration 4 - Comparative Financial Statements** (Ref: Para. A9)

For purposes of this illustrative auditor's report the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA (Ireland) 600 (Revised February 2023) does not apply).

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (IRELAND) 720  
THE AUDITOR'S RESPONSIBILITIES RELATING TO OTHER  
INFORMATION**

**Requirements**

**Reporting**

21. The auditor's report shall include a separate section with a heading "Other Information", or other appropriate heading, when, at the date of the auditor's report:
- (a) For an audit of financial statements of a publicly traded entity, the auditor has obtained, or expects to obtain, the other information; or
  - (b) For an audit of financial statements of an entity other than a publicly traded entity, the auditor has obtained some or all of the other information. (Ref: Para. A52)

In Ireland, when reporting on Other Information the auditor's report shall always include a separate section with a heading "Other Information", or other appropriate heading.<sup>2c</sup>

22. When the auditor's report is required to include an Other Information section in accordance with paragraph 21, this section shall include: (Ref: Para. A53)
- (a) A statement that management is responsible for the other information;
  - (b) An identification of:
    - (i) Other information, if any, obtained by the auditor prior to the date of the auditor's report; and
    - (ii) For an audit of financial statements of a publicly traded entity, other information, if any, expected to be obtained after the date of the auditor's report;
  - (c) A statement that the auditor's opinion does not cover the other information and, accordingly, that the auditor does not express (or will not express) an audit opinion or any form of assurance conclusion thereon, except to the extent otherwise explicitly stated in the auditor's report (Ref: Para A53-1)
  - (d) A description of the auditor's responsibilities relating to reading, considering and reporting on other information as required by this ISA (Ireland); and (Ref: Para A53-2)
  - (e) When other information has been obtained prior to the date of the auditor's report, either:
    - (i) A statement that the auditor has nothing to report; or
    - (ii) If the auditor has concluded that there is an uncorrected material misstatement of the other information, a statement that describes the uncorrected material misstatement of the other information.

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**Application and Other Explanatory Material**

**Obtaining the Other Information** (Ref: Para. 13)

- A12. When the annual report is translated into other languages pursuant to law or regulation (such as may occur when a jurisdiction has more than one official language), or when multiple "annual reports" are prepared under different legislation (for example, when an entity is publicly traded in more than one jurisdiction), consideration may need to be given as to whether one, or more than one of the "annual reports" form part of the other information. Local law or regulation may provide further guidance in this respect.

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<sup>2c</sup> ISA (Ireland) 700 (Revised November 2020), *Forming and Opinion and Reporting On Financial Statements* requires that "The auditor shall not sign, and hence date, the auditor's report earlier than the date on which all the other information has been approved by those charged with governance and the auditor has considered all necessary available evidence."

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

- If quantitative, the relative size of the amount compared with accounts or items in the financial statements or the other information to which they relate.
- The sensitivity of the particular amount or other item in the other information, for example, share based payments for senior management.

### **Reporting (Ref: Para. 21–24)**

A52. For an audit of financial statements of an entity other than a publicly traded entity, the auditor may consider that the identification in the auditor's report of other information that the auditor expects to obtain after the date of the auditor's report would be appropriate in order to provide additional transparency about the other information that is subject to the auditor's responsibilities under this ISA (Ireland). The auditor may consider it appropriate to do so, for example, when management is able to represent to the auditor that such other information will be issued after the date of the auditor's report.

### **Appendix 2**

(Ref: Para. 21–22, A53)

The examples in the Appendix have not been tailored for Ireland. Illustrations 2, 3 and 4 would not be relevant for audits of financial statements in Ireland as the auditor is required to obtain all of the other information prior to the date of the auditor's report.

### **Illustrations of Auditor's Reports Relating to Other Information**

- Illustration 1: An auditor's report of any entity containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.
- Illustration 2: An auditor's report of a publicly traded entity containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor's report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor's report.
- Illustration 3: An auditor's report of an entity other than a publicly traded entity containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor's report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor's report.
- Illustration 4: An auditor's report of a publicly traded entity containing an unmodified opinion when the auditor has obtained no other information prior to the date of the auditor's report but expects to obtain other information after the date of the auditor's report.
- Illustration 5: An auditor's report of any entity containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and has concluded that a material misstatement of the other information exists.
- Illustration 6: An auditor's report of any entity containing a qualified opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and there is a limitation of scope with respect to a material item in the consolidated financial statements which also affects the other information.
- Illustration 7: An auditor's report of any entity containing an adverse opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and the adverse opinion on the consolidated financial statements also affects the other information.



## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

**Illustration 1 – An auditor’s report of any entity containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and has not identified a material misstatement of the other information.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of any entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised)<sup>21</sup> does not apply).

**Illustration 2 – An auditor’s report of a publicly traded entity containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor’s report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor’s report.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised) does not apply).

**Illustration 3 – An auditor’s report of an entity other than a publicly traded entity containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor’s report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor’s report.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised) does not apply).

**Illustration 4 – An auditor’s report of a publicly traded entity containing an unmodified opinion when the auditor has obtained no other information prior to the date of the auditor’s report but expects to obtain other information after the date of the auditor’s report.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a publicly traded entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised 2023) does not apply).

**Illustration 5 – An auditor’s report of any entity containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and has concluded that a material misstatement of the other information exists.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of any entity using a fair presentation framework. The audit is not a group audit (i.e., ISA 600 (Revised) does not apply).

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<sup>21</sup> ISA 600 (Revised 2023), *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*.

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

**Illustration 6 – An auditor’s report of any entity containing an qualified opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and there is a limitation of scope with respect to a material item in the consolidated financial statements which also affects the other information.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of any entity using a fair presentation framework. The audit is a group audit (i.e., ISA 600 (Revised) applies).

**Illustration 7 – An auditor’s report of any entity containing an adverse opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and the adverse opinion on the consolidated financial statements also affects the other information.**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of any entity using a fair presentation framework. The audit is a group audit (i.e., ISA 600 (Revised) applies).

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (Ireland)  
800**

**SPECIAL CONSIDERATIONS—AUDITS OF FINANCIAL  
STATEMENTS PREPARED IN ACCORDANCE WITH SPECIAL  
PURPOSE FRAMEWORKS**

Application and Other Explanatory Material

Key Audit Matters

A16. ISA (Ireland) 700 requires the auditor to communicate key audit matters in accordance with ISA (Ireland) 701<sup>22</sup> for audits of complete sets of general purpose financial statements of publicly traded entities. For audits of special purpose financial statements, ISA (Ireland) 701 only applies when communication of key audit matters in the auditor's report on the special purpose financial statements is required by law or regulation or the auditor otherwise decides to communicate key audit matters. When key audit matters are communicated in the auditor's report on special purpose financial statements, ISA (Ireland) 701 applies in its entirety.<sup>23</sup>

Name of the Engagement Partner

A18. The requirement in ISA (Ireland) 700 for the auditor to include the name of the engagement partner in the auditor's report also applies to audits of special purpose financial statements of publicly traded entities.<sup>25</sup> The auditor may be required by law or regulation to include the name of the engagement partner in the auditor's report or may otherwise decide to do so when reporting on special purpose financial statements of entities other than publicly traded entities.

Appendix  
(Ref: Para. A14)

**Illustrations of Independent Auditor's Reports on Special Purpose Financial Statements**

The examples in the Appendix have not been tailored for Ireland.

- Illustration 1: An auditor's report on a complete set of financial statements of an entity other than a publicly traded entity prepared in accordance with the financial reporting provisions of a contract (for purposes of this illustration, a compliance framework).
- Illustration 2: An auditor's report on a complete set of financial statements of an entity other than a publicly traded entity prepared in accordance with the tax basis of accounting in Jurisdiction X (for purposes of this illustration, a compliance framework).
- Illustration 3: An auditor's report on a complete set of financial statements of a publicly traded entity prepared in accordance with the financial reporting provisions established by a regulator (for purposes of this illustration, a fair presentation framework).

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

Illustration 1: An auditor's report on a complete set of financial statements of an entity other than a publicly traded entity prepared in accordance with the financial reporting provisions of a contract (for purposes of this illustration, a compliance framework).

### **INDEPENDENT AUDITOR'S REPORT**

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

Illustration 2: An auditor's report on a complete set of financial statements of an entity other than a publicly traded entity prepared in accordance with the tax basis of accounting in Jurisdiction X (for purposes of this illustration, a compliance framework).

