

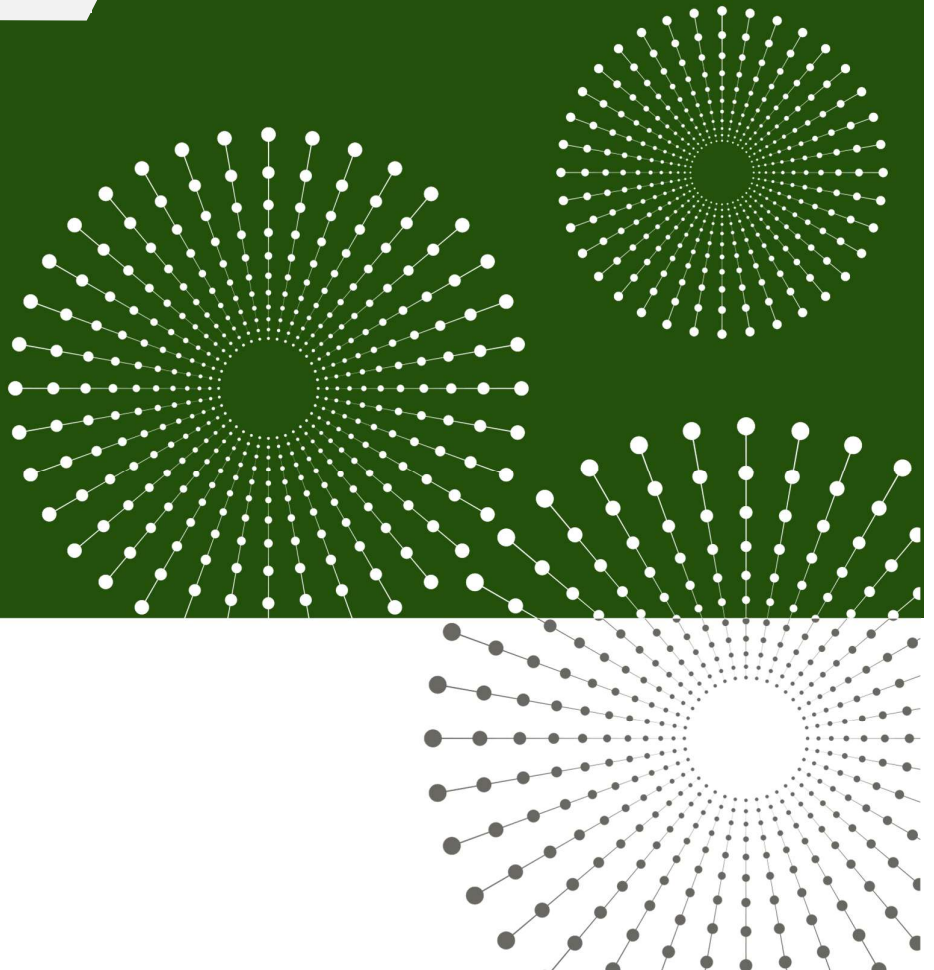
Reviews of Interim Financial Information

Consultation

Consultation closes
15 July 2026



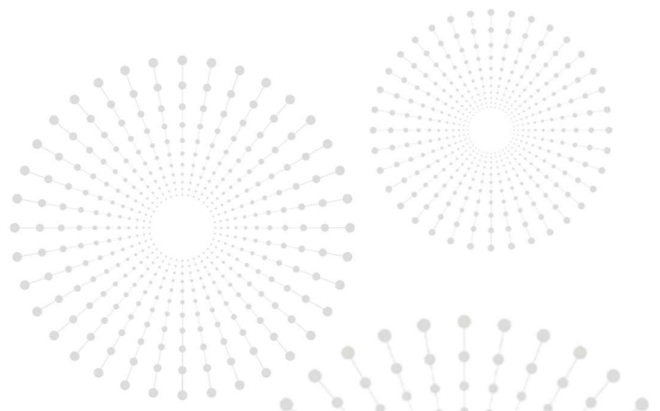
May 2026





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We seek comment on proposed revisions to the review engagement standard for interim financial information

We invite your views on the International Auditing and Assurance Standards Board (IAASB) exposure draft of International Standard on Review Engagements (ISRE) 2410 (Revised), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements (ED-2410)*.

The External Reporting Board's (XRB) strategy is to align with international auditing and assurance standards and to make adjustments to ensure they are locally relevant.

