Proposed Changes to the International Standards on Auditing (Ireland) (ISAs (Ireland)) and International Standard on Quality Control (Ireland) 1 (ISQC (Ireland) 1)

Contents

The proposed changes to the ISAs (Ireland) are shown in this document in marked text. These changes are effective for audits of financial statements for periods commencing on or after 15 October 2020.

The footnote numbering in this document does not necessarily correlate with the footnotes as currently included in the extant ISAs (Ireland).

ISQC (Ireland) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements

Definitions

12. In this ISQC (Ireland), the following terms have the meanings attributed below:

(a) Date of report – The date selected by the practitioner to date the report.

(b) Engagement documentation – The record of work performed, results obtained, and conclusions the practitioner reached (terms such as "working papers" or "workpapers" are sometimes used).

In Ireland, engagement documentation shall include all documents, information, records and other data required by this ISQC (Ireland), ISAs (Ireland) and applicable legal and regulatory requirements.

(c) Engagement partner[2] – The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. An engagement partner is a key audit partner.

(d) Engagement quality control review – A process designed to provide an objective evaluation, on or before the date of the report, of the significant judgments the engagement team made and the conclusions it reached in formulating the report. The engagement quality control review process is for audits of financial statements of listed entities, and those other engagements, if any, for which the firm has determined an engagement quality control review is required.

(e) Engagement quality control reviewer – A partner, other person in the firm, suitably qualified external person, or a team made up of such individuals, none of whom is part of the engagement team, with sufficient and appropriate experience and authority to objectively evaluate the significant judgments the engagement team made and the conclusions it reached in formulating the report.

(f) Engagement team – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes an auditor's external expert engaged by the firm or by a network firm. The term "engagement team" also excludes individuals within the client's internal audit function who provide direct assistance on an audit

[2] "Engagement partner," "partner," and "firm" should be read as referring to their public sector equivalents where relevant.

engagement when the external auditor complies with the requirements of ISA (Ireland) 610.[3]

(g) Firm – A sole practitioner, partnership or corporation or other entity of professional accountants.

(h) Inspection – In relation to completed engagements, procedures designed to provide evidence of compliance by engagement teams with the firm's quality control policies and procedures.

(h)-1 Key audit partner(s) – Is defined ~~in Irish legislation~~[3a] ~~-~~as:

(i) ~~one or more~~ the statutory auditor(s) designated by an ~~statutory~~ audit firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of the audit firm; or

(ii) In the case of a group audit, at least the ~~one or more~~ statutory auditor(s) designated by an ~~statutory~~ audit firm as being primarily responsible for carrying out the statutory audit at the level of the group and the ~~one or more~~ statutory auditor(s) designated as being primarily responsible at the level of material subsidiaries;[3b] or

(iii) The ~~one or more~~ statutory auditor(s) who sign(s) the audit report.

(i) Listed entity – An entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.

In Ireland, this includes any company in which the public can trade shares on the open market, such as the Irish Stock Exchange (including those admitted to trade on the Irish Euronext Growth ~~Enterprise Securities~~ Market). It does not include entities whose quoted or listed shares, stock or debt are in substance not freely transferable or cannot be traded freely by the public or the entity.

(j) Monitoring – A process comprising an ongoing consideration and evaluation of the firm's system of quality control, including a periodic inspection of a selection of completed engagements, designed to provide the firm with reasonable assurance that its system of quality control is operating effectively.

(k) Network firm – A firm or entity that belongs to a network.

(l) Network – A larger structure:

(i) That is aimed at cooperation, and

(ii) That is clearly aimed at profit or cost-sharing or shares common ownership, control or management, common quality control policies and procedures,

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[3] ISA (Ireland) 610, *Using the Work of Internal Auditors*, establishes limits on the use of direct assistance. It also acknowledges that the external auditor may be prohibited by law or regulation from obtaining direct assistance from internal auditors. Therefore, the use of direct assistance is restricted to situations where it is permitted.

The use of internal auditors to provide direct assistance is prohibited in an audit conducted in accordance with ISAs (Ireland) – see ISA (Ireland) 610, paragraph 5-1.

[3a] Article 2(16) of the EU Audit Directive ~~Regulation 4(1) of the European Union (Statutory Audits) (Directive 2006/43/EC as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016 (Statutory Instrument 312 of 2016)~~ refers.

[3b] Paragraph A4-2 of ISA (Ireland) 600 discusses the concept of material subsidiaries in more detail.

common business strategy, the use of a common brand name, or a significant part of professional resources.

(m) Partner – Any individual with authority to bind the firm with respect to the performance of a professional services engagement.

(n) Personnel – Partners and staff.

(o) Professional standards – IAASB Engagement Standards, as defined in the IAASB's *Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance, and Related Services*, and relevant ethical requirements.

(o)-1 Public interest entity – Is defined in Irish legislation[1] as undertakings that:

(i) have transferrable securities admitted to trading on a regulated market[2] of any Member State, ~~entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC;~~[3c]

(ii) are c~~C~~redit institutions (within the meaning of Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council[3], other than those listed in Article 2 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and investment firms); or ~~as defined in point 1 of Article 3(1) of Directive 2013/36/EU of the European parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (but excluding credit institutions referred to in Article 2 of Directive 2013/36/EU), and~~

(iii) are insurance undertakings (within the meaning ~~of~~given by Article 2(1) of Council Directive 91/674/EEC of ~~19 December 1991~~ the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings).

No other entities have been specifically designated in law in Ireland as 'public interest entities'.

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[1] ~~Regulation 4(1) of the European Union (Statutory Audits) (Directive 2006/43/EC as amended by Directive 2014/56/EU, And Regulation (EU) No 537/2014) Regulations 2016 (Statutory Instrument 312 of 2016)~~ Section 1461(1) of the Companies Act 2014 refers.

[2] "Regulated market" has the same meaning as in Regulation 2 of Transparency (Directive 2004/109/EC) Regulations 2007 (Statutory Instrument 277 of 2007). "Transferable securities" means anything which is a transferable security for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

~~[3c] "Issuer" and "regulated market" have the same meaning as in Regulation 2 of Transparency (Directive 2004/109/EC) Regulations 2007 (Statutory Instrument 277 of 2007).~~

[3] Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

(p) Reasonable assurance – In the context of this ISQC (Ireland), a high, but not absolute, level of assurance.

(q) Relevant ethical requirements – Ethical requirements to which the engagement team and engagement quality control reviewer are subject, which ordinarily comprise Parts A and B of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with national requirements that are more restrictive.

In Ireland, the firm and its personnel are subject to ethical requirements from two sources: IAASA's Ethical Standard concerning the integrity, objectivity and independence of the firm and its personnel, and the ethical pronouncements established by the auditor or assurance practitioner's relevant professional body.

(r) Staff – Professionals, other than partners, including any experts the firm employs.

(s) Suitably qualified external person – An individual outside the firm with the competence and capabilities to act as an engagement partner, for example a partner of another firm, or an employee (with appropriate experience) of either a professional accountancy body whose members may perform audits and reviews of historical financial information, or other assurance or related services engagements, or of an organization that provides relevant quality control services.

Requirements

Acceptance and Continuance of Client Relationships and Specific Engagements

27D-1. Before accepting or continuing an audit engagement, the auditor and audit firm shall assess the following:

(a) Whether the auditor and audit firm complies with relevant independence and objectivity requirements in IAASA's Ethical Standard;

(b) Whether there are threats to the auditor and audit firm's independence, and the safeguards applied to mitigate those threats;

(c) Whether the auditor and audit firm has the competent *personnel*, time and resources needed in order to carry out the audit in an appropriate manner; and

(d) Whether the key audit partner is eligible for appointment as a statutory auditor.[3e]

[3e] The eligibility for appointment as a statutory auditor is dealt with in ~~Part 4, of the European Unions (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016 (Statutory Instrument 312 of 2016)~~ Chapter 2 of Part 27 of the Companies Act 2014.

28D-1. For audits of financial statements, where the auditor and audit firm ceases to hold office as a statutory auditor, or ceases to be eligible for appointment as a statutory auditor~~/public auditor~~,[3e] the statutory auditor and audit firm shall provide the successor statutory auditor and audit firm with access to all relevant information concerning the entity, including information concerning the most recent audit.[3h] (Ref: Para. A22-1)

Human Resources

Assignment of Engagement Teams

30D-1. For each audit of financial statements, the firm shall:

(a) Designate at least one key audit partner;[3j]

(b) Apply as its main criteria in selecting such a key audit partner the need to secure:

(i) The quality of the audit; and

(ii) The firm's independence and competence in carrying out the audit; and

(c) Ensure the key audit partner is actively involved in carrying out the audit.

Documentation of the System of Quality Control

59D-2. For audits of financial statements, the firm shall maintain a ~~client account~~ record ~~for each audit client~~ which includes in respect of every audit:

(a) The audited entity's name, address and place of business;

(b) The name of the key audit partner or, where there is more than one key audit partner, the names of all the key audit partners; and

(c) The fees charged for carrying out the audit and for other services in any financial year.

3h The relevant ethical guidance on proposed communications with a predecessor auditor is provided by the ethical pronouncements relating to the work of auditors issued by the auditor's relevant professional body and Section 1521 of the Companies Act 2014~~Regulation 71 of the European Union (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/53/EU, And Regulations (EU) No 537/2014) Regulations 2016 (Statutory Instrument 312 of 2016~~ refers~~)~~.

3d In Ireland, the competent authority designated by law is IAASA or the recognized accountancy body authorised to perform Part 27 functions, as applicable.

3j For the purpose of this ISQC (Ireland), a ~~K~~key audit partner is also an ~~includes~~ engagement partner.

ISA (Ireland) 220, *Quality Control for an Audit of Financial Statements*

Definitions

7. For purposes of the ISAs (Ireland), the following terms have the meanings attributed below:

    (a) Engagement partner[2] – The partner or other person in the firm who is responsible for the audit engagement and its performance, and for the auditor's report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. The engagement partner is a Key Audit Partner.

    (b) Engagement quality control review – A process designed to provide an objective evaluation, on or before the date of the auditor's report, of the significant judgments the engagement team made and the conclusions it reached in formulating the auditor's report. The engagement quality control review process is only for audits of financial statements of listed entities and those other audit engagements, if any, for which the firm has determined an engagement quality control review is required.

    (c) Engagement quality control reviewer – A partner, other person in the firm, suitably qualified external person, or a team made up of such individuals, none of whom is part of the engagement team, with sufficient and appropriate experience and authority to objectively evaluate the significant judgments the engagement team made and the conclusions it reached in formulating the auditor's report.

    (d) Engagement team – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform audit procedures on the engagement. This excludes an auditor's external expert engaged by the firm or by a network firm.[3] The term "engagement team" also excludes individuals within the client's internal audit function who provide direct assistance on an audit engagement when the external auditor complies with the requirements of ISA (Ireland) 610.[4]

    (e) Firm – A sole practitioner, partnership or corporation or other entity of professional accountants.

    (f) Inspection – In relation to completed audit engagements, procedures designed to provide evidence of compliance by engagement teams with the firm's quality control policies and procedures.