Illustration 3: An auditor's report on a complete set of financial statements of a publicly traded entity prepared in accordance with the financial reporting provisions established by a regulator (for purposes of this illustration, a fair presentation framework).

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a publicly traded entity that have been prepared by management of the entity in accordance with the financial reporting provisions established by a regulator (that is, a special purpose framework) to meet the requirements of that regulator. Management does not have a choice of financial reporting frameworks.

### ***INDEPENDENT AUDITOR'S REPORT***

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON AUDITING (Ireland) 805**

**SPECIAL CONSIDERATIONS—AUDITS OF SINGLE FINANCIAL  
STATEMENTS AND SPECIFIC ELEMENTS, ACCOUNTS OR  
ITEMS OF A FINANCIAL STATEMENT**

*Application and Other Explanatory Material*

**Key Audit Matters**

A20. ISA (Ireland) 700 requires the auditor to communicate key audit matters in accordance with ISA (Ireland) 701 for audits of complete sets of general purpose financial statements of publicly traded entities.<sup>22</sup> For audits of a single financial statement or a specific element of a financial statement, ISA (Ireland) 701 only applies when communication of key audit matters in the auditor's report on such financial statements or elements is required by law or regulation, or the auditor otherwise decides to communicate key audit matters. When key audit matters are communicated in the auditor's report on a single financial statement or a specific element of a financial statement, ISA (Ireland) 701 applies in its entirety.<sup>23</sup>

**Name of the Engagement Partner**

A22. The requirement in ISA (Ireland) 700 for the auditor to include the name of the engagement partner in the auditor's report also applies to audits of single financial statements of publicly traded entities or specific elements of financial statements of publicly traded entities.<sup>34</sup> The auditor may be required by law or regulation to include the name of the engagement partner in the auditor's report or may otherwise decide to do so when reporting on a single financial statement or on an element of a financial statement of entities other than publicly traded entities.

Appendix 2

(Ref: Para. A17)

**Illustrations of Independent Auditor's Reports on a Single Financial Statement and on a Specific Element of a Financial Statement**

The examples in the Appendix have not been tailored for Ireland.

- Illustration 1: An auditor's report on a single financial statement of an entity other than a publicly traded entity prepared in accordance with a general purpose framework (for purposes of this illustration, a fair presentation framework).
- Illustration 2: An auditor's report on a single financial statement of an entity other than a publicly traded entity prepared in accordance with a special purpose framework (for purposes of this illustration, a fair presentation framework).
- Illustration 3: An auditor's report on a specific element of a financial statement of a publicly traded entity prepared in accordance with a special purpose framework (for purposes of this illustration, a compliance framework).

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<sup>22</sup> ISA (Ireland) 700, paragraph 30.

<sup>23</sup> ISA (Ireland) 700, paragraph 31.

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

Illustration 1: An auditor's report on a single financial statement of an entity other than a publicly traded entity prepared in accordance with a general purpose framework (for purposes of this illustration, a fair presentation framework).

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a balance sheet (that is, a single financial statement) of an entity other than a publicly traded entity.

### ***INDEPENDENT AUDITOR'S REPORT***

#### **Auditor's Responsibilities for the Audit of the Financial Statement**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

Illustration 2: An auditor's report on a single financial statement of an entity other than a publicly traded entity prepared in accordance with a special purpose framework.

For purposes of this illustrative auditor's report, the following Circumstances are assumed:

Audit of a statement of cash receipts and disbursements (that is, a single financial statement) of an entity other than a publicly traded entity.

### ***INDEPENDENT AUDITOR'S REPORT***

#### **Auditor's Responsibilities for the Audit of the Financial Statement**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

Illustration 3: An auditor's report on a specific element of a financial statement of a publicly traded entity prepared in accordance with a special purpose framework.