Your views will help us develop our response to the IAASB. They will also help us determine whether there are compelling reasons to modify the proposals for New Zealand.

If we do not identify any compelling reasons to make changes for New Zealand, we intend to issue the NZ equivalent of ISRE 2410 (Revised). Minimal changes will be made to reflect references, language and grammatical conventions used in New Zealand.

This exposure draft is your opportunity to comment on the proposed New Zealand standard. This document should be read in conjunction with:

- [ED-2410](#)
- The IAASB's [explanatory memorandum](#) which provides background to, and an explanation of, the proposals.

How to provide feedback

Responding to consultation questions

We welcome comments on whether there are any compelling reasons to modify the proposals in ED - 2410 for New Zealand, as well as comments on the questions raised in the [IAASB's Explanatory Memorandum](#). Please feel free to comment on any or all of the consultation questions.

We appreciate both formal and informal comments. To reach a balanced view we also appreciate both supportive and critical comments.

All comments received will be considered.

Verbal feedback

You can provide feedback at one of our targeted events or email us at assurance@xrb.govt.nz to arrange a call.

Written submissions

Submissions can be provided via any of the avenues below:

- Email us: assurance@xrb.govt.nz
- Complete the online form on our website
- Comment on our LinkedIn page

All submissions will be published on the XRB website unless confidentiality is requested¹.

The consultation closes on 15 July 2026.

¹ Submissions are subject to the Official Information Act 1982 and the Privacy Act 2020. The XRB will handle information in accordance with these Acts. If you object to the release of any information in your submission, please identify the specific parts and the reasons under the Official Information Act 1982. We reserve the right not to publish defamatory submissions

Background

We are preparing a submission to the IAASB

The revision of ISRE 2410 aims to strengthen trust in interim financial reporting. It does this by strengthening the consistency and rigour of how auditors perform and report on the review of interim financial information. These objectives align with the public interest framework's² emphasis to promote consistent behaviours, reinforce the auditor's mindset, including professional scepticism, and support transparency that enhances confidence in reported information.

Interim financial reporting provides regular, timely updates about an entity's financial position and performance between annual reporting dates. Management is responsible for preparing interim financial information. A review by the entity's auditor provides limited independent assurance, which enhances the confidence of intended users in that information.

The revisions reflect public interest considerations about continuous improvements to audit quality and confidence in financial reporting. They modernise ISRE 2410 so it better aligns with current standards for limited assurance engagements, and recent developments in areas such as fraud and going concern.

We plan to adopt the revised international standard once it is finalised

The XRB's strategy is to adopt international standards where appropriate to ensure global consistency, credibility and confidence in New Zealand's financial reporting and assurance framework.

International alignment promotes comparability of assurance outcomes across jurisdictions and supports New Zealand's participation in global capital markets.

Consistent with this strategy, we adopt international standards unless there is a compelling reason to modify them for New Zealand. A compelling reason exists only where modification is needed for the international standard to operate effectively with New Zealand's legal and regulatory requirements or where the international standard does not reflect principles or practices considered appropriate in New Zealand. Any changes are targeted and limited in scope.

When issuing New Zealand standards, the NZAuASB takes into account the due process followed by the IAASB. The NZAuASB considers that if the IAASB addresses a technical issue, similar issues exist in New Zealand and standard setting action is required.

This approach avoids duplication of effort, supports timely adoption of improvements in quality, and ensures New Zealand standards continue to reflect globally accepted best practice.

This exposure draft is your opportunity to comment on the proposed New Zealand standard. We seek your views on questions raised in the IAASB's explanatory memorandum or any aspect of the standard.

The revised international standard will replace NZ SRE 2410

The XRB has issued a domestic standard, NZ SRE 2410³, which is harmonised with the Australian equivalent standard. This is because the existing ISRE 2410 was issued in 2005 and has not been updated

We recognise that the current New Zealand standard differs from the existing international standard. The current version of NZ SRE 2410 was issued in June 2020. This version incorporated developments

² [IAASB's Integrated Due Process and Public Interest Framework](#)

³ New Zealand Standard on Review Engagements (**NZ SRE**) 2410, *Review of Financial Statements Performed by the Independent Auditor of the Entity*

in international standards, recognising the importance of maintaining audit quality and confidence in financial reporting in New Zealand. As a result, NZ SRE 2410:

- Is already presented in the clarity format, and aligns key concepts and terms used in EG Au1A⁴.
- Reflects relevant concepts from recently issued auditing standards, such as, quality management standards and the auditor reporting standards.
- Enhances the form, structure and presentation of the auditor’s interim review report whereby the auditor’s conclusion is presented first, followed by a basis for conclusion section.

