



24 August 2023

Mr Willie Botha
Technical Director
International Auditing and Assurance Standards Board
International Federation of Accountants
529 5th Avenue, 6th Floor
New York, New York 10017 USA

Dear Mr Botha,

AUASB Submission on the IAASB’s Proposed International Standard on Auditing *ISA 570 (Revised)*, *Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs*

The Australian Auditing and Assurance Standards Board (AUASB) appreciates the opportunity to comment on the International Auditing and Assurance Standards Board’s (the IAASB) Exposure Draft: *Proposed International Standard on Auditing (ISA) 570 (Revised) Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs* (ED-570). As a non-corporate Commonwealth entity of the Australian Government, the AUASB is responsible for developing, issuing, and maintaining auditing and assurance standards in Australia. The AUASB’s role and mandate extends to liaison with other standard setters and participation in global standard-setting initiatives.

In formulating its response, the AUASB sought input from its constituents in three principal ways. The first was from hosting a series of in-person and virtual roundtable meetings with stakeholders representing assurance providers, academics, regulators, and professional accounting bodies; the second was through an open invitation to provide comment letters via our website; and the third was by way of formal discussions and deliberations by AUASB members at recent board meetings.

Overall Comments

The AUASB supports the IAASB’s efforts to strengthen the auditor’s evaluation of management’s assessment of going concern and improve transparency of the auditor’s responsibilities and work related to going concern through targeted revisions of ISA 570.

The AUASB’s detailed responses to the specific questions asked in the Exposure Draft accompany this letter as Attachment 1. Whilst the majority of the feedback we received on ED-570 is supportive of the overall themes and key concepts in the proposed standard, we consider the following matters require specific consideration by the IAASB.

1. *Financial Reporting requirements*

As communicated in our [response](#) to the IAASB’s *Fraud and Going Concern in an Audit of Financial Statements Discussion Paper*, the AUASB believes all parties in the financial reporting ecosystem must work together and fulfill their responsibilities to ensure that there is confidence in financial reporting by the capital markets, and considering initiatives to address the expectation gap in relation to going concern.



Going concern assessments and related disclosures are the responsibility of management and those charged with governance (TCWG) in the first instance. The auditor's responsibility is to provide independent assurance on the conclusions made by management and TCWG. We have received consistently strong feedback from stakeholders that the reporting requirements in the IFRS Accounting Standards are not sufficiently robust and explicit. In particular, going concern assessments should be required to cover a period of at least 12 months from completion of the financial statements, disclosures should be required about uncertainties and key assumptions that management and those charged with governance (TCWG) have made in forming their conclusions, and there should always be a statement on going concern in the financial statements. While there is no evidence in practice under the extant standard in Australia, stakeholders expressed concern that the proposed requirements of ED-570 may create circumstances where auditors will disclose more about going concern risks and conclusions than management and TCWG.

2. Evaluation of management's Assessment of Going Concern

The AUASB supports the IAASB's objective to strengthen the auditor's evaluation of management's assessment of going concern. However, the proposals in ED-570 are not consistent with ISA 315 and ISA 330 as it requires the performance of procedures where there is no risk of material misstatement despite application guidance to the contrary. We consider that the requirements in ED-570 should articulate the extent of work effort required by the auditor in circumstances where the entity has not prepared a detailed assessment of going concern, and in instances where the entity is clearly a going concern. Refer to our responses to Question 3 and Question 8 in Attachment 1 below for further details.

3. Enhanced Transparency in the Auditor's Report

The AUASB supports the IAASB's objective of enhancing transparency with respect to the auditor's responsibilities and work related to going concern, where necessary. We acknowledge that the proposal to include explicit statements around going concern in all auditor's reports is responsive to preliminary stakeholder feedback that going concern matters are relevant to audits of all entities, regardless of size or complexity.

Our stakeholders have expressed concern that this paragraph may be misinterpreted as a separate opinion on going concern. We recommend that the wording for the auditor's report be amended to make it clear that the statement on going concern is made in the context of the audit of the financial statements as a whole (see our response to Question 13 in Attachment 1). We also encourage the IAASB to provide application material on when the auditor should qualify their opinion or report under paragraph 33 for an audit of financial statements of a listed entity (see our response to Question 14 in Attachment 1).