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2 "Engagement partner," "partner," and "firm" should be read as referring to their public sector equivalents where relevant.

3 ISA (Ireland) 620, *Using the Work of an Auditor's Expert*, paragraph 6(a), defines the term "auditor's expert."

4 ISA 610, *Using the Work of Internal Auditors*, establishes limits on the use of direct assistance. It also acknowledges that the external auditor may be prohibited by law or regulation from obtaining direct assistance from internal auditors. Therefore, the use of direct assistance is restricted to situations where it is permitted.
The use of internal auditors to provide direct assistance is prohibited in an audit conducted in accordance with ISAs (Ireland) – see ISA (Ireland) 610, paragraph 5-1.

(f)-1 Key audit partner(s) – Is defined ~~in Irish legislation~~[3a] as:

(i) ~~one or more~~ The statutory auditor(s) designated by an ~~statutory~~ audit firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of the audit firm; or

(ii) In the case of a group audit, at least the ~~one or more~~ statutory auditor(s) designated by an ~~statutory~~ audit firm as being primarily responsible for carrying out the statutory audit at the level of the group and the ~~one or more~~ statutory auditor(s) designated as being primarily responsible at the level of material subsidiaries; or (Ref: Para. A3-1)

(iii) The ~~one or more~~ statutory auditor(s) who sign(s) the audit report.

(g) Listed entity – An entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.

In Ireland, this includes any company in which the public can trade shares on the open market, such as the Irish Stock Exchange (including those admitted to trade on the Irish Euronext Growth ~~Enterprise Securities~~ Market). It does not include entities whose quoted or listed shares, stock or debt are in substance not freely transferable or cannot be traded freely by the public or the entity.

(h) Monitoring – A process comprising an ongoing consideration and evaluation of the firm's system of quality control, including a periodic inspection of a selection of completed engagements, designed to provide the firm with reasonable assurance that its system of quality control is operating effectively.

(i) Network firm – A firm or entity that belongs to a network.

(j) Network – A larger structure:

(i) That is aimed at cooperation, and

(ii) That is clearly aimed at profit or cost-sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand name, or a significant part of professional resources.

(k) Partner – Any individual with authority to bind the firm with respect to the performance of a professional services engagement.

(l) Personnel – Partners and staff.

(m) Professional standards – International Standards on Auditing (Ireland) (ISAs (Ireland)) and relevant ethical requirements.

[3a] Article 2(16) of the EU Audit Directive~~Regulation 4(1) of the European Union (Statutory Audits) (Directive 2006/43/EC as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016 (Statutory Instrument 312 of 2016)~~ refers.

(m)-1 Public interest entity – Is defined in Irish legislation[3b] as undertakings that:

(i) Have transferrable securities admitted to trading on a regulated market[4] of any EU Member State,~~entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC~~;

(ii) Are c~~C~~redit institutions (within the meaning of Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council[5], other than those listed in Article 2 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and investment firms); or~~ as defined in point 1 of Article 3(1) of Directive 2013/36/EU of the European parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (but excluding credit institutions referred to in Article 2 of Directive 2013/36/EU), and~~

(iii) Are insurance undertakings (within the meaning ~~of~~given by Article 2(1) of Council Directive 91/674/EEC of~~ 19 December 1991~~ the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings).

No other entities have been specifically designated in law in Ireland as 'public interest entities'.

(n) Relevant ethical requirements – Ethical requirements to which the engagement team and engagement quality control reviewer are subject, which ordinarily comprise Parts A and B of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) related to an audit of financial statements together with national requirements that are more restrictive.

Auditors in Ireland are subject to ethical requirements from two sources: ~~the~~ 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.

(o) Staff – Professionals, other than partners, including any experts the firm employs.

3b ~~Regulation 4(1) of the European Union (Statutory Audits) (Directive 2006/43/EC as amended by Directive 2014/56/EU, And Regulation (EU) No 537/2014) Regulations 2016 (Statutory Instrument 312 of 2016)~~ Section 1461(1) of the Companies Act 2014 refers.

4 "Regulated market" has the same meaning as in Regulation 2 of Transparency (Directive 2004/109/EC) Regulations 2007 (Statutory Instrument 277 of 2007). "Transferable securities" means anything which is a transferable security for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

5 Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

(p) Suitably qualified external person – An individual outside the firm with the competence and capabilities to act as an engagement partner, for example a partner of another firm, or an employee (with appropriate experience) of either a professional accountancy body whose members may perform audits of historical financial information or of an organization that provides relevant quality control services.

Requirements

Engagement Performance

Engagement Quality Control Review

21R-1. For audits of financial statements of public interest entities, the engagement quality control reviewer, on performing an engagement quality control review,[4d] shall also consider the following matters ~~elements~~: (Ref: Para. A31-1–A31-4)

(a) The independence of the firm from the entity;

(b) The significant risks which are relevant to the audit and which the key audit partner(s) has identified during the performance of the audit and the measures that the key audit partner(s) has taken to adequately manage those risks;

(c) The reasoning of the key audit partner(s), in particular with regard to the level of materiality and the significant risks referred to in paragraph 21R-1(b);

(d) Any request for advice to external experts and the implementation of such advice;

(e) The nature and scope of the corrected and uncorrected misstatements in the financial statements that were identified during the carrying out of the audit;

(f) The subjects discussed with the audit committee and management and/or supervisory bodies of the entity;

(g) The subjects discussed with competent authorities[4e] and, where applicable, with other third parties; and

(h) Whether the documents and information selected from the file by the engagement quality control reviewer support the opinion of the key audit partner(s) as expressed in the draft of the auditor's report and the additional report to the audit committee.[4f]

21R-2. The engagement quality control reviewer shall discuss the results of the review, including the matters considered ~~elements assessed~~ in paragraph 21R-1, with the key audit partner(s).

21-3. For audits of group financial statements of public interest entities, the engagement quality control reviewer also considers the matters required by paragraphs 21R-1(a)–

[4d] The requirement for an engagement quality control review is established in ISQC (Ireland) 1, paragraph 36R-1.

[4e] The competent authority designated by law is IAASA.

[4f] The requirements for these reports are set out respectively in ISA (Ireland) 700, *Forming an Opinion and Reporting on Financial Statements* and ISA (Ireland) 260, *Communication with Those Charged with Governance*.

21R-1(h) for components and discusses the results of the review with each of the relevant key audit partners. (Ref: Para. A31-2)

Documentation

25R-2. For audits of financial statements of public interest entities:~~,~~

(a) The auditor and the engagement quality control reviewer shall keep a record of the results of the engagement quality control review, together with the considerations underlying those results, in the audit documentation; and

(b) The engagement quality control reviewer documents their consideration of each of the matters in paragraphs 21R-1(a)–21R-1(h), as appropriate, and their conclusion thereon.

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Application and Other Explanatory Material

Engagement Performance

Engagement Quality Control Review

Public Interest Entities (Ref: Para. 21R-1–21-3)

A31-1. In rare circumstances, there may be no matters to discuss with key audit partners, and the engagement quality control reviewer may conclude that a discussion with the key audit partners is therefore unnecessary, having documented the rationale for this decision.

A31-2. Documentation may take many different forms. For example, it may include a file note of the discussion between the engagement quality control reviewer and the key audit partner(s) as necessary, where the results of the review are discussed, covering at least the elements required by paragraphs 21R-1(a)–21R-1(h), and including any agreed actions arising from that discussion.

A31-3. It is important that the documentation demonstrates a robust appraisal of the quality of the work performed and the conclusions reached by the engagement team. A simple sign off or completion of a checklist is unlikely to demonstrate a robust appraisal.

A31-4. When assessing the appropriateness of the engagement team's judgements and conclusions, the engagement quality control reviewer may consider alternative outcomes. In such circumstances, the engagement quality control reviewer may find it beneficial to document such an assessment as a way to demonstrate they have performed a robust appraisal of the work performed and the conclusions reached.

ISA (Ireland) 250, *Section A—Consideration of Laws and Regulations in an Audit of Financial Statements*

Requirements

The Auditor's Consideration of Compliance with Laws and Regulations

13-1. When performing risk assessment procedures as required by ISA (Ireland) 315, the auditor shall consider whether there are any indications of non-compliance with laws and regulations. (Ref: Para. A11-2)

14. The auditor shall obtain sufficient appropriate audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements. (Ref: Para. A11-3~~2~~–A12-1)

15. The auditor shall perform the following audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements: (Ref: Para. A11-3, A13–A14-1)

    (a) Inquiring of management and, where appropriate, those charged with governance, as to whether the entity is in compliance with such laws and regulations; and (Ref: Para. 14-2)

    (b) Inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

Audit Procedures When Non-Compliance Is Identified or Suspected

20. If the auditor suspects there may be non-compliance, the auditor shall discuss the matter, unless prohibited by law or regulation, with the appropriate level of management and, where appropriate, those charged with governance. If management or, as appropriate, those charged with governance do not provide sufficient information that supports that the entity is in compliance with laws and regulations and, in the auditor's judgment, the effect of the suspected non-compliance may be material to the financial statements, either quantitatively or qualitatively, and where there is more than one occurrence both individually and in aggregate the auditor shall consider the need to obtain legal advice. (Ref: Para. A20-A22)

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Application and Other Explanatory Material

The Auditor's Consideration of Compliance with Laws and Regulations

Obtaining an Understanding of the Legal and Regulatory Framework (Ref: Para. 13)

A11-1. When obtaining audit evidence to understand how the entity is complying with the legal and regulatory framework applicable to the entity, the auditor may obtain that understanding through a combination of inquiries and other risk assessment procedures (i.e., corroborating inquiries through observation or inspection of documents).

Indications of Non-Compliance with Laws and Regulations (Ref: Para. 13-1~~8~~)

A11-2~~8~~. The following matters may be an indication of non-compliance with laws and regulations:

- Investigations by regulatory organizations and government departments or payment of fines or penalties.
- Payments for unspecified services or loans to consultants, related parties, employees or government employees.
- Sales commissions or agent's fees that appear excessive in relation to those ordinarily paid by the entity or in its industry or to the services actually received.
- Purchasing at prices significantly above or below market price.
- Unusual payments in cash, purchases in the form of cashiers' cheques payable to bearer or transfers to numbered bank accounts.
- Unusual transactions with companies registered in tax havens.
- Payments for goods or services made other than to the country from which the goods or services originated.
- Payments without proper exchange control documentation.
- Existence of an information system which fails, whether by design or by accident, to provide an adequate audit trail or sufficient evidence.
- Unauthorized transactions or improperly recorded transactions.
- Adverse media comment.

Materiality in Relation to Non-Compliance with Laws and Regulations (Ref: Para. 6, 12–13)

A11-3. The auditor considers both quantitative and qualitative factors when considering both categories of laws and regulations as described in paragraph 6, including in circumstances where the direct effect on the determination of amounts and disclosures in the financial statements is not quantitatively material. For example, acts of non-compliance may not generate material fines or penalties, but may have a direct effect on disclosures due to the nature of the entity where disclosure of acts of non-compliance are important to users of the financial statements.