Key required changes to NZ SRE 2410

For New Zealand auditors, ED-2410 significantly differs from the current NZ SRE 2410 in the following areas:

Going concern - enhanced requirements relating to the auditor’s work effort on going concern in interim review engagements and increased transparency in the interim review report relating to going concern.

Fraud - more explicit responsibilities for the auditor when becoming aware of fraud or suspected fraud during an interim review engagement.

Component auditors - new or enhanced provisions addressing the use of component auditors in interim review engagements.

The proposed changes in the areas of fraud and going concern are based on, and represent a proportionate response to, the recently revised auditing standards, reflecting matters of heightened public interest and regulatory focus.

The appendix provides a high-level comparison of NZ SRE 2410 and ED-2410.

We do not propose any compelling reasons to modify the proposals

In adopting international standards, the NZAuASB applies a “compelling reason” test. Compelling reason changes to the text of an international standard are made only where:

- the international standard does not appropriately reflect New Zealand legal or regulatory arrangements, or
- the international standard does not reflect, or is not consistent with, principles and practices that are considered appropriate in New Zealand.

No compelling reasons have been identified to modify ED-2410 for New Zealand. The proposals are suitable for adoption and NZ SRE 2410 already incorporates many of the concepts.

Question for respondents:

Do you agree that there are no compelling reasons for the proposals to be modified in New Zealand? If not, please explain how the proposals should be modified in New Zealand, including any cost or benefit considerations.

⁴ Explanatory Guide (EG) Au1A, *Framework for Assurance Engagements*
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Appendix: Comparison of NZ SRE 2410 to ED-2410

Grey shading is used to identify key areas where ED-2410 differs from the current NZ SRE 2410.

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
General principles	Addresses compliance with relevant ethical requirements, quality management, professional judgement and professional scepticism. [paragraphs 8-11]	Clarifies the scope and applicability of ED-2410 to address challenges with understanding the nature and scope of the auditor's work in these engagements, including how an interim review engagement differs from an audit of the entity's annual financial statements. Addresses compliance with relevant ethical requirements, engagement level quality management, professional judgement and professional scepticism. [paragraphs 20-24]	EM sections B,C and D
Acceptance and continuance	Establishes the preconditions for the engagement and those charged with governances' agreement that they acknowledge their responsibilities. Specifies the agreement to be recorded in writing. [paragraphs 12-13]	Establishes the preconditions for the engagement, agreeing the terms and changes in the terms. Specifies the agreed terms to be recorded in a suitable form of written agreement. [paragraphs 25-37]	EM section E
Communication	Communication of material misstatements and fraud and non-compliance with laws and regulations to management and, when appropriate, those charged with governance. [paragraphs 29-33]	Requires communication, on a timely basis, of matters that merit the attention of management and those charged with governance. [paragraph 38] In addition, specific matters to be communicated include: <ul style="list-style-type: none"> • Matters related to fraud or suspected fraud or non-compliance or suspected non- 	EM section I, paragraph 82

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
		<p>compliance with laws and regulations. [paragraph 57]</p> <ul style="list-style-type: none"> • Misstatements accumulated during the interim review engagement. [paragraph 82] • Uncorrected misstatements. [paragraph 84] 	
Group engagements	No specific requirements for group engagements.	Determine the nature, timing and extent of work to be performed by component auditors and required communications with component auditors. [paragraphs 39-40]	EM section F, paragraphs 37-40
Materiality	Requirement to consider materiality, using professional judgement when determining the nature, timing and extent of review procedures and evaluating the effect of misstatements. [paragraph 16]	Determine materiality and revise as appropriate if matters come to the auditor's attention. [paragraphs 41-42] Paragraphs A66-A70 provide guidance on the auditor's determination of materiality.	EM section F, paragraphs 41-43
Obtaining an understanding	Obtain an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control as it relates to the preparation of both the annual and interim or other financial statements, sufficient to plan and conduct the engagement to: <ul style="list-style-type: none"> • Identify types of potential misstatement, and • Select the enquiries, analytical and other procedures to be performed. [paragraphs 14-15]	Obtain an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control, as it relates to the preparation of both the annual and interim financial information and based on that understanding, identify areas where material misstatements, whether due to fraud or error, are likely to arise. [paragraph 43] Additionally, application material provides additional considerations when the first engagement performed by the auditor is the interim review engagement. [paragraphs A77-A79]	EM section F, paragraphs 44-49
Designing and performing	Make enquiries, primarily of persons responsible for financial and accounting matters, and perform	Design and perform enquiries, analytical and other review procedures that focus on areas	EM section F, paragraphs 50-52