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON QUALITY MANAGEMENT  
(IRELAND) 1  
QUALITY MANAGEMENT FOR FIRMS THAT PERFORM AUDITS OR  
REVIEWS OF FINANCIAL STATEMENTS, OR OTHER ASSURANCE  
OR RELATED SERVICES ENGAGEMENTS**

**Introduction**

**Scope of this ISQM (Ireland)**

- 5A. Some of the requirements set out in the ISQMs (Ireland) are applicable only to audits of financial statements of publicly traded entities, reflecting significant public interest in the financial condition of these entities due to the potential impact of their financial well-being on stakeholders. (Ref: Para. A2A-A2B)
- 5B. Stakeholders have heightened expectations regarding an audit engagement for a publicly traded entity because of the significance of the public interest in the financial condition of the entity. The purpose of the requirements in the ISQMs (Ireland) that apply to audits of financial statements of publicly traded entities is to meet these expectations, thereby enhancing stakeholders' confidence in the entity's financial statements that can be used when assessing the entity's financial condition. (Ref: Para. A2A-A2E)

**The Firm's System of Quality Management**

*Scalability*

10. In applying a risk-based approach, the firm is required to take into account:
- (a) The nature and circumstances of the firm; and
  - (b) The nature and circumstances of the engagements performed by the firm.

Accordingly, the design of the firm's system of quality management, in particular the complexity and formality of the system, will vary. For example, a firm that performs different types of engagements for a wide variety of entities, including audits of financial statements of publicly traded entities, will likely need to have a more complex and formalized system of quality management and supporting documentation, than a firm that performs only reviews of financial statements or compilation engagements.

**Definitions**

16. For purposes of this ISQM (Ireland), the following terms have the meanings attributed below:  
...

- (j) ....(p) Publicly traded entity - An entity that issues financial instruments that are transferrable and traded through a publicly accessible market mechanism, including through listing on a stock exchange. A listed entity as defined by relevant securities law or regulation is an example of a publicly traded entity.

For the purposes of the ISQMs:

- (i) If law, regulation or professional requirements define more explicitly a publicly traded entity in a specific jurisdiction, the firm applies that more explicit definition. For example, law, regulation or professional requirements may define publicly traded entities for purposes of defining entities that are considered public interest entities,

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

by making reference to specific public markets for trading securities, incorporating exemptions for specific types of entities, or setting size criteria.

- (ii) Where terms other than publicly traded entity are applied to entities by law, regulation or professional requirements to meet the purpose described in paragraphs 5A and 5B, such terms are regarded as equivalent to “publicly traded entity”.
- (q) Quality objectives – The desired outcomes in relation to the components of the system of quality management to be achieved by the firm.

### **Requirements**

#### **Specified Responses**

34. In designing and implementing responses in accordance with paragraph 26, the firm shall include the following responses: (Ref: Para. A116)
- (a) The firm establishes policies or procedures for:
    - (i) Identifying, evaluating and addressing threats to compliance with the relevant ethical requirements; and (Ref: Para. A117)
    - (ii) Identifying, communicating, evaluating and reporting of any breaches of the relevant ethical requirements and appropriately responding to the causes and consequences of the breaches in a timely manner. (Ref: Para. A118–A119)
  - (b) The firm obtains, at least annually, a documented confirmation of compliance with independence requirements from all personnel required by relevant ethical requirements to be independent.
  - (c) The firm establishes policies or procedures for receiving, investigating and resolving complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the firm’s policies or procedures established in accordance with this ISQM (Ireland). (Ref: Para. A120–A121)
  - (d) The firm establishes policies or procedures that address circumstances when:
    - (i) The firm becomes aware of information subsequent to accepting or continuing a client relationship or specific engagement that would have caused it to decline the client relationship or specific engagement had that information been known prior to accepting or continuing the client relationship or specific engagement; or (Ref: Para. A122–A123)
    - (ii) The firm is obligated by law or regulation to accept a client relationship or specific engagement. (Ref: Para. A123)
  - (e) The firm establishes policies or procedures that: (Ref: Para. A124–A126)
    - (i) Require communication with those charged with governance when performing an audit of financial statements of publicly traded entities about how the system of quality management supports the consistent performance of quality audit engagements; (Ref: Para. A127–A129)
    - (ii) Address when it is otherwise appropriate to communicate with external parties about the firm’s system of quality management; and (Ref: Para. A130)



## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

- (iii) Address the information to be provided when communicating externally in accordance with paragraphs 34(e)(i) and 34(e)(ii), including the nature, timing and extent and appropriate form of communication. (Ref: Para. A131–A132)
- (f) The firm establishes policies or procedures that address engagement quality reviews in accordance with ISQM (Ireland) 2, and require an engagement quality review for:
  - (i) Audits of financial statements of publicly traded entities;
  - (ii) Audits or other engagements for which an engagement quality review is required by law or regulation; (Ref: Para. A133)
  - (iii) Audits or other engagements for which the firm determines that an engagement quality review is an appropriate response to address one or more quality risk(s); (Ref: Para. A134-A137)
  - (iv) Audits of financial statements of public interest entities; and
  - (v) Public reporting engagements carried out in accordance with the Standards of Investment Reporting (Ireland).