Laws and Regulations Generally Recognized to Have a Direct Effect on the Determination of Material Amounts and Disclosures in the Financial Statements (Ref: Para. 6, 14)

A12. Certain laws and regulations are well-established, known to the entity and within the entity's industry or sector, and relevant to the entity's financial statements (as described in paragraph 6(a)). They could include those that relate to, for example:

- The form and content of financial statements;~~[11a]~~
- Industry-specific financial reporting issues;
- Accounting for transactions under government contracts; or
- The accrual or recognition of expenses for income tax or pension costs.

~~[11a] Schedule 3 of the Companies Act 2014, the European Union (Credit Institutions: Financial Statements) Regulations 2015 (SI No 266/2015) and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015 refer (SI No 213/2016).~~

These laws and regulations include those which:

- Determine the circumstances under which a company is prohibited from making a distribution except out of profits available for the purpose.[11a]

- Require auditors expressly to report non-compliance, such as the requirements relating to the maintenance of adequate accounting records[11b] or the disclosure of particulars of directors' remuneration in a company's financial statements.[11c]

Some provisions in those laws and regulations may be directly relevant to specific assertions in the financial statements (e.g., the completeness of income tax provisions), while others may be directly relevant to the financial statements as a whole (e.g., the required statements constituting a complete set of financial statements). The aim of the requirement in paragraph 14 is for the auditor to obtain sufficient appropriate audit evidence regarding the determination of amounts and disclosures in the financial statements in compliance with the relevant provisions of those laws and regulations.

Non-compliance with other provisions of such laws and regulations and other laws and regulations may result in fines, litigation or other consequences for the entity, the costs of which may need to be provided for in the financial statements, but are not considered to have a direct effect on the financial statements as described in paragraph 6(a). However, where the auditor identifies or suspects non-compliance with laws and regulations, the auditor takes into account potential fines, litigation or other consequences for the entity when evaluating the possible effect on the financial statements in accordance with paragraph 19(b).

Procedures to Identify Instances of Non-Compliance – Other Laws and Regulations (Ref: Para. 6, 15)

A14-1. When determining the nature and extent ~~type~~ of the procedures necessary in a particular instance the auditor takes account of the particular entity concerned and the complexity of the laws and regulations with which it is required to comply. In general, a small company which does not operate in a regulated area will require few specific procedures compared with a large multinational corporation carrying on complex, regulated business.

A14-2. When performing the audit procedures required by paragraph 15(a), the auditor may consider whether the audit evidence obtained through inquiries of management and, where appropriate, those charged with governance, is consistent with the auditor's understanding obtained in accordance with paragraph 13.

Written Representations (Ref: Para. 17)

A16-1. Where management or those charged with governance have informed the auditor of an instance of actual or suspected non-compliance with laws and regulations (e.g., in response to the inquiries made in paragraph 15(a), through written representations in accordance with paragraph 17 or some other means), the requirements in paragraphs 19–22 apply.

[11a] Section 117 of the Companies Act 2014.

[11b] Section 336(4) of the Companies Act 2014.

[11c] Section 336(8) of the Companies Act 2014.

Audit Procedures When Non-Compliance Is Identified or Suspected

~~*Indications of Non-Compliance with Laws and Regulations* (Ref: Para. 18)~~

A17. The auditor may become aware of information concerning an instance of non-compliance with laws and regulations other than as a result of performing the procedures in paragraphs 13–17 (e.g., when the auditor is alerted to non-compliance by a whistle blower).

~~A18. The following matters may be an indication of non-compliance with laws and regulations:~~

- ~~Investigations by regulatory organizations and government departments or payment of fines or penalties.~~
- ~~Payments for unspecified services or loans to consultants, related parties, employees or government employees.~~
- ~~Sales commissions or agent's fees that appear excessive in relation to those ordinarily paid by the entity or in its industry or to the services actually received.~~
- ~~Purchasing at prices significantly above or below market price.~~
- ~~Unusual payments in cash, purchases in the form of cashiers' cheques payable to bearer or transfers to numbered bank accounts.~~
- ~~Unusual transactions with companies registered in tax havens.~~
- ~~Payments for goods or services made other than to the country from which the goods or services originated.~~
- ~~Payments without proper exchange control documentation.~~
- ~~Existence of an information system which fails, whether by design or by accident, to provide an adequate audit trail or sufficient evidence.~~
- ~~Unauthorized transactions or improperly recorded transactions.~~
- ~~Adverse media comment.~~
- ~~Ransom payments following a successful or attempted cyber-security incident at the audit client entity.~~

Matters Relevant to the Auditor's Understanding of the Nature of the Act and Circumstances in Which It Has Occurred (Ref: Para. 19(a))

A18-1. Where the auditor determines that the identified or suspected non-compliance with laws and regulations is intentional, the requirements in ISA (Ireland) 240 (Updated December 2018) apply.[13a]

Evaluating the Implications of Identified or Suspected Non-Compliance (Ref: Para. 22)

A23-1. Where the auditor identifies or suspects non-compliance with laws and regulations, the auditor may determine that a significant deficiency in internal control exists. In such circumstances, the requirements in ISA (Ireland) 265 apply.[13c]

[13a] ISA (Ireland) 240 (Updated December 2018), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*.

[13c] ISA (Ireland) 265, *Communicating Deficiencies in Internal Control to Those Charged With Governance and Management*, paragraph 8.

Communicating and Reporting Identified or Suspected Non-Compliance

Potential Implications of Identified or Suspected Non-Compliance for the Auditor's Report (Ref: Para. 26–28)

A27-1. In Ireland, when considering whether the financial statements reflect the possible consequences of any identified or suspected non-compliance with laws and regulations, the auditor has regard to the requirements of the applicable financial reporting framework. Identified or suspected non-compliance with laws and regulations may require disclosure in the financial statements because, although the immediate financial effect on the entity may not be material,[16a] there could be future material consequences such as fines, litigation or other consequences for the entity, or the non-compliance may be qualitatively material. For example, an illegal payment may not itself be material but may result in criminal proceedings against the entity or loss of business which could have a material effect on the true and fair view given by the financial statements.

Reporting Identified or Suspected Non-Compliance to an Appropriate Authority Outside the Entity (Ref: Para. 29)

A28. Reporting identified or suspected non-compliance with laws and regulations to an appropriate authority outside the entity may be required or appropriate in the circumstances because:

(a) Law, regulation or relevant ethical requirements require the auditor to report (see paragraphs A29–A29-3);

(b) The auditor has determined reporting is an appropriate action to respond to identified or suspected non-compliance in accordance with relevant ethical requirements (see paragraph A30); ~~or~~

(c) Law, regulation or relevant ethical requirements provide the auditor with the right to do so (see paragraph A31); or~~.~~

(d) The matter may be one that ought to be reported in the public interest (see paragraphs A33-1–A33-8).

The Annexure to ISA (Ireland) 250A – *Conforming amendments to other ISAs (Ireland)* shall be deleted from the revised ISA (Ireland) 250A as the relevant ISAs (Ireland) reflect the conforming amendments.

[16a] As discussed in ISA (Ireland) 320, *Materiality in Planning and Performing an Audit*, judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a matter or a combination of both.

ISA (Ireland) 250, *Section B—The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector*

Reporting (Ref: Para. A31–A46)

The Auditor's Statutory Duty to Report Direct to Regulators

13R-1. For audits of financial statements of public interest entities, the auditor shall:

(a) Report promptly to the regulator any information concerning that public interest entity of which the auditor has become aware while carrying out the audit and which may bring about any of the following: (Ref: Para. A35-1–A35-3)

(i) A material breach of the laws, regulations or administrative provisions which lay down, where appropriate, the conditions governing authorization or which specifically govern pursuit of the activities of such public interest entity; or (Ref: Para. A35-4)

(ii) A material threat or doubt concerning the continuous functioning of the public interest entity; or (Ref: Para. A35-5)

(iii) A refusal to issue an audit opinion on the financial statements or the issuing of an adverse or qualified opinion. (Ref: Para. A35-6)

(b) Report any information referred to in paragraph 13R-1(a)(i)–(iii) of which the auditor becomes aware in the course of carrying out the audit of an undertaking having close links[5] with the public interest entity for which they are also carrying out the audit.

The Auditor's Right to Report Direct to Regulators

15. When a matter comes to the auditor's attention which the auditor concludes does not give rise to a statutory duty to report but nevertheless ~~gives rise to a statutory right to report, and~~ may be relevant to the regulator's exercise of its functions, the auditor may[2]:

(a) Consider whether the matter should be brought to the attention of the regulator under the terms of the appropriate legal provisions enabling the auditor to report direct to the regulator; and, if so

(b) Advise those charged with governance that in the auditor's opinion the matter should be drawn to the regulators' attention.

Where the auditor is unable to obtain, within a reasonable period, adequate evidence that those charged with governance have properly informed the regulator of the matter, the auditor shall[4] make a report direct to the regulator as soon as practicable. (Ref: Para. A36-A37)

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[5] "Close links" means a situation in which two or more natural or legal persons are linked in any of the following ways:

(a) Participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of an undertaking;

(b) Control;

(c) A permanent link of both or all of them to the same third person by a control relationship ~~is defined in point (38) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013~~.

Application and Other Explanatory Material

Reporting

The Auditor's Statutory Duty to Report Direct to Regulators (Ref: Para. 13–14)

Public Interest Entities (Para: Ref. 13R-1)

A35-1. Reports are generally made to the regulator that has the statutory powers to be able to act on the information provided in the report filed by the auditor. For example:

- For entities in the financial sector – the Central Bank of Ireland.
- Reporting on non-compliance with Listing Rules – the Irish Stock Exchange.
- Reporting on possible offences under the Companies Act 2014 - the Office of the Director of Corporate Enforcement.

In some cases, the auditor may be required to report to multiple regulators.

A35-2. It may not always be immediately clear what reporting requirements apply to an entity or sector. Nevertheless, the auditor obtains a general understanding of the legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates in accordance with ISA (Ireland) 250 (Revised July 2017) Section A.[9]

A35-3. There may be occasions where there is no readily identifiable regulator to which the auditor can make a report, or the matter to be reported would not be of interest or relevance to the Irish Stock Exchange. In that case, the auditor considers whether to make a report to the auditor's competent authority.[10]

Material Breach of Laws, Regulations or Administrative Provisions (Ref: Para. 14(a)(i))

A35-4. ISA (Ireland) 250 (Revised July 2017) Section A[11] establishes requirements and provides guidance for the auditor's responsibility to consider laws and regulations in an audit of financial statements.

Material Threat or Doubt Concerning the Continuous Functioning (Ref: Para. 14(a)(ii))

A35-5. A material threat or doubt concerning the continuous function of an entity could arise as a result of many factors. For example, the auditor considers matters relevant to going concern as well as threats or doubts arising from principal or emerging risks facing the entity, including those that would threaten the entity's business model, future performance, solvency or liquidity. ISA (Ireland) 570[12] establishes requirements and provides guidance in respect of the auditor's responsibilities relating to going concern, including matters related to the viability statement.