Should you have any queries regarding this submission, please do not hesitate to contact the AUASB Deputy Technical Director, Anne Waters, at awaters@auasb.gov.au or myself at dniven@auasb.gov.au

Yours faithfully,

Doug Niven
Acting Chair



Overall Questions

- 1. Do you agree that the proposals in ED-570 are responsive to the public interest, considering the qualitative standard-setting characteristics and project objectives that support the public interest as set out in Appendix 1?**

The AUASB is of the view that the proposals in ED-570 are largely responsive to the public interest as they are designed to promote consistent practice and behaviour and facilitate effective responses to identified risks of material misstatement related to going concern. We have received consistently strong feedback from stakeholders that the reporting requirements in the IFRS Accounting Standards are not sufficiently robust and explicit. The proposed changes to the auditor's report may unintentionally widen the expectation gap with respect to the responsibilities of the auditor and management in the absence of corresponding changes to the financial reporting requirements.

In particular, going concern assessments should be required to cover a period of at least 12 months from completion of the financial statements, disclosures should be required about uncertainties and key assumptions that management and TCWG have made in forming their conclusions, and there should always be a statement on going concern in the financial statements. The AUASB also considers that it would be beneficial for the term "material uncertainties" to be defined in IAS 1 *Presentation of Financial Statements* (IAS 1) and be aligned with the definition in ISA 570.

While there is no evidence in practice under the extant standard in Australia, stakeholders expressed concern that in meeting the requirements in ED-570 there may be circumstances where auditors will disclose more about going concern risks and conclusions than management and TCWG.

We encourage the IAASB to continue its engagement with the IASB to provide more detailed reporting requirements in relation to going concern in the financial statements, as well as how to perform management's assessment as to the ability for the entity to continue as a going concern and whether a material uncertainty exists.

- 2. Do you believe that the proposals in ED-570, considered collectively, will enhance and strengthen the auditor's judgments and work relating to going concern in an audit of financial statements, including enhancing transparency through communicating and reporting about the auditor's responsibilities and work?**

The AUASB considers the proposals will enhance and strengthen the auditor's judgements and work relating to going concern in an audit of financial statements. The enhanced requirements are likely to encourage the auditor to consider going concern at an earlier stage in the engagement process.

- 3. Do you believe the proposed standard is scalable to entities of different sizes and complexities, recognizing that general purpose financial statements are prepared using the going concern basis of accounting and that going concern matters are relevant to all entities?**

Whilst the AUASB is supportive of requiring auditors to perform risk assessment procedures in accordance with ISA 315 for all audits, we have concerns that ED-570 will increase the work effort for all audits regardless of the assessed risk of material misstatement in relation to going concern. We recommend the IAASB amend paragraphs 17 – 19 in ED-570 to address the extent of work effort required by the auditor where the entity is clearly a going concern, and management do not consider it necessary to prepare a detailed going concern assessment. Refer to our response to question 8 for further details.



4. Do the requirements and application material of ED-570 appropriately reinforce the auditor’s application of professional scepticism in relation to going concern?

The AUASB is of the view that the requirements and application material in ED-570 increase the work effort of auditors which will appropriately reinforce the auditor’s application of professional scepticism when performing procedures related to going concern.

Specific Questions

5. Do you support the definition of Material Uncertainty (Related to Going Concern)? In particular, do you support the application material to the definition clarifying the phrase “may cast significant doubt”?

The AUASB considers a clear understanding of the term “Material Uncertainty (Related to Going Concern)” and the phrase “may cast significant doubt” to be critically important to enable auditors to form their conclusions and enable the consistent execution of the requirements in ED-570. Whilst we are supportive of the IAASB’s proposal to explicitly define “Material Uncertainty (Related to Going Concern)” we consider that the definition in ED-570 and/or related requirements should be revised with regard to the following:

- Material from paragraph A5 should be included in a definition of the phrase “may cast significant doubt” or another requirement paragraph. The phrase is key to the definition and identification of a Material Uncertainty (Related to Going Concern) and paragraph A5 provides useful material for auditors in assessing whether identified events or conditions may cast significant doubt.
- The proposed definition should not refer to disclosures. The auditor’s conclusion as to whether a material uncertainty exists precedes the auditor’s consideration of the existence and adequacy of management’s disclosures.
- The proposed definition should explicitly include the auditor’s evaluation of management’s plans and future actions which is important in how the auditor concludes whether a material uncertainty exists. Paragraph A51 of ED-570 states that when events or conditions are identified that may cast significant doubt on the entity’s ability to continue as a going concern, the auditor’s conclusion on whether a material uncertainty exists is dependent on the auditor’s evaluation of management’s plans and future actions.

