

***Disclaimer:** The information below was shared by the IAASB Staff on a preliminary basis. All respondent feedback to the IAASB ED still needs to be vetted by the IAASB Task Force and will be discussed by the IAASB in March 2023.*

Listed entity and Public Interest Entity (PIE) – Feedback

Section I – Overview of Respondents

1. Thirty-eight written responses were received as follows (see Appendix 1):

Stakeholder Type	No.	Region	No.
Monitoring Group	2	Global	10
Regulators and Audit Oversight Authorities	5	Asia Pacific	9
National Auditing Standard Setters	10	Europe	6
Accounting Firms	6	Middle East and Africa	8
Public Sector Organizations	1	North America	4
Member Bodies and Other Professional Organizations	14	South America	1
Total	38	Total	38

Section II – Transparency About the Relevant Ethical Requirements for Independence for Certain Entities Applied in Performing Reviews of Financial Statements

Question 3 – Revision to ISRE 2400 (Revised)¹

Question 3:

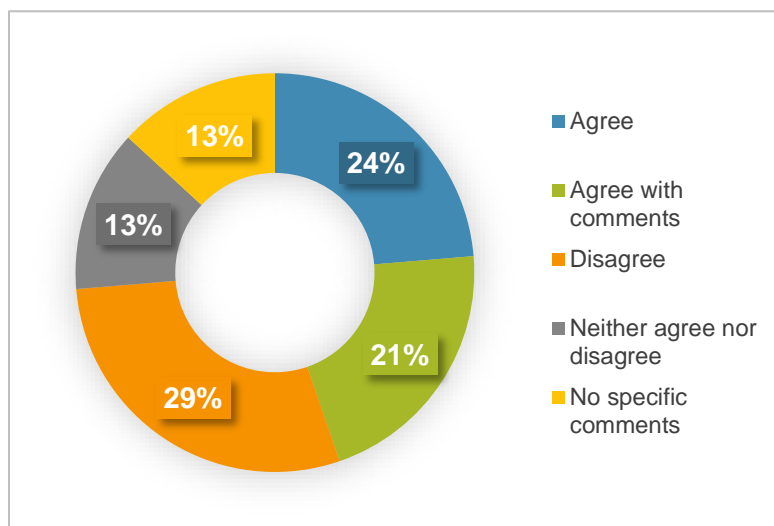
Should the IAASB consider a revision to ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, such as the independence requirements for PIEs in the IESBA Code?

¹ ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*

Overview of Responses

2. Responses to Question 3 were as follows (see the separate Nvivo report **XY** for further details):

- 9 respondents agreed – 24%;
- 8 respondents agreed with further comments – 21%;
- 11 respondents did not agree – 29%;
- 5 respondents neither agreed nor disagreed and had comments – 13%; and
- 5 respondents did not have a specific response – 13%, including the two MG respondents.



Respondents' Comments

Summary of Respondents Comments

Mixed views on whether the IAASB should consider a revision of ISRE 2400 (Revised) to address transparency:

- More respondents agreed that, absent a clarification from IESBA that they did not intend the transparency requirement to apply to reviews, a revision of ISRE 2400 (Revised) is necessary to comply with the revisions to Part 4 of the IESBA Code regarding listed entity and PIE.
- Broad acknowledgement that circumstances are rare when a review of historical financial statements of entities is performed for which differential independence requirements exist.

Views that:

- A revision of ISRE 2410² should be pursued as a priority given it is more likely that a review engagement performed for a public interest entity would be performed under this standard.
- The IAASB should consider a comprehensive revision of all the ISREs in a consistent manner.

3. Respondents who supported that a revision of ISRE 2400 (Revised) should be pursued by the IAASB and provided further comments, commented as follows:

- (a) A revision of ISRE 2400 (Revised) would ensure compliance, when applicable, with the revisions

² ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

approved to Part 4 of the IESBA Code regarding listed entity and PIE.³ Absent a clarification from IESBA that they intended the transparency requirement to apply only to audits of financial statements, the IAASB would not be justified not to address the matter as part of the narrow scope project on listed entity and PIE.