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9 ISA (Ireland) 250 (Revised July 2017), *Section A—Consideration of Laws and Regulations in an Audit of Financial Statements*, paragraph 13.

10 In Ireland, the competent authority designated by law is IAASA (PIE audits) or the recognized accountancy body (non-PIE audits) authorised to perform regulatory functions, as applicable.

11 ISA (Ireland) 250 (Revised July 2017), *Section A—Consideration of Laws and Regulations in an Audit of Financial Statements*.

12 ISA (Ireland) 570, *Going Concern*.

Qualified, Adverse or Disclaimers of Opinion (Ref: Para. 14(a)(iii))

A35-6. ISA (Ireland) 705[13] establishes requirements and provides guidance in determining where there is a need for the auditor to express a qualified or adverse opinion or disclaim an opinion.

[13] ISA (Ireland) 705, *Modifications to the Opinion in the Independent Auditor's Report.*

ISA (Ireland) 260, *Communication with Those Charged with Governance*

Introduction

The Role of Communication

7. In some jurisdictions, law or regulation may restrict the auditor's communication of certain matters with those charged with governance. Law or regulation may specifically prohibit a communication, or other action, that might prejudice an investigation by an appropriate authority into an actual, or suspected, illegal act, including alerting the entity, for example, when the auditor is required to report identified or suspected non-compliance with laws and regulations to an appropriate authority pursuant to anti-money laundering legislation. In these circumstances, the issues considered by the auditor may be complex and the auditor may consider it appropriate to obtain legal advice.

Requirements

Matters to Be Communicated

Entities that Report on Application of the UK Corporate Governance Code and the Irish Corporate Governance Annex

16-1. In the case of entities that are required,[1d] and those that choose voluntarily, to report on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, or to explain why they have not, the auditor shall communicate to the audit committee the information that the auditor believes will be relevant to: ~~(Ref: Para. A28-1)~~

- The board and, where applicable, the audit committee, ~~(~~in the context of fulfilling its responsibilities under Code provisions relating to Audit, Risk and Internal Control;[1e] ~~C.1.1, C.1.3, C.2.1, C.2.2 and C.2.3) and, where applicable, the audit committee (in the context of fulfilling its responsibilities under Code provision C.3.4);~~ and
- The audit committee ~~(in the context of fulfilling its responsibilities under Code provision C.3.2)~~ in order to understand the rationale and the supporting evidence the auditor has relied on when making significant professional judgments in the course of the audit and in reaching an opinion on the financial statements.

If not already covered by communications under paragraphs 15, 16 and 16R-2 of this ISA (Ireland) and paragraph 25 of ISA (Ireland) 570 (Revised October 2019), this information shall include the auditor's views: ~~(Ref: Para. A20-2–A20-5)~~ (Ref: Para. A28-1–A28-4)

(a) About business risks relevant to financial reporting objectives, the application of materiality and the implications of their judgments in relation to these for the overall audit strategy, the audit plan and the evaluation of misstatements identified;

[1d] These include Irish incorporated companies with a primary or secondary listing of equity shares on the Irish Stock Exchange.

[1e] The UK Corporate Governance Code (July 2018), *4—Audit, Risk and Internal Control*, provisions 24–31.

(b) On the significant accounting policies (both individually and in aggregate);

(c) On management's valuations of the entity's material assets and liabilities and the related disclosures provided by management;

(d) Without expressing an opinion on the effectiveness of the entity's system of internal control as a whole, and based solely on the audit procedures performed in the audit of the financial statements, about:

   (i) The effectiveness of the entity's system of internal control relevant to risks that may affect financial reporting; and

   (ii) Other risks arising from the entity's business model and the effectiveness of related internal controls to the extent, if any, the auditor has obtained an understanding of these matters;

(e) About the robustness of the ~~directors'~~ board's assessment of the entity's emerging and principal risks ~~facing the entity, including those that would threaten its business model, future performance, solvency or liquidity and its outcome~~, including the related disclosures in the annual report confirming that they have carried out such an assessment and describing ~~those~~ the principal risks, what procedures are in place to identify emerging risks and explaining how ~~they~~ these are being managed or mitigated ~~(in accordance with Code provision C.2.1)~~;[1f]

(f) About the board's ~~directors'~~ explanation in the annual report as to how it has ~~they have~~ assessed the prospects of the entity, over what period it has ~~they have~~ done so and why it ~~they~~ considers that period to be appropriate ~~(in accordance with Code provision C.2.2)~~,[1g] and their statements:

   (i) In the financial statements, as to whether ~~they~~ the Board considered it appropriate to adopt the going concern basis of accounting in preparing them, including any related disclosures identifying any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements ~~(in accordance with Code provision C.1.3)~~;[1h] and

   (ii) In the annual report as to whether ~~they have~~ it has a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions as necessary ~~(in accordance with Code provision C.2.2)~~;[1g] and

(g) On any other matters identified in the course of the audit that the auditor believes will be relevant to the board or the audit committee in the context of fulfilling their responsibilities referred to above.

The auditor shall include with this communication sufficient explanation to enable the audit committee to understand the context within which the auditor's views relating to the matters in paragraph (d) above are expressed, including the extent to which the auditor has developed an understanding of these matters in the course of the audit

[1f] The UK Corporate Governance Code (July 2018), provision 28.

[1g] The UK Corporate Governance Code (July 2018), provision 31.

[1h] The UK Corporate Governance Code (July 2018), provision 30.

and, if not already communicated to the audit committee, that the audit included consideration of internal control relevant to the preparation of the financial statements only in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control.

Public Interest Entities

16R-2. For audits of financial statements of public interest entities, the auditor shall submit an additional report to the audit committee of the entity explaining the results of the audit carried out and shall at least: (Ref: Para. A28-5–A28-6)

(a) Include the declaration of independence required by paragraph 17R-1(a);

(b) Identify each key audit partner(s)[1e] involved in the audit;

(c) Where the auditor has made arrangements for any of the auditor's activities to be conducted by another firm[1f] that is not a member of the same network, or has used the work of external experts, the report shall indicate that fact and shall confirm that the auditor received a confirmation from the other firm and/or the external expert regarding their independence;

(d) Describe the nature, frequency and extent of communication with the audit committee or the body performing equivalent functions within the entity, the management body and the administrative or supervisory body of the entity, including the dates of meetings with those bodies;

(e) Include a description of the scope and timing of the audit;

(f) Where more than one auditor has been appointed, describe the distribution of tasks among the auditors;

(g) Describe the methodology used, including which categories of the balance sheet have been directly verified and which categories have been verified based on system and compliance testing, including an explanation of any substantial variation in the weighting of system and compliance testing when compared to the previous year, even if the previous year's audit was carried out by another firm;

(h) Disclose the quantitative level of materiality applied to perform the audit for the financial statements as a whole and where applicable the materiality level or levels for particular classes of transactions, account balances or disclosures, and disclose the qualitative factors which were considered when setting the level of materiality;

(i) Report and explain judgments about events or conditions identified in the course of the audit that may cast significant doubt on the entity's ability to continue as a going concern and whether they constitute a material uncertainty, and provide a summary of all guarantees, comfort letters, undertakings of public intervention and other support measures that have been taken into account when making a going concern assessment;

[1e] "Key audit partner" is defined in paragraph 7(f)-1 of ISA (Ireland) 220 (Updated July 2017), *Quality Control for an Audit of Financial Statements*.

[1f] "Firm" is defined in ISA (Ireland) 220 (Updated July 2017) as a sole practitioner, partnership or corporation or other entity of professional accountants.

(j) Report on any significant deficiencies in the entity's or, in the case of consolidated financial statements, the parent undertaking's internal financial control system, and/or in the accounting system. For each such significant deficiency, the additional report shall state whether or not the deficiency in question has been resolved by management;

(k) Report any significant matters involving actual or suspected non-compliance with laws and regulations or articles of association which were identified in the course of the audit, in so far as they are considered to be relevant in order to enable the audit committee to fulfil its tasks;

(l) Report the valuation methods[1g] applied to the various items in the annual or consolidated financial statements including any impact of changes of such methods;

(m) In the case of an audit of consolidated financial statements, explain the scope of consolidation and the exclusion criteria applied by the entity to the non-consolidated entities, if any, and whether those criteria applied are in accordance with the financial reporting framework;

(n) Where applicable, identify any audit work performed by component auditors in relation to an audit of consolidated financial statements other than by members of the same network to which the auditor of the consolidated financial statements belongs;

(o) Indicate whether all requested explanations and documents were provided by the entity;

(p) Report:

 (i) Any significant difficulties encountered in the course of the audit;

 (ii) Any significant matters arising from the audit that were discussed or were the subject of correspondence with management; and

 (iii) Any other matters arising from the audit that in the auditor's professional judgment, are significant to the oversight of the financial reporting process.

Where more than one auditor has been engaged simultaneously, and any disagreement has arisen between them on auditing procedures, accounting rules or any other issue regarding the conduct of the audit, the reasons for such disagreement shall be explained in the additional report to the audit committee.

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[1g] ISA (Ireland) 330 (Revised August 2018), *The Auditor's Responses to Assessed Risks*, paragraph 19R-1 deals with the auditor's responsibility to assess the valuation methods applied, including any impact of changes of such methods.

Application and Other Explanatory Material

Matters to Be Communicated

Entities that Report on Application of the UK Corporate Governance Code and the Irish Corporate Governance Annex (Ref: Para. 16-1)

A28-1. In fulfilling the responsibilities of the directors under the UK Corporate Governance Code principles and provisions relating to Audit, Risk and Internal Control,[23a] the audit committee and the board will be assisted by an understanding of:

(a) Issues that involve significant judgment; and

(b) Other matters communicated to them by the auditor relevant to those responsibilities.

~~Under the UK Corporate Governance Code, the responsibilities of the directors under Code provision C.1.1 include making a statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's position and performance, business model and strategy. The responsibilities of the audit committee under Code provision C.3.4 include, where requested by the board, providing advice in relation to that statement.[23a] The responsibilities of the board under Code provision C.2.3 include monitoring the entity's risk management and internal control systems and, at least annually, carrying out a review of their effectiveness and reporting on that review in the annual report. The responsibilities of the board under Code provisions C.1.3, C.2.1 and C.2.2 are described in paragraphs 16-1 (e) and (f). The responsibilities of the audit committee under Code provision C.3.2 include: monitoring the integrity of the financial statements of the entity and any formal announcements relating to the entity's financial performance, reviewing significant financial reporting judgments contained in them; reviewing the entity's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors or by the board itself, the entity's internal control and risk management systems,[23c] review and monitor the effectiveness of the audit process; and reporting to the board on how it has discharged its responsibilities. The supporting Guidance on Audit Committees indicates that the report to the board should include, inter alia:[23d]~~

- ~~The significant issues that the audit committee considered in relation to the financial statements and how these issues were addressed; and~~

[23a] The UK Corporate Governance Code (July 2018), *4—Audit, Risk and Internal Control*, provisions 24–31.