The matters in the second and third bullet points could be addressed by amending the definition of “Material Uncertainty (related to going concern) in paragraph 10 as follows [~~text deleted~~ and added]:

‘Paragraph 10. For the purposes of the ISAs, the following term has the meaning attributed below:

Material Uncertainty (Related to Going Concern)—An uncertainty ~~related to~~ about the entity’s ability to continue as a going concern arising from events or conditions that, individually or collectively, may cast significant doubt on the entity’s ability to continue as a going concern, and in the auditor’s professional judgement management’s plans for future actions are not sufficient to mitigate the magnitude of its potential impact and likelihood of occurrence to an acceptable level. ~~is such that, in the auditor’s professional judgment, appropriate disclosure of the nature and implications of the uncertainty is necessary for:~~

(Ref: Para. A4–A5)



- a) ~~In the case of a fair presentation financial reporting framework, the fair presentation of the financial statements, or~~
- b) ~~In the case of a compliance framework, the financial statements not to be misleading.'~~

The AUASB also considers that it would be beneficial for the term “material uncertainties” to be defined in IAS 1 and aligned with the definition in ED-570.

6. Does ED-570 appropriately build on the foundational requirements in ISA 315 (Revised 2019) in addressing risk assessment procedures and related activities, to support a more robust identification by the auditor of events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern?

Risk assessment procedures form the basis of the auditor’s assessment of going concern risks and the AUASB supports ED-570 being aligned to ISA 315 (Revised) to assist auditors in determining the nature and extent of risk assessment procedures to be performed. However, we are of the view that the proposals in ED-570 are not consistent with ISA 315 and ISA 330 as it requires the performance of procedures where there is no risk of material misstatement. Refer to question 8 for further details.

Similar to ASA 240 *The Auditor’s Responsibilities Relating to Fraud in an Audit of a Financial Report*, consider including in ED-570 a requirement for a discussion among the engagement team about whether there are events or conditions which may cast significant doubt on the entity’s ability to continue as a going concern.

7. Do you support the change in the commencement date of the twelve-month period of management’s assessment of going concern, from the date of the financial statements (in extant ISA 570 (Revised)) to the date of approval of the financial statements (as proposed in paragraph 21 of ED-570)? When responding consider the flexibility provided in paragraphs 22 and A43–A44 of ED-570 in circumstances where management is unwilling to make or extend its assessment. If you are not supportive of the proposal(s), what alternative(s) would you suggest (please describe why you believe such alternative(s) would be more appropriate and practicable)?

The AUASB supports the change in the timeline over which the going concern assessment is made, from the date of the financial statements to the date of approval of the financial statements. The assessment period currently adopted in Australia is at least approximately 12 months from the date of the current auditor’s report to the date of the next auditor’s report which is largely consistent with the period proposed in ED-570.

The commencement date in ED-570 is not consistent with paragraphs 25 and 26 of IAS 1 and we encourage the IAASB to continue engaging with the IASB to revise IAS 1.



8. Do you support the enhanced approach in ED-570 that requires the auditor to design and perform audit procedures to evaluate management’s assessment of going concern in all circumstances and irrespective of whether events or conditions have been identified that may cast significant doubt on the entity’s ability to continue as a going concern?

The AUASB supports the intention to enhance and strengthen the auditor’s judgements and work relating to going concern in an audit of financial statements. However, we consider the requirement to design and perform audit procedures to evaluate management’s assessment in all circumstances is not consistent with ISA 315.

