

Standards Newsletter

Irish Auditing & Accounting Supervisory Authority



Introduction

Welcome to our Standards Newsletter. Its aim is to provide the latest news and information about IAASA's auditing and assurance standards projects.

In this first edition, you'll find information on recently adopted standards as well as the latest consultation and other developments.

Future editions will also highlight auditing standards due to take effect shortly.

We hope you'll find it informative and helpful.

Highlights in this edition

QUALITY MANAGEMENT STANDARDS

ISRE (IRELAND) 2410

ISA (IRELAND) 240

CONSULTATION ON STANDARDS ON INVESTMENT REPORTING (SIRS)

DEVELOPMENTS EXPECTED IN 2022

February 2022

www.iaasa.ie

RECENTLY ADOPTED STANDARDS

Quality Management Standards

In December 2021 IAASA adopted:

- International Standard on Quality Management ('ISQM') (Ireland) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements
- International Standard on Quality Management (Ireland) 2, Engagement Quality Reviews
- International Standard on Auditing ('ISA') (Ireland) 220 (Revised December 2021), Quality Management for an Audit of Financial Statements

They will replace International Standard on Quality Control (Ireland) 1 (Revised November 2020) and ISA (Ireland) 220 (Revised November 2020).

The quality management standards are effective from 15 December 2022.

Access the Standards

iaasa.ie/Publications/

Interim Reviews ISRE (Ireland) 2410

IAASA adopted International Standard on Review Engagements ('ISRE') (Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, in December 2021.

The standard is effective for reviews of interim financial information for periods commencing on or after 15 December 2021.

Fraud ISA (IRELAND) 240

In October 2021, IAASA issued a revised version of ISA (Ireland) 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.

The revisions clarify the auditor's obligations to detect material fraud.

They also enhance the requirements for identification and assessment of the risk of material misstatement due to fraud and the procedures to respond to those risks.

The revised standard is effective for audits of financial statements for periods beginning on or after 15 December 2021.

OPEN STANDARDS CONSULTATION



Standards on Investment Reporting (SIRs)

IAASA has issued a consultation to obtain stakeholder's views on the proposed adoption of the SIRs (Ireland).

The six proposed SIRs (Ireland) relate to the following reporting engagements:

- All engagements in connection with an investment circular
- Historical financial information
- Profit forecasts
- Pro forma financial information
- Financial information reconciliations under the Listing Rules
- Quantified financial benefits statements

The consultation paper and draft standards are available at:
<http://iaasa.ie/Publications/Consultation>

Consultation Questions

1. Do you agree that it is in the public interest to adopt the SIRs (Ireland)?
2. Should the accountancy bodies' ethical codes apply when using the SIRs (Ireland)?
3. Are there any provisions that conflict with Irish or EU law?
4. Are there any market differences to the UK that impact on the applicability of the SIRs (Ireland)?
5. Is the proposed effective date of 15 September 2022 appropriate?

The deadline for responses to submissions@iaasa.ie is 5.00pm on 15 April 2022.

INTERNATIONAL DEVELOPMENTS

Developments Expected in 2022



Group Audits ISA 600

The IAASB approved ISA 600 (Revised) Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors) in December 2021. The revised standard will be effective for periods beginning on or after December 15, 2023.

Once the IAASB formally releases the final standard, IAASA expects that the FRC will consult on its adoption in the UK. After this, IAASA will consider whether to adapt the revised standard for use in Ireland, including amendments to any FRC add-ons that may be required due to legislative or market differences.

Audit Evidence ISA 500

The IAASB is working to revise ISA 500 - Audit Evidence. The project aims to clarify the standard's purpose, modernise how it deals with the variety of information available to an auditor, address the use of technology, and highlight the auditor's responsibility to exercise professional skepticism.

The IAASB expects to issue an exposure draft of the revised standard for consultation during 2022. IAASA will contribute to EU CEAOB discussions on the exposure draft and will also submit its own comment letter to the IAASB if considered appropriate.

Going Concern ISA 570

The IAASB is also working on a project to revise ISA 570 - Going Concern, with an exposure draft expected to be approved for consultation in December 2022. IAASA will contribute to the EU CEAOB comment letter process and also consider whether to submit its own response on the proposed revisions.

Restoring trust in audit and corporate governance (UK proposals)

The UK Department of Business, Energy and Industrial Strategy is analysing feedback received on its proposals to strengthen the UK's corporate governance framework for major companies and how they are audited.

IAASA continues to monitor these developments to assess whether they are relevant in the context of Irish standards and regulation.

Keep an eye on the following webpage for updates on the UK project:
[Restoring trust in audit and corporate governance: proposals on reforms - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/restoring-trust-in-audit-and-corporate-governance-proposals-on-reforms)

OTHER UPDATES

01 — STATEMENT ON SCOPE AND AUTHORITY OF AUDIT AND ASSURANCE PRONOUNCEMENTS



We have amended the Statement on Scope and Authority of Audit and Assurance Pronouncements to reflect the adoption of ISRE (Ireland) 2410 and the quality management standards (ISQM (Ireland) 1, ISQM (Ireland) 2 and ISA (Ireland) 220 (Revised December 2021)).

You can find the revised statement on IAASA's website by clicking [here](#).

02 — LISTED ENTITY DEFINITION

In December 2021 IAASA updated the definition of 'listed entity' in the Glossary of Terms.



The amendment aligns the definition of 'listed entity' in the Irish auditing framework more closely with the International Auditing and Assurance Standards Board (IAASB) definition.

It also provides additional clarity to auditors about the entities classified as listed entities in Ireland.

The revised definition applies to audits of financial statements for periods beginning on or after 15 December 2021.

03 — DRAFT INTERNATIONAL STANDARD FOR THE AUDIT OF LESS COMPLEX ENTITIES (LCE)

In November 2021, IAASA organised an IAASB outreach event attended by representatives of the recognised accountancy bodies and audit firms.



IAASB representatives provided an overview of the proposed international auditing standard for LCE, which was followed by a discussion on the proposed standard.

IAASA responded to the IAASB's consultation, which closed on 31 January. See our response at the following [link](#).

Further details on the project are available at the following link: [A New Standard for Audits of Less Complex Entities | IFAC \(iaasb.org\)](#).