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### **Application and Other Explanatory Material**

#### **Scope of this ISQM (Ireland) (Ref: Para. 3–4)**

- A2A. The firm may determine that there are entities other than publicly traded entities where stakeholders have heightened expectations regarding the audit engagement, reflecting significant public interest in the financial condition of those entities. Therefore, the firm may also apply one or more requirements set out in an ISQM (Ireland) for audits of financial statements of publicly traded entities to the audit of such other entity(ies). Paragraphs A2B-A2E may be relevant in this regard.
- A2B. The extent of public interest in the financial condition of an entity may, for example, be affected by:
- The nature of the business or activities, such as taking on financial obligations to the public as part of the entity's primary business.
  - Whether the entity is subject to regulatory supervision designed to provide confidence that the entity will meet its financial obligations.
  - Size of the entity.
  - The importance of the entity to the sector in which it operates including how easily replaceable it is in the event of financial failure.
  - Number and nature of stakeholders including investors, customers, creditors and employees.
  - The potential systemic impact on other sectors and the economy as a whole in the event of financial failure of the entity.
- A2C. Law, regulation or professional requirements, including relevant ethical requirements, may define or designate an entity(ies) as a "public interest entity" or may use terms other than "public interest entity" to describe entities in which there is a significant public interest in their financial

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

condition. For example, the IESBA Code has identified certain categories of public interest entity, including:

- A publicly traded entity;
- An entity one of whose main functions is to take deposits from the public; or
- An entity one of whose main functions is to provide insurance to the public.

A2D In addition, those responsible for setting law, regulation or professional requirements may also designate categories of “public interest entities”. Depending on the facts and circumstances in a specific jurisdiction, such categories may include:

- Pension funds
- Collective investment vehicles
- Private entities with large numbers of stakeholders (other than investors)
- Non-for-profit organizations or governmental entities
- Public utilities

A2E The firm may also consider the following factors in determining whether it may be appropriate to apply one or more requirements in an ISQM (Ireland) for audits of publicly traded entities to the audit of another entity(ies):

- Whether the entity is treated as a public interest entity for purposes of relevant ethical requirements, including those related to independence.
- Whether the entity is likely to become a publicly traded entity in the near future.
- Whether in similar circumstances, the firm has applied the differential requirements for publicly traded entities to other entities.
- Whether the entity has been specified as not being a publicly traded entity by law, regulation or professional requirements.
- Whether the entity or other stakeholders requested the firm to apply the differential requirements for publicly traded entities to the entity and, if so, whether there are any reasons for not meeting this request.
- The entity’s corporate governance arrangements, for example, whether those charged with governance are distinct from the owners or management.
- Whether in similar circumstances, a predecessor firm has applied differential requirements for publicly traded entities to the entity.

Communication with Those Charged with Governance (Ref. Para: 34(e)(i))

A128. ISA (Ireland) 260 (Revised November 2020) deals with the auditor’s responsibility to communicate with those charged with governance in an audit of financial statements, and addresses the auditor’s determination of the appropriate person(s) within the entity’s governance structure with whom to communicate<sup>24</sup> and the communication process.<sup>25</sup> In some circumstances, it may be

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<sup>24</sup> ISA (Ireland) 260 (Revised November 2020), Communication with Those Charged with Governance, paragraphs 11–13.

<sup>25</sup> ISA (Ireland) 260 (Revised November 2020), paragraphs 18–22.

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

appropriate to communicate with those charged with governance of entities other than publicly traded entities, including those where the firm determines that there is significant public interest in the financial condition of those entities (see paragraph A2A) (or when performing other engagements). Examples of such entities may include financial institutions (such as banks, insurance companies and pension funds) and other entities such as non-for profit organizations.