ED-570 paragraph 11 requires the auditor to design and perform risk assessment procedures to obtain audit evidence that provides an appropriate basis for the identification of events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. This enhances the work effort required by auditors in all circumstances. If based on the risk assessment procedures the auditor has not identified any events or conditions that may cast significant doubt, and management and TCWG also have not identified any events or conditions that may cast significant doubt, the auditor should still perform work but should be able to use their professional judgement to determine the extent of work they need to perform under paragraphs 17 to 19 particularly where an entity is clearly a going concern. The application material in paragraphs A30 and A44 also acknowledges that in some circumstances the auditor may be able to conclude whether management’s use of the going concern basis is appropriate without a detailed assessment by management. Also, the form and detail of management’s assessment will affect the ability of the auditor to perform procedures in relation to paragraph 19. The AUASB considers that the requirements in paragraphs 17 to 19 should be amended to be based on the auditor’s risk assessment and consistent with paragraphs A30 and A44.

Where management have not yet performed an assessment of the entity’s ability to continue as a going concern, paragraph 16 of ED-570 requires the auditor to request management to make its assessment. IAS 1 details that the degree of consideration required in management’s assessment depends on the facts in each case, and if an entity has a history of profitable operations, for example, a detailed analysis may not be necessary. Also, as detailed above, paragraph A30 acknowledges that it is not the auditor’s responsibility to rectify a lack of analysis by management, and that a lack of detailed analysis by management to support its assessment may not prevent the auditor from concluding whether management’s use of the going concern basis is appropriate in the circumstances. Furthermore, paragraph 23 and related application material contemplates that the auditor may not consider it necessary for management to make an assessment.

Therefore, we recommend that the IAASB:

- Amend the requirements in paragraphs 17 to 19 to enable the auditor to use professional judgement based on the results of their risk assessment procedures to determine the extent of work to be performed.
- Provide an example of the work effort required by the auditor when there are clearly no events or conditions which may cast doubt as to an entity’s ability to continue as a going concern and management has not prepared a detailed assessment.
- Consider outlining the consequences where management has not prepared a detailed assessment, including where there may be a limitation on scope.



9. Does ED-570 appropriately incorporate the concepts introduced from ISA 540 (Revised) for the auditor’s evaluation of the method, assumptions, and data used in management’s assessment of going concern?

The AUASB is of the view that ED-570 appropriately incorporates concepts from ISA 540 (Revised) with regards to the auditor’s evaluation of the method, assumptions, and data used in management’s assessment of going concern. As detailed in question 8 above, the AUASB encourages the IAASB to provide explanatory material and examples of the extent of audit effort required when management have not prepared a detailed assessment, and there are clearly no events or conditions which may cast significant doubt as to an entity’s ability to continue as a going concern.

10. Do you support the enhanced requirements and application material, as part of evaluating management’s plans for future actions, for the auditor to evaluate whether management has the intent and ability to carry out specific courses of action, as well as to evaluate the intent and ability of third parties or related parties, including the entity’s owner-manager, to maintain or provide the necessary financial support?

The AUASB supports enhanced requirements and application material as part of evaluating management’s plans for future actions. We do, however, recognise feedback received that it is often challenging to gather audit evidence on intent and ability of management and third parties or related parties. Management’s intent can be assessed based on the information available, however intention may change. Often third parties or related parties are reluctant to confirm their intention and ability, and the information received such as audited financial statements to support ability may not align to the going concern assessment period. Therefore, we encourage further application material to assist auditors on:

- Gathering audit evidence on management’s intent and ability where there is insufficient documentation and detailed plans.
- The nature of work and the resulting impact when written confirmations from third parties cannot be obtained, or the time frames are not consistent with the going concern assessment period.
- Procedures that may be performed when information provided by third parties is for periods shorter than the auditor’s going concern assessment period.

11. Will the enhanced requirements and application material to communicate with those charged with governance (TCWG) encourage early transparent dialogue among the auditor, management and TCWG, and result in enhanced two-way communication with TCWG about matters related to going concern?

The AUASB is of the view that the enhanced requirements and application material to communicate with those TCWG encourage transparent dialogue among the auditor, management and TCWG and will result in enhanced two-way communication about matters related to going concern.

12. Do you support the new requirement and application material for the auditor to report to an appropriate authority outside of the entity where law, regulation or relevant ethical requirements require or establish responsibilities for such reporting?



The AUASB supports the new requirement and application material for the auditor to report to an appropriate authority outside of the entity, where law, regulation or relevant ethical requirements require or establish responsibilities for such reporting.