~~[23a] Responsibility for ensuring the annual report is fair, balanced and understandable rests with the board as a whole. The board may ask the audit committee to provide advice on this.~~

~~[23c] The FRC issues "Guidance on Risk Management and Internal Control and Related Financial and Business Reporting" for directors on their responsibilities under the UK Corporate Governance Code. The guidance indicates that it is for the board to decide what arrangements to put in place to enable it to exercise its responsibilities. The guidance also indicates the nature of the information the board may include in its narrative statement about these matters. Supplementary considerations for the banking sector are provided in *Guidance for Directors of Banks on Solvency and Liquidity Risk Management and the Going Concern Basis of Accounting*.~~

~~[23d] The Guidance on Audit Committees also sets out other matters the audit committee should consider in relation to the annual audit cycle, including in relation to the audit plan and the auditor's findings.~~

- ~~The basis for its advice, where requested by the board, that the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy.~~

~~A28-2. In fulfilling these responsibilities the audit committee and the board will be assisted by an understanding of:~~

~~(a) Issues that involve significant judgment; and~~

~~(b) Other matters communicated to them by the auditor relevant to those responsibilities.~~

This will include an understanding of the rationale and supporting evidence for the auditor's significant professional judgments made in the course of the audit and in reaching the opinion on the financial statements, and of other matters communicated to the audit committee by the auditor in accordance with the requirements of paragraph 16-1, including relevant information communicated in accordance with the requirements of paragraphs 15 and 16. The auditor's communications include information regarding separate components of a group where relevant~~. In fulfilling its responsibilities set out above, the board will be assisted by the report from the audit committee on how the audit committee has discharged its responsibilities.~~

A28-~~3~~2. The audit procedures that the auditor designs as part of the audit of the financial statements are not designed for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control as a whole and accordingly the auditor does not express such an opinion on the basis of those procedures. However, communication of the auditor's views about the effectiveness of elements of the entity's system of internal control, based on the audit procedures performed in the audit of the financial statements, may help the audit committee and the board fulfil their respective responsibilities with respect to the entity's internal control and risk management systems.

A28-~~4~~3. The auditor's understanding of the entity includes the entity's objectives and strategies and those related business risks that may result in risks of material misstatement, obtained in compliance with ISA (Ireland) 315,[23b] and may also include other risks arising from the entity's business model that are relevant to an understanding of that model and the entity's strategy. To the extent that the auditor has obtained an understanding of such risks and the effectiveness of the entity's system of internal control in addressing them, communicating its views on those matters may be helpful to the audit committee and the board in their evaluation of whether the annual report is fair, balanced and understandable and provides the information necessary for users to assess the entity's position and performance, business model and strategy. [23c] However, the auditor is not required to design and perform audit procedures expressly for the purpose of forming views about the effectiveness of the entity's internal control in addressing such risks. Accordingly, to the extent applicable, the auditor may communicate that they have not obtained an understanding of, and

[23b] ISA (Ireland) 315, paragraph 11(d).

[23c] 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.

therefore are not able to express views about, such risks and related aspects of the entity's internal control.

A28-~~5~~4. The auditor's communication of views about the effectiveness of the entity's internal control may include, or refer to, the communication of significant deficiencies in internal control, if any, that is required by ISA (Ireland) 265. However, views about effectiveness can go beyond just identifying such deficiencies. For example, they may include views about such matters as the entity's strategies for identifying and responding quickly to significant new financial or operational risks; the quality of the reports that the board receives to provide them with information about risks and the operation of internal control; or how the entity's systems compare in general terms with those of other relevant entities of which the auditor has knowledge, such as the impact on internal control effectiveness that may result from different approaches to maintaining an appropriate control environment. The auditor's communications include ~~its~~ the auditor's views relating to separate components of a group where relevant.

Public Interest Entities (Ref: Para. 16R-2)

A28-5. The information to be provided to those charged with governance may be more useful if it is described in the context of the responsibilities of the respective parties (i.e., information that would be relevant to the audit committee in carrying out their oversight role).

A28-6. The auditor also considers the extent of the reporting required by paragraph 16R-2 in the context of the requirement to explain the results of the audit carried out. For example, the auditor would not need to report on a simple valuation method used by management, where the auditor determined that there was not a risk of material misstatement for a particular class of transactions, account balances or disclosures.

ISA (Ireland) 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

Definitions

9. For purposes of the ISAs (Ireland), the following terms have the meanings attributed below:

   (a) Component – An entity or business activity for which group or component management prepares financial information that should be included in the group financial statements. (Ref: Para. A2–A4)

   (b) Component auditor – An auditor who, at the request of the group engagement team, performs work on financial information related to a component for the group audit. A component auditor may also be a Key Audit Partner. (Ref: Para. A7)

   (c) Component management – Management responsible for the preparation of the financial information of a component.

   (d) Component materiality – The materiality for a component determined by the group engagement team.

   (e) Group – All the components whose financial information is included in the group financial statements. A group always has more than one component.

   (f) Group audit – The audit of group financial statements.

   (g) Group audit opinion – The audit opinion on the group financial statements.

   (h) Group engagement partner – The partner or other person in the firm who is responsible for the group audit engagement and its performance, and for the auditor's report on the group financial statements that is issued on behalf of the firm. The group engagement partner is a Key Audit Partner. Where joint auditors conduct the group audit, the joint engagement partners and their engagement teams collectively constitute the group engagement partner and the group engagement team. This ISA (Ireland) does not, however, deal with the relationship between joint auditors or the work that one joint auditor performs in relation to the work of the other joint auditor.

   (i) Group engagement team – Partners, including the group engagement partner, and staff who establish the overall group audit strategy, communicate with component auditors, perform work on the consolidation process, and evaluate the conclusions drawn from the audit evidence as the basis for forming an opinion on the group financial statements.

   (j) Group financial statements – Financial statements that include the financial information of more than one component. The term "group financial statements" also refers to combined financial statements aggregating the financial information prepared by components that have no parent but are under common control. (Ref: Para. A4-1)

   (k) Group management – Management responsible for the preparation of the group financial statements.

   (l) Group-wide controls – Controls designed, implemented and maintained by group management over group financial reporting.

(l)-1 Key audit partner(s) – Is defined[3a] as:

(i) The statutory auditor(s) designated by an audit firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of the audit firm; or

(ii) In the case of a group audit, at least the statutory auditor(s) designated by an audit firm as being primarily responsible for carrying out the statutory audit at the level of the group and the statutory auditor(s) designated as being primarily responsible at the level of material subsidiaries; or

(iii) The statutory auditor(s) who sign(s) the audit report.

(m) Significant component – A component identified by the group engagement team (i) that is of individual financial significance to the group, or (ii) that, due to its specific nature or circumstances, is likely to include significant risks of material misstatement of the group financial statements. (Ref: Para. A5–A6)

Requirements

Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained

Evaluating the Component Auditor's Communication and Adequacy of their Work

42D-1. The group engagement team shall:

(a) Evaluate[9a] and review[9b] the work performed by the component auditor for the purpose of the group audit; or (Ref: Para. A61-1–A61-3)

(b) Where the group engagement team is unable to request or secure the agreement required by paragraph 19D-1, take appropriate measures (including carrying out additional work, either directly or by outsourcing such tasks, in the relevant component) and inform the competent authority.[9c] (Ref: Para. A61-4)

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Application and Other Explanatory Material

Definitions

Key Audit Partner (Ref: Para. 9(l)-1)

A4-2. For the purpose of designating key audit partners in accordance with ISQC (Ireland) 1 (Updated March 2018),[13a] certain components may be categorized or organized as 'material subsidiaries'. The term 'material subsidiaries' has not been defined in Irish legislation and therefore the firm uses professional judgment to determine which

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[3a] Article 2(16) of the EU Audit Directive refers.

[9a] Defined in IAASA's Glossary of Terms as to "identify and analyse the relevant issues, including performing further procedures as necessary, to come to a specific conclusion on a matter".

[9b] Defined in IAASA's Glossary of Terms as "appraising the quality of the work performed and conclusions reached by others".

[9c] In Ireland, the competent authority designated by law is IAASA or the Recognised Accountancy ~~Supervisory~~ Body authorised by ~~to whom~~ IAASA ~~has delegated~~ to perform regulatory tasks, as applicable.

[13a] ISQC (Ireland) 1 (Updated March 2018), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, paragraph 30D-1.

components are material in the context of the group audit and therefore are identified as material subsidiaries.

Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained

Reviewing the Component Auditor's Audit Documentation (Ref: Para. 42(b))

A61-1. Where the group engagement team determines that work is required to be performed on a component's financial information, and that work is performed by a component auditor, the group engagement team is required by paragraph 42D-1 to evaluate and review that work. Paragraph 42D-1 is required by Irish legislation[23a] and is an additional requirement that goes further than the requirement in paragraph 42(b).

A61-2. In accordance with ISA (Ireland) 220 (Updated July 2017),[23b] the engagement partner is required to take responsibility for reviews being performed in accordance with the firm's review policies and procedures. The firm may set forth policies and procedures that address the nature and extent of the review and evaluation required by paragraph 42D-1 (e.g., the group engagement team may be required to confirm that component audit work has been performed on the basis of the materiality thresholds allocated by the group engagement team).

A61-3. The nature, timing and extent of the review and evaluation required by paragraph 42D-1 is a matter for professional judgment and may include consideration of such matters as:

- The group engagement team's previous experience with the component auditor, and the component. For example, if the work related to the component's information system is being performed by the same component auditor who performed the work in the prior period and there are no significant changes to the information system, the extent of the review of the related working papers may be less detailed.
- The complexity of the component, including whether there are significant events that have occurred at the component or in the industry in which the component operates since the previous audit engagement or during the current engagement.
- The assessed risks of material misstatement. For example, a higher assessed risk of material misstatement may require a more detailed review of the component auditor's work.

A61-4. If the group auditor is unable to obtain or gain access to the component auditor's working papers for the purposes of the group audit, the group auditor needs to consider what other action would be appropriate to take in accordance with paragraph 42D-1. This may include, for example:

- Reporting the impact of such impediments to management and those charged with governance.
- Undertaking additional procedures to gather the evidence necessary to support the group audit opinion.
- Requesting additional material from management and those charged with governance.

[23a] Section 1527(2) and (4) of the Companies Act 2014.

[23b] ISA (Ireland) 220 (Updated July 2017), paragraph 16.

The group engagement partner documents on the file how they have satisfied themselves as to the adequacy of the audit evidence.

ISA (Ireland) 620, *Using the Work of an Auditor's Expert*

Application and Other Explanatory Material

The Competence, Capabilities and Objectivity of the Auditor's Expert (Ref: Para. 9)

Confirmation of Independence of an Auditor's External Expert (Ref: Para. 9R-1)

A20-1. Although the auditor's external expert is not a member of the engagement team,[12a] the external expert is subject to the ethical requirements that are relevant to the audit engagement, including independence. Such requirements may be different, or in addition, to those applying to the external expert, by virtue of their membership of a particular professional body. Accordingly, the auditor's external expert is subject to the requirements in IAASA's Ethical Standard as applicable to that expert, recognising that they may not be an auditor or professional accountant.[12b] In meeting the requirement in paragraph 9R-1, the auditor may obtain written representations from the auditor's external expert that they are independent (e.g., that confirms that the individual or organization does not have conflicts of interest resulting from relationships with the entity and its affiliates of which the individual or organization is aware).