Nature, Timing and Extent and Appropriate Form of Communication with External Parties (Ref. Para: 34(e)(iii))

A132. The firm uses professional judgment in determining, in the circumstances, the appropriate form of communication with the external party, including communication with those charged with governance when performing an audit of financial statements of publicly traded entities, which may be made orally or in writing. Accordingly, the form of communication may vary.

### *Examples of form of communication to external parties*

- A publication such as a transparency report or audit quality report.
- Targeted written communication to specific stakeholders (e.g., information about the results of the firm's monitoring and remediation process).
- Direct conversations and interactions with the external party (e.g., discussions between the engagement team and those charged with governance).
- A webpage.
- Other forms of digital media, such as social media, or interviews or presentations via webcast or video.

### *Engagements Subject to an Engagement Quality Review*

Engagement Quality Review Required by Law or Regulation (Ref: Para. 34(f)(ii))

A133. This ISQM (Ireland) requires an engagement quality review for audits of financial statements of publicly traded entities. Law or regulation may also include explicit requirements to perform an engagement quality review for certain entities, for example, for audit engagements for entities that:

- Are public interest entities as defined in a specific jurisdiction;
- Operate in the public sector or which are recipients of government funding, or entities with public accountability;
- Operate in certain industries (e.g., financial institutions such as banks, insurance companies and pension funds);
- Meet a specified asset threshold; or
- Are under the management of a court or judicial process (e.g., liquidation).

Engagement Quality Review as a Response to Address One or More Quality Risk(s) (Ref: Para. 34(f)(iii))

A134. The firm's understanding of the conditions, events, circumstances, actions or inactions that may adversely affect the achievement of the quality objectives, as required by paragraph 25(a)(ii), relates to the nature and circumstances of the engagements performed by the firm. In designing

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

and implementing responses to address one or more quality risk(s), the firm may determine that an engagement quality review is an appropriate response based on the reasons for the assessments given to the quality risks.

*Examples of conditions, events, circumstances, actions or inactions giving rise to one or more quality risk(s) for which an engagement quality review may be an appropriate response*

Those relating to the types of engagements performed by the firm and reports to be issued:

- Engagements that involve a high level of complexity or judgment, such as:
  - o Audits of financial statements for entities operating in an industry that typically has accounting estimates with a high degree of estimation uncertainty (e.g., certain large financial institutions or mining entities), or for entities for which uncertainties exist related to events or conditions that may cast significant doubt on their ability to continue as a going concern.
  - o Assurance engagements that require specialized skills and knowledge in measuring or evaluating the underlying subject matter against the applicable criteria (e.g., a greenhouse gas statement in which there are significant uncertainties associated with the quantities reported therein).
- Engagements on which issues have been encountered, such as audit engagements with recurring internal or external inspection findings, unremediated significant deficiencies in internal control, or a material restatement of comparative information in the financial statements.
- Engagements for which unusual circumstances have been identified during the firm's acceptance and continuance process (e.g., a new client that had a disagreement with its previous auditor or assurance practitioner).
- Engagements that involve reporting on financial or non-financial information that is expected to be included in a regulatory filing, and that may involve a higher degree of judgment, such as pro forma financial information to be included in a prospectus.

Those relating to the types of entities for which engagements are undertaken:

- Entities in emerging industries, or for which the firm has no previous experience.
- Entities for which concerns were expressed in communications from securities or prudential regulators.

- Entities other than publicly traded entities if the firm determines that there is significant public interest in the financial condition of those entities (see paragraph A2A) for which an

engagement quality review is not otherwise required by law or regulation. Examples of such entities may include financial institutions (such as banks, insurance companies, and pension funds) and other entities such as not-for-profit organizations.

- o Entities with a high public profile, or whose management or owners have a high public profile.

## PROPOSED NARROW SCOPE REVISIONS JANUARY 2026

### *Engagement Inspections (Ref: Para. 38)*

A151. *Examples of matters in paragraph 37 that may be considered by the firm in selecting completed engagements for inspection*

- In relation to the conditions, events, circumstances, actions or inactions giving rise to the quality risks:
  - o The types of engagements performed by the firm, and the extent of the firm's experience in performing the type of engagement.
  - o The types of entities for which engagements are undertaken, for example:
    - Entities that are publicly traded entities.
    - Entities operating in emerging industries.
    - Entities operating in industries associated with a high level of complexity or judgment.
    - Entities operating in an industry that is new to the firm.
  - o The tenure and experience of engagement partners.
- The results of previous inspections of completed engagements, including for each engagement partner.
- In relation to other relevant information:
  - o Complaints or allegations about an engagement partner.
  - o The results of external inspections, including for each engagement partner.
  - o The results of the firm's evaluation of each engagement partner's commitment to quality.