- (b) The IAASB should pursue a revision of ISRE 2410 as a priority. Respondents acknowledged that the circumstances for when a review of historical financial statements of entities under ISRE 2400 (Revised) for which differential independence requirements exist are rare and noted that it is more likely that an interim review engagement would be performed by the independent auditor for listed or public interest entities.
 - (c) It is important to have a consistent approach across the ISAs and the ISREs to address transparency about the relevant ethical requirements for independence applied for certain entities. This would minimize confusion among practitioners and intended users that may occur should audit and review reports differ in this regard.
 - (d) Given the targeted nature of the matter being addressed, respondents did not believe there would be adverse consequences of pursuing revisions to the ISREs as part of Track 2 of IAASB's narrow scope maintenance of standards project on listed entity and PIE. However, respondents also emphasized the need for a more comprehensive revision of both ISRE 2400 and ISRE 2410 (Revised) to modernize the standards and ensure they reflect all current IAASB standards, as appropriate. It was suggested that a separate project be considered and undertaken in this regard as part of IAASB's workplan.
4. Respondents who disagreed that that a revision of ISRE 2400 (Revised) should be pursued noted in their responses that:
- (a) Because engagements to perform reviews of financial statements in accordance with ISRE 2400 (Revised) are rare for public interest entities (i.e., such entities are usually required to have their financial statements audited), a revision to address transparency about the relevant ethical requirements for reviews is not necessary for the limited circumstances that may occur.
 - (b) It may be more appropriate to consider a revision of ISRE 2410 to address transparency, however since the standard is still in pre-clarity format, any further revisions should be part of a comprehensive revision of the standard considered by the IAASB as part of its workplan decisions.
 - (c) The IAASB should not pursue the revision because providing such information in the practitioner's report may be confusing for intended users of review reports and may undermine the decisions taken previously by the IAASB in terms of not aligning review and auditor's reports as part of the auditor reporting project.
 - (d) To avoid the risk of non-compliance, IESBA should consider amendment to Part 4 of the IESBA Code to explicitly state that the transparency requirement does not apply to review engagements.

³ Part 4A of the IESBA Code applies to both audit and review engagements and therefore the revisions to the IESBA Code regarding listed entity and PIE, including the transparency requirement, also apply to review engagements conducted in accordance with the ISREs.

5. Respondents who neither agreed nor disagreed and provided comments, noted in their responses that further research is needed to determine whether there would be any unintended consequences of pursuing the revision as part of the narrow scope project on listed entity and PIE, as well as that the IAASB should consider revising both ISRE 2400 (Revised) and ISRE 2410 at the same time and in a consistent manner.

Question 4 – Using an Approach Consistent with ISA 700 (Revised)

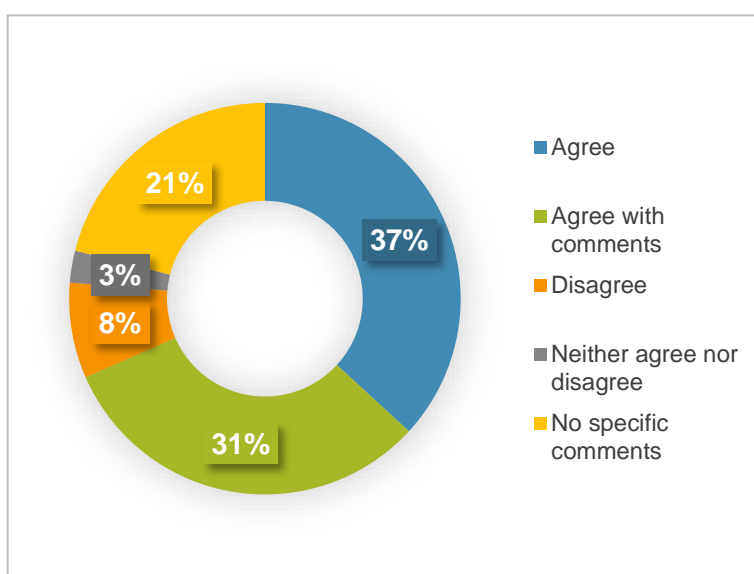
Question 4:

If the IAASB were to amend ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, do you support using an approach that is consistent with ISA 700 (Revised) as explained in **Section 2-C**?

Overview of Responses

6. Responses to Question 4 were as follows (see the separate Nvivo report **XY** for further details):

- 14 respondents agreed – 37%;
- 12 respondents agreed with further comments – 31%;
- 3 respondents did not agree – 8%;
- 1 respondents neither agreed nor disagreed and had comments – 3%; and
- 8 respondents did not have a specific response – 21%, including the two MG respondents.



Respondents' Comments

Question 4 – Summary of Respondents Comments

Majority support for:

- Consistency in the approach between the proposed revision for ISA 700 (Revised)⁴ to address transparency (i.e., a conditional requirement) and the approach to be pursued by the IAASB to revise ISRE 2400 (Revised), if the IAASB would determine that such a revision should be pursued.