A20-2~~1~~. For statutory audits of financial statements of public interest entities, ISA (Ireland) 260 (Updated December 2018)[12c] requires the auditor to communicate in the additional report to the audit committee when the auditor has used the work of an external expert and to confirm that the auditor obtained confirmation from the auditor's external expert regarding the external expert's independence.

[12a] Engagement team is defined in paragraph 7(d) of ISA (Ireland) 220 (Updated July 2017).

[12b] IAASA's Ethical Standard, Part A, Independence.

[12c] ISA (Ireland) 260 (Updated December 2018), *Communication with Those Charged with Governance*, paragraph 16R-2(c).

ISA (Ireland) 700, *Forming an Opinion and Reporting on Financial Statements*

Requirements

Irregularities including Fraud

29-1. The auditor's report shall e~~E~~xplain to what extent the audit was considered capable of detecting irregularities, including fraud. (Ref: Para. A39-1–A39-5)

Other Reporting Responsibilities

45R-1. For audits of financial statements of public interest entities, the auditor's report shall:

(a) State by whom or which body the statutory auditor(s) or the audit firm was (were) appointed;

(b) Indicate the date of the appointment[17a] and the period of total uninterrupted engagement including previous renewals and reappointments of the statutory auditor(s) or the audit firm;

~~(c) Explain to what extent the statutory audit was considered capable of detecting irregularities, including fraud;~~

(c~~d~~) Confirm that the audit opinion is consistent with the additional report to the audit committee.[17b] Except as required by paragraph 45R-1~~(d)~~(c), the auditor's report shall not contain any cross-references to the additional report to the audit committee;

(d~~e~~) Declare that the non-audit services prohibited by ~~the~~ IAASA's Ethical Standard were not provided and that the statutory auditor(s) or the audit firm remained independent of the entity in conducting the audit; and

(e~~f~~) Indicate any services, in addition to the statutory audit, which were provided by the statutory auditor or the audit firm to the entity and its controlled undertakings, and which have not been disclosed in the management report or financial statements.

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Application and Other Explanatory Material

Auditor's Report (Ref: Para. 20)

A28-1. In Ireland, the financial reporting framework is normally one of:

- International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the national law that is applicable when using IFRSs and, in the case

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[17a] The date of appointment is deemed to be the earlier of: (i) the formal appointment of the statutory auditor(s) or the audit firm at the annual general meeting of the audited entity; and (ii) the agreement of an engagement letter between the statutory auditor(s) or the audit firm and the audited entity.

[17b] ISA (Ireland) 260 (Updated December 2018), *Communication with Those Charged with Governance*, paragraph 16R-2.

of consolidated financial statements of publicly traded companies,[25f] Article 4 of the IAS Regulation (1606/2002/EC).

- Generally Accepted Accounting Practice in the Republic of Ireland, which comprises applicable Irish law and accounting standards issued by the Financial Reporting Council (FRC)~~ and promulgated by the Institute of Chartered Accountants in Ireland~~.

Irregularities including Fraud (Ref: Para. 29-1)

A39-1. 'Irregularity' is not defined in Irish legislation, but is deemed to correspond to the definition in ISA (Ireland) 250 (Revised July 2017) of non-compliance and therefore broadly based.[29a]

A39-2. The matters required to be set out in the auditor's report in accordance with paragraph 29-1 may be useful to users of the financial statements if they are explained in a manner that, for example:

- Enables a user to understand their significance in the context of the statutory audit of financial statements as a whole. In determining those matters that are of significance,[29b] both quantitative and qualitative factors are relevant to such consideration.
- Relates the matters directly to the specific circumstances of the entity and are not therefore, generic or abstract matters expressed in standardized or boilerplate language.

A39-3. The auditor may explain the extent to which aspects of the auditor's work addressed the detection of irregularities, for example:

- How the auditor obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework.
- Which laws and regulations the auditor identified as being of significance in the context of the entity.
- The auditor's assessment of the susceptibility of the entity's financial statements to material misstatement,[29c] including how fraud might occur.[29d]

25f A publicly traded company is one whose securities are admitted to trading on a regulated market in any Member State in the European Union.

29a ISA (Ireland) 250 (Revised July 2017) *Section A—Consideration of Laws and Regulations in an Audit of Financial Statements*, paragraph 12.

29b Significance is defined in IAASA's Glossary of Terms.

29c ISA (Ireland) 315, *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*, paragraph 10.

29d ISA (Ireland) 240 (Updated December 2018), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraph 15.

- The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. [29e]

- Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team.

- The auditor's understanding of the entity's current activities, the scope of its authorization and the effectiveness of its control environment where the entity is a regulated entity.[29f]

- In the case of a group, how the auditor addressed these matters at both at the group and component levels.

- Communications with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements.[29g]

A39-4. In explaining the extent to which the audit was considered capable of detecting irregularities, including fraud, the auditor also considers the likelihood of detection based on the auditor's planned approach. This will be affected by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. The auditor's responsibilities for the engagement will mean that detection of those types of irregularity which give rise to a risk of material misstatement are those on which the auditor is able to provide the most comprehensive explanation. For example:

- Where the auditor identified legislation of particular relevance to the entity, what procedures the auditor designed to obtain sufficient appropriate audit evidence regarding compliance with that legislation.

- Whether the audit team identified particular areas that were susceptible to misstatement as part of their fraud discussion.

A39-5. The auditor may also have determined that certain matters relating to non-compliance with laws and regulations are key audit matters in accordance with ISA (Ireland) 701.[29h] This does not exempt the auditor from also including the required explanation, in their report, as to what extent the audit was considered capable of detecting irregularities, including fraud.

[29e] ISA (Ireland) 220 (Updated July 2017), *Quality Control for an Audit of Financial Statements*, paragraph 14 and ISA (Ireland) 250 *Section B—The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector*, paragraph 11.

[29f] ISA (Ireland) 250 *Section B*, paragraph 10.

[29g] ISA (Ireland) 600, paragraph 41(d).

[29h] ISA (Ireland) 701 (Updated December 2018), paragraphs 9–11.

ISA (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 listed 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.[6] However, ISA (Ireland) 705 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.[7]

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

Requirements

Communicating Key Audit Matters

Descriptions of Individual Key Audit Matters

13. The description of each key audit matter in the Key Audit Matters section of the auditor's report shall include a reference to the related disclosure(s), if any, in the financial statements and shall address: (Ref: Para. A33-1–A41)

    (a) Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter; (Ref: Para. A42–A45)

    (b) How the matter was addressed in the audit, including significant judgments made by the engagement team with respect to the matter. (Ref: Para. A46–A51)

13R-1. For audits of financial statements of public interest entities, in describing each of the key audit matters in accordance with paragraph 13, the auditor's report shall provide, in support of the audit opinion:

    (a) A description of the most significant assessed risks of material misstatement including assessed risks due to fraud;

    (b) A summary of the auditor's response to those risks; and

    (c) Where relevant, key observations arising with respect to those risks. (Ref: Para. A51-1)

    Where relevant to the above information provided in the auditor's report concerning each of the most significant assessed risks of material misstatement, the audit report shall include a clear reference to the relevant disclosures in the financial statements.

6 ISA (Ireland) 700 (Updated December 2018), *Forming an Opinion and Reporting on Financial Statements*, paragraphs 30–31.

7 ISA (Ireland) 705, paragraph 29.

Circumstances in Which a Matter Determined to Be a Key Audit Matter Is Not Communicated in the Auditor's Report

14. The auditor shall describe each key audit matter in the auditor's report unless: (Ref: Para. A53–A56)

(a) Law or regulation precludes public disclosure about the matter; or (Ref: Para. A52)

(b) In extremely rare circumstances, the auditor determines that the 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. This shall not apply if the entity has publicly disclosed information about the matter. (Ref: Para. A53-1)

Form and Content of the Key Audit Matters Section in Other Circumstances

16. If the auditor determines, depending on the facts and circumstances of the entity and the audit, that there are no key audit matters to communicate or that the only key audit matters communicated are those matters addressed by paragraph 15, the auditor shall include a statement to this effect in a separate section of the auditor's report under the heading "Key Audit Matters." (Ref: Para. A57–A59-1)

Communicating Other Audit Planning and Scoping Matters

16-1. The auditor's report shall ~~provide~~:

(a) Specify ~~An explanation of how the auditor applied the concept of materiality in planning and performing the audit. Such explanation shall specify:~~

(i) ~~t~~The threshold used by the auditor as being materiality for the financial statements as a whole;[5a] and ~~(Ref: Para. A59-1)~~

(ii) Performance materiality.[5b]

(b) Provide an explanation of the significant judgments made by the auditor in determining materiality and performance materiality; and (Ref: Para. A59-2)

(c~~b~~) Provide ~~A~~an overview of the scope of the audit,[5c] including an explanation of how such scope:

(i) Addressed each Key Audit Matter relating to one of the most significant risks of material misstatement disclosed in accordance with paragraph 13(b); and

(ii) Was influenced by the auditor's application of materiality disclosed in accordance with paragraph 16-1(a)–(b). (Ref: Para. A59-3~~2~~)

[5a] As required by paragraph 10 of ISA (Ireland) 320, *Materiality in Planning and Performing an Audit*.

[5b] As required by paragraph 11 of ISA (Ireland) 320.

[5c] See also paragraphs 15 and A11 to A16 of ISA (Ireland) 260 (Updated December 2018), *Communication with Those Charged with Governance* and paragraph 49 of ISA (Ireland) 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*.

Communicating Key Audit Matters and Other Audit Planning and Scoping Matters

16-2. In order to be useful to users of the financial statements, the explanations of the matters required to be set out in the auditor's report in paragraphs 13 and 16-1 shall be described:

(a) So as to enable a user to understand their significance in the context of the audit of the financial statements as a whole and not as discrete opinions on separate elements of the financial statements;

(b) In a way that enables them to be related directly to the specific circumstances of the entity and are not, therefore, generic or abstract matters expressed in standardized language; and

(c) In the case of entities that are required, and those that choose voluntarily, to report on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, or to explain why they have not, in a manner that complements the description of significant issues relating to the financial statements, required to be set out in the separate section of the annual report describing the work of the audit committee in discharging its responsibilities.[5d] The auditor seeks to coordinate descriptions of overlapping topics addressed in these communications, to avoid duplication of reporting about them, whilst having appropriate regard to the separate responsibilities of the auditor and the board for directly communicating information primarily in their respective domains.

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Application and Other Explanatory Material

Communicating Key Audit Matters

Public Interest Entities (Ref: Para.13R-1(c))

A51-1. In meeting the requirement of paragraph 13R-1(c), the auditor takes into account the following

- 'Where relevant' means where an auditor has identified an issue that they consider would be of relevance to the users of the financial statements. In planning their audit, the auditor will have considered the user perspective; and
- A 'key observation' is the conclusion drawn by the auditor in respect of a key audit matter or an indication of the outcome of the auditor's procedures. In reporting on key observations, the auditor should be careful not to give the impression that a separate opinion is being conveyed on a key audit matter and not to do so in a manner that would undermine the auditor's opinion on the financial statements as a whole.

