

2026

Consultation Paper

Proposal to revise

ISA (Ireland) 240 The Auditor's
Responsibilities Relating to Fraud
in an Audit of Financial
Statements and
ISA (Ireland) 570 Going Concern

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1. Summary

The purpose of this consultation is to obtain stakeholders' views on IAASA's proposal to revise ISA (Ireland) 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements and ISA (Ireland) 570 Going Concern.

The proposed revisions reflect recent changes to the equivalent international standards by the International Auditing and Assurance Standards Board (IAASB), as adapted by the Financial Reporting Council (FRC) in the UK.

The proposed effective date of the revisions is for audits of financial statements for periods commencing on or after 15 December 2026, with early adoption permitted.

The main proposed revisions are summarised in section 2 below.

The exposure drafts of the revised standards are available – [ISA \(Ireland\) 240](#) and [ISA \(Ireland\) 570](#).

2. Overview of proposed revisions

2.1 Background

ISA (Ireland) 570 was revised extensively in 2019, to reflect enhancements to the IAASB standard made by the Financial Reporting Council (FRC) in the UK. Similarly, a revised ISA (Ireland) 240 was published in 2021 to adopt FRC changes to the equivalent international standards. The changes made were intended to strengthen the standards and improve audit quality.

The exposure drafts reflect recent revisions by the IAASB to ISA 240 and ISA 570. They also include additional text retained by the FRC, which is already included in the current Irish versions of both standards.

Adoption of the revised standards in Ireland will maintain consistency with international auditing standards. Additionally, the IAASB is encouraging jurisdictions to give effect to the revised standards together with the narrow-scope amendments for publicly traded entities, which IAASA adopted in May 2026.

2.2 Proposed revisions to ISA (Ireland) 240

As summarised in the table below, the majority of the IAASB's recent revisions to ISA 240 are provisions that were adopted in Ireland in 2021. Consequently, the proposed revisions to ISA (Ireland) 240 are not expected to have a significant impact on Irish auditors.

Key IAASB enhancements	Reflected in extant ISA (Ireland) 240
Reinforcing the exercise of professional scepticism throughout the audit	Yes
Clarifying and emphasising auditor responsibilities	Yes
Strengthening ongoing communication throughout the audit with management and those charged with governance about matters related to fraud	Yes
Requirements and guidance that drive the auditor to design and perform robust risk procedures, including enhanced links to ISA (Ireland) 315	Yes
Separate section for audit procedures when fraud or suspected fraud is identified	No
Strengthened transparency on key audit matters related to fraud in the auditor's report	No
Enhanced audit documentation requirements	No
Application material to highlight the impact of technology on fraud	No

Additionally, as noted in Section 2.1 of this paper, some additional provisions from the extant ISA (Ireland) 240 have been retained and are indicated by grey shading in the exposure draft. The substantive retained add-ins are listed below.

- Material relating to ISA (Ireland) 250B The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector
- Provisions reflecting the requirements of the EU Audit Regulation. These are indicated by the inclusion of the letter 'R' in the relevant paragraph numbers.
- Requirement for the auditor to discuss the risks of fraud in an entity with those charged with governance
- Requirement for auditor to select post closing journal entries
- Text relating to 'tipping off' provisions in Irish legislation

2.3 Proposed revisions to ISA (Ireland) 570

The table below summarises the substantive changes made by the IAASB in revising ISA 570 and indicates those which are reflected in the current Irish standard.

Key IAASB enhancements	Reflected in extant ISA (Ireland) 570
Definition of material uncertainty related to going concern	Yes
Strengthened auditor's work effort relating to: <ul style="list-style-type: none"> • Risk assessment procedures • Management's assessment of going concern • Period of management's assessment • Management's plans for future actions, including intent and ability of management 	Yes
Timely, two-way communication with those charged with governance throughout the audit	Yes
Obligation of the auditor to communicate with appropriate authorities outside the entity	Yes
Enhanced auditor reporting requirements	Yes
Increased focus on auditor's evaluation of the adequacy of disclosures in the financial statements	No
Clarification of the relationship with key audit matters	No

As with ISA (Ireland) 240, IAASA proposes to retain a number of additional provisions from the extant standard. In particular:

- Introductory text on interpreting the term 'going concern'
- Provision on professional scepticism from the EU Audit Directive (paragraph 18D-1) and the related application material
- Application of the standard to audits already within the scope of extant ISA (Ireland) 570 i.e. public interest entities and other entities that report on how they have applied the Irish Corporate Governance Code
- Removal of the condition in paragraph 34(b) to provide an explanation in the auditor's report only when "*significant judgements are made by management*"

2.4 Conforming amendments

As a consequence of the proposed revisions to ISA (Ireland) 240 and ISA (Ireland) 570, it is also proposed to make conforming amendments to a number of other standards to reflect and give effect to the revisions. Details of the conforming amendments, which are consistent with those made by the IAASB and FRC, can be found at the end of the exposure drafts.

2.5 Effective date

The proposed effective date of the revisions and related conforming amendments is for audits of financial statements for periods commencing on or after 15 December 2026. Early adoption is permitted. This is consistent with the effective date of the corresponding international standards.

3. Matters on which IAASA is consulting

Set out below are several matters on which IAASA is seeking views by 5pm on Friday 4 September 2026.

No.	Matter on which views are sought
1.	Do you agree that it is in the public interest that IAASA adopts the revised ISAs (Ireland)? If not, please give your reasons and describe any alternatives that you wish IAASA to consider.
2.	Are there any proposed revisions that conflict with Irish or EU law? If so, please: <ul style="list-style-type: none">• Identify the relevant proposals and the relevant legal provisions• Give reasons for your view• Describe how you believe these matters should be addressed in the ISAs (Ireland)
3.	Are there any areas where there are distinct features of the Irish market which would impact on the applicability of the revised standards in Ireland? If so, please: <ul style="list-style-type: none">• Give your reasons• Identify the market sectors, entities etc. in Ireland impacted by the proposed amendment• Describe how you believe these matters should be addressed in ISAs (Ireland)
4.	Is the proposed effective date, i.e. for audits of financial statements for periods beginning on or after 15 December 2026, appropriate? If not, please give reasons and indicate an effective date that you would consider appropriate.

4. Making your submission

IAASA invites comments on the exposure drafts of ISA (Ireland) 240 and ISA (Ireland) 570. In particular, comments are sought on the matters set out in section 3.

Comments are most helpful if they:

- Respond directly to the question asked
- Provide a clear rationale for your position
- Provide evidence supporting your views

- Describe in detail any alternative options you wish IAASA to consider

Please email your response to submissions@iaasa.ie by **5pm on Friday 4 September 2026**.

IAASA will consider all responses from identifiable individuals and organisations that are received by this deadline. IAASA may publish a feedback statement summarising the content of the responses. Responses may also be published in full or in part and attributed to respondents.



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