7. Respondents broadly supported that if the IAASB were to amend ISRE 2400 (Revised), a consistent approach should be applied as for its proposals to revise ISA 700 (Revised) that include a conditional requirement that applies only when the jurisdictional relevant ethical requirements require public disclosure that differential independence requirements for audits of financial statements of certain

⁴ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

entities were applied. Such support was also expressed by certain of those respondents who disagreed or neither agreed or disagreed that a revision of ISRE 2400 (Revised) should be pursued (see Question 3 above).

8. Respondents who agreed and provided further comments, often referred to their previous responses to Questions 1 and 2 for their specific comments provided that are relevant to the IAASB's consideration for the revisions proposed to paragraph 28(c) of ISA 700 (Revised) and noted that should different approaches be used, the disclosure of independence requirements for audit and review engagements would be inconsistent which may create confusion for intended users of review reports.

Appendix 1

List of Respondents to ED- Proposed Narrow Scope Amendments to ISA 700 (Revised), Forming an Opinion and Reporting on Financial Statements and ISA 260 (Revised), Communication with Those Charged With Governance

No.	Respondent	Region
Monitoring Group		Total: 2
1.	International Forum of Independent Audit Regulators (IFIAR)	Global
2.	International Organization of Securities Commission (IOSCO)	Global
Regulators and Audit Oversight Authorities		Total: 5
3.	Botswana Accountancy Oversight Authority (BAOA)	Middle East and Africa
4.	Committee of European Auditing Oversight Bodies (CEAOB)	Europe
5.	Financial Reporting Council – UK (FRC)	Europe
6.	Independent Regulatory Board for Auditors – South Africa (IRBA)	Middle East and Africa
7.	National Association of State Boards of Accountancy (NASBA)	North America
National Auditing Standard Setters		Total: 10
8.	American Institute of Certified Public Accountants (AICPA)	North America
9.	Australian Auditing and Assurance Standards Board (AUASB)	Asia Pacific
10.	Canadian Auditing and Assurance Standards Board	North America
11.	Compagnie Nationale des Commissaires aux Comptes (CNCC) and Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC)	Europe
12.	Federación Argentina de Consejos Profesionales de Cs. Económicas (FACPCE)	South America
13.	Hong Kong Institute of Certified Public Accountants (HKICPA)	Asia Pacific
14.	Institut der Wirtschaftsprüfer in Deutschland e.V.(IDW)	Europe
15.	Japanese Institute of Certified Public Accountants (JICPA)	Asia Pacific
16.	Malaysian Institute of Accountants - Auditing and Assurance Standards Board (MIA)	Asia Pacific
17.	New Zealand Auditing and Assurance Standards Board (XRB)	Asia Pacific
Accounting Firms⁵		Total: 6
18.	Deloitte LLP*	Global
19.	Ernst & Young Global Limited*	Global
20.	Grand Thornton International Limited*	Global
21.	KPMG IFRG Limited*	Global
22.	PriceWaterhouseCoopers*	Global

⁵ Forum of Firms members are indicated with a *. The Forum of Firms is an association of international networks of accounting firms that perform [transnational audits](#).

No.	Respondent	Region
23.	RSM International Limited*	Global
Public Sector Organizations		Total: 1
24.	Office of the Auditor General of Alberta	North America
Member Bodies and Other Professional Organizations		Total: 14
25.	Botswana Institute of Chartered Accountants	Middle East and Africa
26.	Chartered Accountants Australia and New Zealand (CA ANZ) and the Association of Chartered Certified Accountants (ACCA)	Global
27.	CPA Australia	Asia Pacific
28.	Federation of Accounting Professions of Thailand	Asia Pacific
29.	Institute of Chartered Accountants in England and Wales (ICAEW)	Europe
30.	Institute of Chartered Accountants of Nigeria	Middle East and Africa
31.	Institute of Chartered Accountants of Scotland (ICAS)	Europe
32.	International Federation of Accountants' Small and Medium Practices Advisory Groups (SMPAG)	Global
33.	Korean Institute of Certified Public Accountants (KICPA)	Asia Pacific
34.	Malaysian Institute of Certified Public Accountants (MICPA)	Asia Pacific
35.	Pan-African Federation of Accountants (PAFA)	Middle East and Africa
36.	Saudi Organization for Chartered and Professional Accountants (SOCPA)	Middle East and Africa
37.	South African Institute of Chartered Accountants (SAICA)	Middle East and Africa
38.	South African Institute of Professional Accountants (SAIPA)	Middle East and Africa