[5d] In accordance with ~~provision C.3.8 of~~ the UK Corporate Governance Code and the Irish Corporate Governance Annex.

Circumstances in Which a Matter Determined to Be a Key Audit Matter Is Not Communicated in the Auditor's Report (Ref: Para. 14)

A53-1. For audits of public interest entities, Irish legislation[32a] requires disclosure of the matters in paragraphs 13R-1(a)–13R-1(c), and therefore the benefits of such communication will always outweigh the adverse consequences of doing so. Accordingly, paragraph 14(b) will not apply to such audits, as ISAs (Ireland) do not override the requirements of law or regulation that govern the audit of financial statements.[32b]

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

A59-1. For audits of financial statements of public interest entities, the auditor is precluded from applying paragraph 16 as the Audit Regulation[32c] does not foresee a situation where there are no key audit matters and accordingly the auditor is required to provide in the auditor's report the elements set out in paragraphs 13R-1(a)–13R-1(c).

Communicating Other Audit Planning and Scoping Matters (Ref: Para. 16-1)

A59-2~~1~~. An ~~The~~ explanation~~,~~ of the significant judgments made by the auditor in determining materiality may include a description of how the auditor applied the concept of materiality, in planning and performing the audit,~~ is tailored~~ to the particular circumstances and complexity of the audit and~~, in addition to specifying the threshold used by the auditor as being materiality for the financial statements as a whole, might include, for example~~:

- ~~Materiality level or levels for those classes of transactions, account balances or disclosures where such materiality levels are lower than materiality for the financial statements as a whole (as described in paragraph 10 of ISA (Ireland) 320).~~
- The rationale for the determination of ~~P~~performance materiality ~~(as described in paragraph 11 of ISA (Ireland) 320)~~.[32d]
- Significant qualitative considerations relating to the auditor's evaluation of materiality.
- Materiality level or levels for those classes of transactions, account balances or disclosures where such materiality levels are lower than materiality for the financial statements as a whole.[32e]
- Any significant revisions of materiality thresholds that were made as the audit progressed.
- The threshold used for reporting unadjusted differences to the audit committee.

[32a] Regulation (EU) No 537/2014.

[32b] ISA (Ireland) 200 (Updated December 2018), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraph A55.

[32c] Regulation (EU) No 537/2014.

[32d] ISA (Ireland) 320 paragraph A13 provides guidance on the determination of performance materiality and explains that it is affected by the auditor's understanding of the entity, updated during the performance of the risk assessment procedures; and the nature and extent of misstatements identified in previous audits and thereby the auditor's expectations in relation to misstatements in the current period.

[32e] As described in paragraph 10 of ISA (Ireland) 320.

- ~~Significant qualitative considerations relating to the auditor's evaluation of materiality.~~

ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*

Definitions

12. For purposes of the ISAs (Ireland), the following terms have the meanings attributed below:

(a) Annual report – A document, or combination of documents, prepared typically on an annual basis by management or those charged with governance in accordance with law, regulation or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements. An annual report contains or accompanies the financial statements and the auditor's report thereon and usually includes information about the entity's developments, its future outlook and risks and uncertainties, a statement by the entity's governing body, and reports covering governance matters. (Ref: Para. A1–A5)

In Ireland, an annual report includes at least:

(i) The statutory other information; and

(ii) Any other documents that are incorporated by cross-reference in, or distributed to shareholders with, statutory other information either voluntarily or pursuant to law or regulation or the requirements of a stock exchange listing.

(b) Misstatement of the other information – A misstatement of the other information exists when the other information is incorrectly stated or otherwise misleading (including because it omits or obscures information necessary for a proper understanding of a matter disclosed in the other information). (Ref: Para. A6–A7-3)

A misstatement of the other information also exists when the statutory other information has not been prepared in accordance with the legal and regulatory requirements applicable to the statutory other information.

(c) Other information – Financial or non-financial information (other than financial statements and the auditor's report thereon) included in an entity's annual report. (Ref: Para. A8–A10)

(d) Statutory other information – Those documents or reports that are required to be prepared and issued by the entity (including any reports or documents that are incorporated by cross reference) in relation to which the auditor is required to report publicly in accordance with law or regulation. (Ref: Para. A10-1–A10-3)

~~In Ireland, the statutory other information includes, where required to be prepared:~~

~~(i) The directors' report;~~

~~(ii) The separate corporate governance statement.~~~~[2a]~~

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 listed 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 listed 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.[2c]

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 listed 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

        ~~In Ireland, where the auditor is required to express an opinion on some or all of the other information in accordance with paragraphs 22D-1 or 22D-2 or otherwise in accordance with law or regulation, the statement required by paragraph 22(c) shall be a modified statement that the auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does not express an audit opinion or~~~~,~~ except to the extent otherwise explicitly stated in the auditor's report~~, any form of assurance thereon.~~; (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)

        ~~The description of the auditor's responsibilities in relation to the other information required by paragraph 22(d) shall also include the auditor's responsibilities under paragraph 14-1, 22D-1, 22D-2, 22-3 and 22-4 where applicable.~~

[2c] ISA (Ireland) 700 (Updated December 2018), *Forming an 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."

(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.

Other Reporting Responsibilities

22-1. If the auditor is required to report on the statutory other information in accordance with law or regulation, the auditor shall include in the auditor's report:

(a) A description of the auditor's responsibilities relating to the statutory other information; and

(b) A conclusion thereon. (Ref: Para. A53-3–A53-6)

~~*Directors' Report*~~

~~*22D-1. In Ireland legislation has been enacted in Section 336(5) of the Companies Act 2014 which states that the statutory auditor's report shall:*~~

~~*(a) state whether, in their opinion, based on the work undertaken in the course of the audit:*~~

~~*(i) the information given in the directors' report for the financial year for which statutory financial statements are prepared is consistent with the company's statutory financial statements in respect of the financial year concerned; and*~~

~~*(ii) the directors' report has been prepared in accordance with applicable legal requirements;*~~

~~*and*~~

~~*(b) state whether, based on their knowledge and understanding of the company and its environment obtained in the course of the audit, they have identified material misstatements in the directors' report and, where they have so identified such misstatements, give an indication of the nature of each such misstatements*~~

~~*Separate Corporate Governance Statement*~~

~~22D-2. For Irish companies[8] that are required to prepare a separate corporate governance statement in respect of a financial year, the auditor shall in the auditor's report: (Ref: Para. A53-1)~~

~~(a) provide an opinion, based on the work undertaken in the course of the audit, as to whether the description of the main features of the internal control and risk management systems of the company in relation to the financial reporting process and the information required under Regulation 21(2)(c), (d), (f), (h) and~~

~~[8] Section 1373 of the Companies Act 2014 (as amended by SI 423 of 2014) applies to all companies that have shares or debentures (as applicable) admitted to trading on a regulated market in an EEA state. The required contents of the Corporate Governance Statement and as a result the Auditors Reporting obligations in relation to the Corporate Governance Statement vary depending on the nature of the Company e.g. Equity Listed, Debt Listed, Listed Open Ended Funds and Listed Closed Ended Funds. The Auditor should ensure they report in accordance with the specific requirements for that type of Company.~~

~~(i) S.I. No. 255/2006 - European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (where applicable):~~

~~(i) Is consistent with the company's statutory financial statements in respect of the financial year concerned; and~~

~~(ii) Has been prepared in accordance with the requirements of Section 1373 of the Companies Act 2014;~~

~~(b) State whether, based on their knowledge and understanding of the company and its environment obtained in the course of the audit, the auditor has identified material misstatements in the information in the statement referred to in paragraph 22D-2(a);~~

~~(c) If applicable, give an indication of the nature of such misstatements referred to in paragraph 22D-2 (b), and~~

~~(d) State whether, in the auditor's opinion, based on the work undertaken during the course of the audit, the information required pursuant to subsections (2)(a), (b), (e) and (f) of the Companies Act 2014 is contained in the company's corporate governance statement.~~

Entities that Apply the UK Corporate Governance Code ~~Reporting~~ and the Irish Corporate Governance Annex

22-2. The auditor's report shall include a separate section with a heading "Corporate Governance Statement" for entities that report on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex.

22-3. The auditor shall include a description of the auditor's responsibilities in respect of, and a conclusion on, whether the following are materially consistent with the financial statements and the auditor's knowledge obtained in the audit: (Ref: Para. A53-9–A53-12)

(a) In respect of the Listing Rule requirement for the auditor to review the statement by the directors regarding going concern and longer-term viability:

(i) 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 the directors' identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;[2d]

(ii) The Board's explanation in the annual report as to how it has assessed the prospects of the entity, over what period it has done so and why it considers that period to be appropriate, and its statement as to whether it has a reasonable expectation that the entity will be able to continue in operation and meets its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions;[2e]

[2d] The UK Corporate Governance Code (July 2018), provision 30.

[2e] The UK Corporate Governance Code (July 2018), provision 31.

(b) In respect of the Listing Rule requirement for the auditor to review the parts of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for review by the auditor:

(i) The statement given by the directors that they consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the entity's position, performance, business model and strategy;[2f]

(ii) The Board's confirmation in the annual report that it has carried out a robust assessment of the entity's emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;[2g]

(iii) The section of the annual report that describes the review of the effectiveness of entity's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls;[2h]

(iv) The section of the annual report that describes the work of the audit committee, including the significant issues that the audit committee considered relating to the financial statements, and how these issues were addressed.[2i]

~~22-3. For entities that are required, and those that choose voluntarily, to report on how they have applied the UK Corporate Governance Code or to explain why they have not, in meeting the auditor's responsibilities to report under paragraph 22(e), the auditor shall specifically address each of the following elements of the other information:~~

~~(a) The statement given by the directors that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy, that is materially inconsistent with the auditor's knowledge obtained in the audit;~~

~~(b) The section describing the work of the audit committee that does not appropriately address matters communicated by the auditor to the audit committee;~~

~~(c) The explanation as to why the annual report does not include such a statement or section that is materially inconsistent with the auditor's knowledge obtained in the audit;~~

~~(d) The parts of the directors' statement required under the Listing Rules relating to the entity's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule~~

2f The UK Corporate Governance Code (July 2018), provision 27.

2g The UK Corporate Governance Code (July 2018), provision 28.

2h The UK Corporate Governance Code (July 2018), provision 29.

2i The UK Corporate Governance Code (July 2018), provision 26 and Irish Corporate Governance Annex, provisions 5.1 and 5.2.