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
review procedures	<p>analytical and other review procedures sufficient to enable the auditor to conclude whether anything has come to their attention that causes the auditor to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework.</p> <p>Specific procedures to be performed include:</p> <ul style="list-style-type: none"> • Reconcile to underlying accounting records. • Subsequent events procedures. • Additional procedures, when the auditor considers the interim financial information may be materially misstated <p>[paragraphs 17-19]</p>	<p>where material misstatements are likely to arise. Specifies the matters about which the auditor enquires [paragraphs 44-45], and requires the auditor to:</p> <ul style="list-style-type: none"> • Consider whether information to be used to perform analytical procedures is adequate for that purpose. [paragraph 46] • Read minutes and the interim financial information. [paragraph 47-48] • Enquire about related parties, including changes. [paragraphs 49-51] • If using the work of an auditor's expert, evaluate whether they have the necessary competence, capabilities and objectivity for the auditor's purposes. [paragraphs 66-67] • Reconcile to underlying accounting records, including for group interim review engagements. [paragraphs 68-69] • Perform additional procedures, when the auditor considers the information may be materially misstated. [paragraph 70] • Perform subsequent events procedures. [paragraphs 71-74] 	
Fraud and NOCLAR	<p>Enquire about actual or suspected non-compliance with laws and regulations (NOCLAR). [paragraph 21-22]</p>	<p>Enquire about fraud and NOCLAR. [paragraphs 52-53]</p> <p>If the auditor becomes aware of fraud, obtain an understanding and unless clearly inconsequential, obtain further information to</p>	<p>EM section F, paragraphs 54-56</p>

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
		<p>evaluate whether it may have a material effect. [paragraphs 54-55]</p> <p>Obtain an understanding of NOCLAR and evaluate possible effect. [paragraph 56]</p>	
Going concern	<p>Enquiry about changes in the going concern assessment, and when events or conditions may cast doubt on the entity's ability to continue as a going concern, enquiry about plans for future actions, the feasibility of plans and whether the outcome of the plans will improve the situation, and consider the adequacy of disclosures. [paragraph 20]</p>	<p>Enquire whether management has made a going concern assessment and, if not, request that they make, or when applicable extend, the assessment covering a period of at least 12 months from the date of approval of the information. [paragraphs 58-61]</p> <p>Enquire about changes in management's assessment of going concern and the status of, or any new, events or conditions. If events or conditions exist that may cast significant doubt:</p> <ul style="list-style-type: none"> • Enquire about plans for future actions. • Consider the feasibility of the plans, the likelihood of the outcome and whether management has the intent and ability to carry out those plans. • Consider performing other procedures. [paragraphs 62-63] <p>Evaluate:</p> <ul style="list-style-type: none"> • Whether anything has come to the auditor's attention: <ul style="list-style-type: none"> ○ That causes the auditor to believe management's use of the going concern basis is inappropriate. ○ Indicates that a material uncertainty exists. [paragraph 64] 	EM section F, paragraphs 57-61

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
		<ul style="list-style-type: none"> Adequacy of disclosures. [paragraph 65] 	
Written representations	Written representations to be obtained and refusal of those charged with governance to provide required representations. [paragraphs 25-26]	Written representations to be obtained (including related to going concern) and refusal of management or those charged with governance to provide required representations. [paragraphs 76-80]	
Accumulation and evaluation of misstatements	Evaluate, individually and in the aggregate, whether uncorrected misstatements that have come to the auditor's attention are material to the interim financial information. [paragraph 24]	Accumulate and communicate identified misstatements. Determine whether uncorrected misstatements are material, individually or in the aggregate, to the interim financial information. [paragraphs 81-85]	
Other information	Read the other information and discuss misstatements of fact with management and, when appropriate, those charged with governance. [paragraphs 27-28]	Read the other information and discuss misstatements of fact with management and, when appropriate, those charged with governance. [paragraphs 86-88]	EM section I, paragraphs 83-84
Forming a conclusion on the interim financial information	Not explicit in NZ SRE 2410	Evaluate the evidence obtained from the review procedures performed and conclude about whether the interim financial information is free from material misstatement. Prior to dating the report, perform procedures to take overall responsibility for managing and achieving quality. [paragraphs 89-94]	EM section G
Comparatives	When comparative information is included for the first time, perform similar procedures on the comparative information as applied to the current period interim financial statements. [paragraph 23]	If comparative information is included, obtain evidence about whether: <ul style="list-style-type: none"> The comparative information agrees with the amounts and disclosures presented in the prior period. 	