13. This question relates to the implications for the auditor’s report for audits of financial statements of all entities, i.e., to communicate in a separate section in the auditor’s report, under the heading “Going Concern” or “Material Uncertainty Related to Going Concern”, explicit statements about the auditor’s conclusions on the appropriateness of management’s use of the going concern basis of accounting and on whether a material uncertainty has been identified. Do you support the requirements and application material that facilitate enhanced transparency about the auditor’s responsibilities and work relating to going concern, and do they provide useful information for intended users of the audited financial statements? Do the proposals enable greater consistency and comparability across auditor’s reports globally?

While the AUASB supports the IAASB’s objective to enhance transparency and consistency in reporting with respect to the auditor’s responsibilities and work related to going concern, our stakeholders have raised concerns that the proposals may result in the following unintended consequences:

- the auditor disclosing information in relation to going concern which management and those charged with governance are not required to disclose.
- imply that the auditor is expressing an opinion on a specific matter in the audit in addition to the opinion on the financial statements taken as a whole (particularly since its placement is likely to be directly below the auditor’s opinion).
- impose additional litigation risk in the event that the entity subsequently fails, as the auditor is explicitly stating that they have not identified a material uncertainty.
- users may not identify where there are issues in relation to going concern if the auditor’s report always includes a section headed “going concern”, particularly given the length of many auditor’s reports.

The proposed explicit statement about the auditor’s conclusions on the appropriateness of management’s use of the going concern basis of accounting and on whether a material uncertainty has been identified is consistent with the auditor’s responsibilities which is currently in the auditor’s report. On balance the AUASB is supportive of requiring the auditor to include a going concern paragraph in all auditor’s reports.

However, we consider the following alternative language for paragraph 33 in ED-570 more appropriate as this is consistent with ISA 701.A47 and ED-570.A75 in cautioning against the inclusion or suggestion of discrete opinions on separate elements of the financial statements, and leverages concepts in ISA 701.11 [text ~~deleted~~ and added]:

‘Paragraph 33. If the auditor concludes that the going concern basis of accounting is appropriate and no material uncertainty exists, the auditor shall include a separate section in the auditor’s report with the heading “Going Concern”, and: (Ref: Para. A67–A68)

- a) State that ~~the auditor~~ (Ref: Para. A69-A70):
 - i. In forming their opinion on the financial statements as a whole, the auditor concluded that management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and



- ii. Based on the audit evidence obtained, the auditor has not identified any factors which indicate a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern exists; and
- iii. The auditor's conclusion is based on audit evidence up to the date of the auditor's report. Future events or conditions may cause the entity to cease to continue as a going concern.'

We also believe that the heading of the section of the auditor's report on going concern should clearly indicate where there are issues in relation to going concern to assist users of the financial statements.

Given the IAASB's intention to include going concern matters in one place in the auditor's report, the IAASB may wish to consider relocating management's responsibilities in relation to going concern from the "Responsibilities of Management for the Financial Report" section of the auditor's report to the going concern section.

- 14. This question relates to the additional implications for the auditor's report for audits of financial statements of listed entities, i.e., to also describe how the auditor evaluated management's assessment of going concern when events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern (both when no material uncertainty exists or when a material uncertainty exists). Do you support the requirements and application material that facilitate further enhanced transparency about the auditor's responsibilities and work relating to going concern? Should this be extended to also apply to audits of financial statements of entities other than listed entities?**

Disclosing Events or Conditions in the Auditor's Report

Whilst we received mixed feedback on the implications for the auditor's report when events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern, on balance the AUASB is supportive. However, the Accounting Standards do not include a specific requirement to disclose events or conditions that cast significant doubt on the entity's ability to continue as a going concern unless management's conclusions involve significant judgement and the disclosure requirements in paragraph 122 of IAS 1 apply. Stakeholders expressed concerns that this will increase the instances of auditors disclosing more about going concern than management is required to disclose. If the entity has not disclosed this information and the auditor concludes that the financial statements are not materially misstated the auditor should alert users to the events or conditions in the auditor's report. We encourage the IAASB to provide application material to explain when the auditor should qualify their opinion or report under paragraph 33. The IAASB should also provide an example auditor's report where there are no disclosures in the financial statements and the auditor has disclosed events or conditions in the auditor's report.

The AUASB considers that paragraph 33 should apply to all audits of financial statements, given the importance of alerting users to events or conditions that may cast significant doubt on an entity's ability to continue as a going concern. If this requirement is not extended beyond listed entities, then the standard should explicitly encourage voluntary application.