~~9.8.10R(2) that do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code; and~~

~~(e) The directors' statement relating to Going Concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) that is materially inconsistent with the auditor's knowledge obtained in the audit.~~

~~In reporting under paragraph 22, the auditor shall describe the specific reporting responsibility relating to these matters in accordance with paragraph 22(d) and shall report on each of these matters by providing a statement in accordance with paragraph 22(e). (Ref: Para. A53-2–A53-3)~~

~~*UK Corporate Governance Code Reporting – Statement on the Directors' Assessment of the Principal Risks that Would Threaten the Solvency or Liquidity of the Entity*~~

~~22-4. For entities that are required, and those that choose voluntarily, to report on how they have applied the UK Corporate Governance Code or to explain why they have not, the auditor shall, having particular regard to the work performed in accordance with paragraph 18-2 of ISA (Ireland) 570, give a statement as to whether the auditor has anything material to add or draw attention to in respect of:~~

~~(a) The directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;~~

~~(b) The disclosures in the annual report that describe those risks and explain how they are being managed or mitigated; and~~

~~(c) The directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.~~

~~In reporting under paragraph 22, the description of the auditor's responsibilities in relation to the other information required by paragraph 22(d) shall also include the auditor's additional responsibilities under paragraph 18-2 of ISA (Ireland) 570 and the auditor's responsibility to report whether the auditor has anything material to add or draw attention to in relation to each of the above elements of the other information. In addition, where the auditor has identified anything material to add or draw attention to in respect of these elements of the other information, the auditor shall include in the auditor's report a statement that describes any other material information that the auditor considers it appropriate to add or draw attention to.~~

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Application and Other Explanatory Material

Definitions

Misstatement of the Other Information (Ref: Para. 12(b))

A7-1. For some entities, Irish legislation sets out those documents that form part of the annual report and the information that is required to be included in the annual report (excluding the financial statements and the auditor's report). The relevant legislation may not refer to or define "materiality" in the context of the other information, but materiality may be implicit in the requirements. For example, terms "key" (e.g., key performance indicators) or "principal" (e.g., principal risks) refer to facts or circumstances that are (or should be) considered material to a user's understanding. The auditor may consider these and similar terms, in the context of the entity, when determining materiality of the other information.

A7-2. To the extent that the relevant legal requirements do not provide a comprehensive discussion about materiality in the context of the other information, paragraph A7 of this ISA (Ireland) may be relevant to the auditor's judgments about whether the other information is materially misstated.

A7-3. Other information is material if its omission or misrepresentation could reasonably be expected to influence the economic decisions users take on the basis of the annual report as a whole.

Statutory Other Information (Ref: Para. 12(d))

A10-1. In Ireland, the statutory other information for companies includes, where required to be prepared:

(i) The directors' report; and

(ii) The separate corporate governance statement.[5a]

A10-2. Auditors of other entities (e.g. charities or pension funds) may also be required to report on statutory other information in accordance with law or regulation.

A10-3~~1~~. Information given in the statutory other information includes information that is included by way of cross reference to other information presented separately from the statutory other information.

Responding When a Material Inconsistency Appears to Exist or Other Information Appears to Be Materially Misstated (Ref: Para. 16)

A40-1. The auditor assesses whether any inconsistency or misstatement of the other information is material, taking into account both the size and the nature of the inconsistency or misstatement. For example, legislation requires certain entities to disclose political donations if the aggregate donations are in excess of a quantitative threshold. This threshold may be below the auditor's materiality for the financial statements as a whole or performance materiality. However, the auditor also considers qualitative factors in determining whether a misstatement in the amount of political donations is material or not.

Reporting (Ref: Para. 21–24)

Illustrative Statements (Ref: Para. 21–22)

A53-1. ~~In Ireland, where~~ When the auditor is required to express an opinion on some or all of the other information in accordance ~~with paragraphs 22D-1 or 22D-2 or otherwise in accordance~~ with law or regulation, the statement required by paragraph 22(c) ~~shall be a~~ is modified to state~~ment~~ that the auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does not express an audit

[5a] When the required information is not included within or incorporated by cross reference to the directors' report.

opinion or, except to the extent otherwise explicitly stated in the auditor's report, any form of assurance thereon

A53-2. In accordance with ISA (Ireland) 700 (Updated December 2018),[15b] the description of the auditor's responsibilities relating to reading, considering and reporting on other information can be included either:

- Within the body of the auditor's report;
- Within an appendix to the auditor's report; or
- By a specific reference within the auditor's report to the location of such a description on a website of an appropriate authority.

Other Reporting Responsibilities

A53-3. As explained in ISA (Ireland) 250 (Revised July 2017),[15c] the auditor may be required, in accordance with law or regulation, to report as part of the audit of the financial statements, on whether the entity complies with certain provisions of laws or regulations.

Entities That Are Required to Prepare Statutory Other Information (Ref: Para. 22-1)

Directors' Report

A53-4. In Ireland legislation has been enacted in Section 336(5) of the Companies Act 2014 which states that the statutory auditor's report shall:

(a) State whether, in their opinion, based on the work undertaken in the course of the audit:

(i) The information given in the directors' report for the financial year for which statutory financial statements are prepared is consistent with the company's statutory financial statements in respect of the financial year concerned; and

(ii) The directors' report has been prepared in accordance with applicable legal requirements;

and

(b) State whether, based on their knowledge and understanding of the company and its environment obtained in the course of the audit, they have identified material misstatements in the directors' report and, where they have so identified such misstatements, give an indication of the nature of each such misstatement~~s~~.

Corporate Governance Statement

A53-5. Irish legislation[15e] requires certain entities to include a Corporate Governance Statement, either:

- As a specific section of the directors' report; or
- In a separate report which is either:
  - Published in conjunction with the directors' report; or

[15b] ISA (Ireland) 700 (Updated December 2018), paragraph 41.

[15c] ISA (Ireland) 250 (Revised July 2017) *Section A—Consideration of Laws and Regulations in an Audit of Financial Statements*, paragraph A5.

[15e] Section 1373 of the Companies Act 2014.

- Provided by a reference in the directors' report to where such document is publicly available on the company's website.

A53-6. For Irish companies[9] that are required to prepare a corporate governance statement in respect of a financial year, the auditor shall in the auditor's report: ~~(Ref: Para. A53-1)~~

(a) Provide an opinion, based on the work undertaken in the course of the audit, as to whether the description of the main features of the internal control and risk management systems of the company in relation to the financial reporting process and the information required under Regulation 21(2)(c), (d), (f), (h) and (i) S.I. No. 255/2006 - European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (where applicable):

(i) Is consistent with the company's statutory financial statements in respect of the financial year concerned; and

(ii) Has been prepared in accordance with the requirements of Section 1373 of the Companies Act 2014;

(b) State whether, based on their knowledge and understanding of the company and its environment obtained in the course of the audit, the auditor has identified material misstatements in the information in the statement referred to in paragraph ~~22D-2~~ A53-6(a);

(c) If applicable, give an indication of the nature of such misstatements referred to in paragraph ~~22D-2~~ A53-6(b), and

(d) State whether, in the auditor's opinion, based on the work undertaken during the course of the audit, the information required pursuant to subsections 1373 (2)(a), (b), (e) and (f) of the Companies Act 2014 is contained in the company's corporate governance statement.

~~Other Reporting Responsibilities for~~ Entities that Apply the UK Corporate Governance Code and Irish Corporate Governance Annex (Ref: Para. 22-3)

A53-~~2~~7. For entities that apply the UK Corporate Governance Code and the Irish Corporate Governance Annex, the directors are required to give a statement in the annual report that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy. Such entities are also required to include a separate section of the annual report that describes the work of the audit committee in discharging its responsibilities. This should include, inter alia, the significant issues that the audit committee considered in relation to the financial statements, including appropriate matters considered that were communicated to it by the auditor, and how these issues were addressed.

[9] Section 1373 of the Companies Act 2014 ~~(as amended by SI 423 of 2014)~~ applies to all companies that have shares or debentures (as applicable) admitted to trading on a regulated market in an EEA state. The required contents of the Corporate Governance Statement, and as a result the Auditors' Reporting obligations in relation to the Corporate Governance Statement, vary depending on the nature of the Company e.g. Equity Listed, Debt Listed, Listed Open Ended Funds and Listed Closed Ended Funds. The Auditor should ensure they report in accordance with the specific requirements for that type of Company.

A53-~~3~~8. Where applicable, the auditor includes a statement~~s~~ in accordance with paragraph 22(e)(ii) describing why the auditor believes that any such statement, section, or explanation or other information is materially inconsistent with the auditor's knowledge obtained in the audit or otherwise contains a material misstatement of the other information. If a section of the annual report describing the work of the audit committee does not appropriately disclose any matters communicated by the auditor to the audit committee that in the auditor's judgment should have been disclosed, or if the annual report does not contain such a section, the auditor's report shall also include any such information.

A53-9. The auditor is not required by the Listing Rules to review the directors' narrative statements of how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex principles and is required only to review the directors' compliance statement in relation to certain of the provisions applicable to entities. Nevertheless, because the directors' narrative statement comprises other information included in the annual report, there is a broader requirement under this ISA (Ireland) for the auditor to read and consider all the other information. If the auditor becomes aware of any material inconsistency between the financial statements or the auditor's knowledge obtained in the audit or otherwise appears to be materially misstated, the auditor seeks to resolve it in accordance with this ISA (Ireland).

A53-10. The auditor is required by ISA (Ireland) 315 to obtain an understanding of the entity and its environment, including its internal control, sufficient to identify and assess the risks of material misstatement of the financial statements. To the extent that the auditor has obtained an understanding of the internal control, the auditor uses this knowledge when considering whether the other information contains a material inconsistency. However, as the review that the directors are required to carry out to comply with the UK Corporate Governance Code and the Irish Corporate Governance Annex is much wider than internal control relevant to the audit, the auditor's consideration required by this ISA (Ireland) will be narrower in scope than the review performed by the directors for the purpose of reporting on compliance with the UK Corporate Governance Code and the Irish Corporate Governance Annex. The auditor, therefore, is not expected to assess whether all risks and controls have been addressed by the directors or that risks are satisfactorily addressed by internal controls.

A53-11. In accordance with paragraph 22-3, the auditor performs procedures to obtain appropriate evidence to support those statements made by management which the auditor is required by the Listing Rules to review. Examples of such procedures include:

- Reviewing the minutes of the meetings of the board of directors, and of relevant board committees.
- Reviewing supporting documents prepared for the board of directors or board committees that are relevant to those matters specified for review by the auditor.
- Making enquiries of certain directors (such as the chairman of the board of directors and the chairman of relevant board committees) and the company secretary to satisfy themselves on matters relevant to those provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for review by the auditor.

- Attending meetings of the audit committee (or the full board if there is no audit committee) at which the annual report and accounts, including the statement of compliance, are considered and approved for submission to the board of directors.
- Requesting the directors to provide written confirmation of oral representations made during the course of the auditor's review.

Non-compliance with provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex

A53-12. If there is departure from a provision of the UK Corporate Governance Code and the Irish Corporate Governance Annex but there is appropriate disclosure of this fact and the reasons for departure, as envisaged by the Listing Rules,[15f] the auditor does not need to refer to the departure in the auditor's report. However, where the auditor considers that there is not appropriate disclosure of a departure from a provision in the UK Corporate Governance Code and the Irish Corporate Governance Annex the auditor reports this in the auditor's report in accordance with this ISA (Ireland).

[15f] Euronext Dublin Rule Book - Book II: Listing Rules, LR 6.1.82(7)(b).