

2021

## **Consultation Paper**

Proposal to adopt International  
Standard on Review Engagements  
(Ireland) 2410 – Review of Interim  
Financial Information Performed by  
the Independent Auditor of the Entity

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## **Mission**

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

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## 1. Summary

The purpose of this consultation paper is to obtain views regarding IAASA's proposal to adopt International Standard on Review Engagements (Ireland) 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity ('ISRE (Ireland) 2410'). The standard sets out the requirements for an auditor when undertaking an engagement to review an audit client's interim financial statements.

The proposed effective date of the standard in Ireland is for reviews of interim financial information for periods commencing on or after 15 December 2021.

## 2. Background

Interim financial statements are produced by entities listed on the Irish Stock Exchange. They are not required to be reviewed by an independent third party. Up to now, if they were subject to review, that review was a limited assurance engagement in line with ISRE (UK and Ireland) 2410.

Following public consultation, in May 2021 the Financial Reporting Council ('FRC') issued ISRE (UK) 2410, details of which can be found [here](#). This standard replaced ISRE (UK and Ireland) 2410 and is effective for reviews of interim financial information for periods commencing on or after 15 December 2021. It is based on the corresponding standard issued by the International Auditing and Assurance Standards Board ('IAASB') and has been tailored to reflect UK law and regulations.

One of IAASA's objectives is to promote adherence to high professional standards in the auditing profession. Given the withdrawal of ISRE (UK and Ireland) 2410, IAASA considers that it is in the public interest to develop an assurance standard tailored for Irish auditors undertaking reviews of interim financial statements.

Therefore, IAASA proposes to adapt ISRE (UK) 2410 for use in Ireland. In line with IAASA policy, it is intended to adopt the standard with amendments limited to where:

- there is a conflict with Irish or EU law; or
- there are distinct differences between the Irish and UK markets which impact on the applicability of the standard in Ireland.

The proposed standard can be found [here](#).

## 3. Consideration of the Irish Market

ISRE (UK) 2410 has been reviewed in detail and, where considered appropriate, amendments have been made to tailor the provisions of the proposed ISRE (Ireland) 2410 to reflect Irish legislation.

In particular:

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

- Appendix 8 (Summary of the Rules Applicable to Listed Entities) has been adapted to reflect the requirements of the Transparency (Directive 2004/109/EC) Regulations 2007 and the Euronext Growth Market Rules; and
- Appendix 9 (Example Review Report) has been adapted to reflect reporting requirements for the review of interim financial statements in Ireland.

IAASA has not identified any requirements in the standard that conflict with Irish legislation or any distinct market differences that would impact on the applicability of the proposed standard in Ireland.

The FRC indicated that it has postponed a full scale revision of ISRE (UK) 2410 pending the outcome of the UK government's recent consultation on '*Restoring Trust in Audit and Corporate Governance*'. If the FRC revises the standard in the future, IAASA will consider at that time if those revisions are appropriate for the Irish market.

## 4. Going concern

The FRC's revisions to ISRE (UK and Ireland) 2410 when replacing it with ISRE (UK) 2410 focused on amendments to provisions related to going concern. These changes align with the requirements of ISA (Ireland) 570 (Revised October 2019), Going Concern, while recognising that an interim review provides a lower level of assurance than a full audit. The substantive changes are:

- linking of the work undertaken by the auditor during the interim review to the risk assessment conducted as part of the annual audit;
- strengthening of the procedures the auditor is required to perform on management's going concern assessment; and
- enhanced reporting requirements in respect of going concern.

IAASA considers it appropriate to adopt these changes in Ireland and is not proposing to add any supplementary requirements beyond those included by the FRC.

## 5. Matters on which IAASA is consulting

Set out below are a number of matters on which IAASA is seeking views by 5pm on **Friday 3 December 2021**.

No.	Matters on which views are sought
1.	Do you agree with IAASA's intention to adopt ISRE (Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity? If not, please give your reasons and describe any alternatives that you wish IAASA to consider.

2. In the context of IAASA’s policy to make minimal amendments to the UK standards, are there any provisions in the proposed standard that conflict with Irish or EU law?  
If so, please:
- i. identify the relevant legal provisions;
  - ii. give reasons for your view; and
  - iii. describe how you believe these matters should be addressed in ISRE (Ireland) 2410.
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3. In the context of IAASA’s policy to make minimal amendments to the UK standards, are there any areas where there are distinct differences between the Irish and UK markets which would impact on the applicability of the proposed standard in Ireland?  
If so, please:
- i. give your reasons;
  - ii. identify the market sectors, audited entities etc. in Ireland impacted by the proposed standard; and
  - iii. describe how you believe these matters should be addressed in ISRE (Ireland) 2410.
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4. Is the proposed effective date, i.e. for reviews of interim financial information for periods commencing on or after 15 December 2021, appropriate?  
If not, please give reasons and indicate the effective date that you would consider appropriate.

## 6. Making your submission

IAASA invites comments on the proposed adoption of ISRE (Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

In particular, comments are sought on the matters set out in section 5 above.

Comments are most helpful if they:

- (a) respond directly to the question asked;
- (b) provide a clear rationale for your position;
- (c) provide evidence supporting your views; and
- (d) describe in detail any alternative options you wish IAASA to consider.

Please send your response to [submissions@iaasa.ie](mailto:submissions@iaasa.ie) by **5pm on Friday 3 December 2021**.

IAASA will consider all responses from identifiable individuals and organisations that are received by this deadline.

IAASA may publish a feedback statement summarising the content of the responses.

Responses may also be published in full or in part and attributed to respondents.



**IAASA**

Irish Auditing & Accounting  
Supervisory Authority

**Irish Auditing & Accounting  
Supervisory Authority**

Willow House  
Millennium Park, Naas  
Co. Kildare, Ireland

**Phone:** +353 (0) 45 983 600

**Fax:** +353 (0) 45 983 601

**Email:** [info@iaasa.ie](mailto:info@iaasa.ie)

**[www.iaasa.ie](http://www.iaasa.ie)**