Disclosing how the Auditor Evaluated Management's Assessment

We heard mixed views as to whether the auditor should describe how they evaluated management's assessment. Those who were not supportive expressed concern that this may not be well understood by users, would unnecessarily lengthen the auditor's report and management is not required to disclose the basis for their assessment. However, on balance the AUASB is supportive of including procedures for consistency with Key Audit Matter reporting.

- 15. Is it clear that ED-570 addresses all implications for the auditor's report relating to the auditor's required conclusions and related communications about going concern (i.e., not in ISA 701 or any other ISA)? This includes when a material uncertainty related to going concern exists or when, for audits of financial statements of listed entities, events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern but, based on the audit evidence obtained, the auditor concludes that no material uncertainty exists.**

The AUASB considers ED-570 clearly address the implications for the auditor's report relating to the auditor's required conclusions and related communications about going concern except for one matter.

Paragraph A1 of ED-570 clarifies that for listed entities, the going concern section of the auditor's report and not a key audit matter, should cover instances where events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern but, based on the audit evidence obtained, the auditor concludes that no material uncertainty exists. Whilst this is consistent with the proposed conforming and consequential amendment to paragraph 4 of ISA 701, paragraph 15 of ISA 701 should also be revised to clarify that communicating a key audit matter in the auditor's report is not a substitute for reporting in accordance with ED-570, including when events or conditions have been identified but no material uncertainty exists.

- 16. Are there any other matters you would like to raise in relation to ED-570? If so, please clearly indicate the requirement(s) or application material, or the theme or topic, to which your comment(s) relate?**

The AUASB would like to draw attention to the following matters that have been raised during our consultation process:

Financial Reporting Requirements

As detailed in our response to Question 1 above, in the absence of corresponding changes to the current financial reporting requirements for more robust requirements in respect of management's going concern assessment and accompanying disclosures in the financial statements, we express concern that the proposed changes to the auditor's report may unintendedly widen the expectation gap with respect to the auditor's responsibilities. We encourage the IAASB to continue its engagement with the IASB to provide more detailed reporting requirements in relation to going concern in the financial statements, as well as how to perform management's assessment as to the ability for the entity to continue as a going concern and whether a material uncertainty exists.



Objectives of the Auditor

The overall objectives in paragraph 9 of ED-570 are consistent with extant ISA 570. However, the AUASB consider that the proposals in ED-570 for the auditor to report additional information if there are events or conditions which may cast significant doubt as to the ability to continue as a going concern, results in an additional objective for the auditor to identify if such events or conditions exist.

Method, Assumptions and Data Used in Management's Assessment

We recommend that the IAASB should clarify that the requirements stipulated in paragraph 19 should apply both when evaluating management's assessment and when evaluating management's plans for future actions when events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern.

Implications for the Auditor's Report

We encourage the IAASB to consider if it is necessary to remove the auditor's responsibilities for going concern in the "Auditor's Responsibilities for the Audit of the Financial Report" section in the auditor's report to avoid duplicating information proposed in the Going Concern paragraph.

Written Representations

We recommend revising paragraph 38, or including an additional requirement, to require the auditor to request written representations from management and, where appropriate, TCWG, in circumstances where events or conditions have *not* been identified that may cast significant doubt on the entity's ability to continue as a going concern. This should also include if management do not consider it necessary and therefore have not performed a detailed assessment of the entity's ability to continue as a going concern.

Review Engagements

We express concerns that the proposals in ED-570 further exacerbate the inconsistency between the auditor reporting requirements regarding going concern in an audit versus all review engagements, and in particular ISRE 2410. At a minimum we recommend the inclusion of prescriptive requirements in ED-570 or consequential amendments to ISRE 2410, to clearly establish to what extent the auditor is required to apply the requirements of the revised standard at a half year review.

17. The IAASB is also seeking comments on the matters set out below:

Translations – Recognising that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in review the ED-570

We have no comments on translation matters.

Effective Date - Given the need for national due process and translation, as applicable, and the need to coordinate effective dates with the fraud project, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning approximately 18 months after approval of a final standard. Earlier application would be



permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA?

We support the proposal to coordinate the effective date of ED-570 with the fraud project.