### Root Cause of the Identified Deficiencies (Ref: Para. 41(a))

A166. The nature, timing and extent of the procedures undertaken to understand the root cause(s) of an identified deficiency may also be affected by the nature and circumstances of the firm, such as:

- The complexity and operating characteristics of the firm.
- The size of the firm.
- The geographical dispersion of the firm.
- How the firm is structured or the extent to which the firm concentrates or centralizes its processes or activities.

*Examples of how the nature of identified deficiencies and their possible severity and the nature and circumstances of the firm may affect the nature, timing and extent of the procedures to understand the root cause(s) of the identified deficiencies*

- The nature of the identified deficiency: The firm's procedures to understand the root cause(s) of an identified deficiency may be more rigorous in circumstances when an engagement report related to an audit of financial statements of a publicly traded entity

## **PROPOSED NARROW SCOPE REVISIONS JANUARY 2026**

was issued that was inappropriate or the identified deficiency relates to leadership's actions and behaviors regarding quality.

- The possible severity of the identified deficiency: The firm's procedures to understand the root cause(s) of an identified deficiency may be more rigorous in circumstances when the deficiency has been identified across multiple engagements or there is an indication that policies or procedures have high rates of non-compliance.
- Nature and circumstances of the firm:
  - o In the case of a less complex firm with a single location, the firm's procedures to understand the root cause(s) of an identified deficiency may be simple, since the information to inform the understanding may be readily available and concentrated, and the root cause(s) may be more apparent.
  - o In the case of a more complex firm with multiple locations, the procedures to understand the root cause(s) of an identified deficiency may include using individuals specifically trained on investigating the root cause(s) of identified deficiencies, and developing a methodology with more formalized procedures for identifying root cause(s).

**PROPOSED NARROW SCOPE REVISIONS  
JANUARY 2026**

**INTERNATIONAL STANDARD ON QUALITY MANAGEMENT  
(IRELAND) 2  
ENGAGEMENT QUALITY REVIEWS**

**Application and Other Explanatory Material**

**Appointment and Eligibility of Engagement Quality Reviewers**

*Assignment of Responsibility for the Appointment of Engagement Quality Reviewers (Ref: Para. 17)*

- A3. The firm may assign more than one individual to be responsible for appointing engagement quality reviewers. For example, the firm's policies or procedures may specify a different process for appointing engagement quality reviewers for audits of publicly traded entities than for audits of entities other than publicly traded entities or other engagements, with different individuals responsible for each process.

*Procedures Performed by the Engagement Quality Reviewer (Ref: Para. 25–27)*

- A30. The nature and extent of the engagement quality reviewer's procedures for a specific engagement may depend on, among other factors:
- The reasons for the assessments given to quality risks,<sup>26</sup> for example, engagements performed for entities in emerging industries or with complex transactions.
  - Identified deficiencies, and the remedial actions to address the identified deficiencies, related to the firm's monitoring and remediation process, and any related guidance issued by the firm, which may indicate areas where more extensive procedures need to be performed by the engagement quality reviewer.
  - The complexity of the engagement.
  - The nature and size of the entity, including whether the entity is a publicly traded entity.
  - Findings relevant to the engagement, such as the results of inspections undertaken by an external oversight authority in a prior period, or other concerns raised about the quality of the work of the engagement team.
  - Information obtained from the firm's acceptance and continuance of client relationships and specific engagements.
  - For assurance engagements, the engagement team's identification and assessment of, and responses to, risks of material misstatement in the engagement.
  - Whether members of the engagement team have cooperated with the engagement quality reviewer. The firm's policies or procedures may address the actions the engagement quality reviewer takes in circumstances when the engagement team has not cooperated with the engagement quality reviewer, for example, informing an appropriate individual in the firm so appropriate action can be taken to resolve the issue.

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<sup>26</sup> ISQM (Ireland) 1, paragraph A49.



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