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
		<ul style="list-style-type: none"> The accounting policies reflected in the comparative information are consistent with those applied in the current period. [paragraph 119] 	
Preparing the interim review report	Required elements of the auditor’s review report. The auditor’s conclusion is the first section of the auditor’s review report, followed by the basis of conclusion. [paragraphs 34-41]	Required elements of the auditor’s review report. The auditor’s conclusion is the first section of the auditor’s review report, followed by the basis of conclusion. [paragraphs 95-100]	
Interim financial information materially misstated	If a matter has come to the auditor’s attention that causes the auditor to believe that the interim financial statements may be materially misstated, the auditor expresses a qualified or adverse conclusion. [paragraphs 42-43]	If a matter has come to the auditor’s attention that causes the auditor to believe that the interim financial statements may be materially misstated, the auditor expresses a qualified or adverse conclusion. [paragraphs 101-102]	
Inability to obtain sufficient appropriate evidence	Express a qualified conclusion when the auditor concludes there is a limitation on scope that is material but not pervasive. [paragraph 49]	Addresses the effect on the interim review report when the auditor is unable to obtain sufficient appropriate evidence. [paragraphs 103-106]	
Statements about going concern-related matters	<p>When adequate disclosure of a material uncertainty is made, include a “material uncertainty related to going concern” section drawing attention to the disclosure in the interim financial statements.</p> <p>When the financial statements have been prepared in accordance with the going concern basis, but in the auditor’s judgement, the basis is inappropriate, express an adverse conclusion. [paragraphs 50-52]</p>	<p>Separate “going concern” section about:</p> <ul style="list-style-type: none"> The appropriateness of management’s use of the going concern basis in the preparation of the information. No material uncertainty exists. Not a guarantee as to the entity’s ability to continue as a going concern. [paragraph 108] <p>OR separate “material uncertainty related to going concern” (MURGC) section”</p> <ul style="list-style-type: none"> Reference to the related disclosure in the information that describes the events or 	EM section H, paragraphs 74-79

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
		<p>conditions and indicates that a MURGC exists</p> <ul style="list-style-type: none"> • That the auditor’s review conclusion is not modified • About the appropriateness of the going concern basis • Not a guarantee as to the entity’s ability to continue as a going concern • If applicable, refer to the disclosure in the annual financial statements and state that the auditor’s report on the financial statements included a MURGC section. [paragraphs 109-110] <p>If in the auditor’s judgement, a matter related to going concern, other than a MURGC, that is disclosed, is of fundamental importance to users understanding, the auditor also includes in the going concern section, a reference to the related disclosure and a statement that the auditor’s interim review conclusion is not modified in respect of the matter. [paragraph 111]</p> <p>Express a qualified or adverse conclusion when a MURGC exists and is not adequately disclosed. [paragraph 112]</p>	
Emphasis of matter paragraph	Consider including an emphasis of matter paragraph to draw attention to a matter presented or disclosed in the interim financial statements that is, in the auditor’s judgement, fundamental to users’ understanding. [paragraphs 53-54]	When the auditor considers it necessary to draw attention to a matter presented or disclosed in the interim financial statements that is, in the auditor’s judgement, fundamental to users’ understanding, use an emphasis of matter paragraph. [paragraph 117]	

	NZ SRE 2410	ED-2410	IAASB Explanatory Memorandum (EM)
Other matter paragraph	Consider including an other matter paragraph in the review report to communicate a matter other than those presented or disclosed in the interim financial statements, when in the auditor's judgement such communication is relevant to users' understanding. [paragraphs 55]	When the auditor considers it necessary to communicate a matter other than those presented or disclosed in the interim financial statements, when in the auditor's judgement such communication is relevant to users' understanding, use an other matter paragraph in the review report. [paragraph 118]	
Documentation	Preparation of review documentation that is sufficient and appropriate to provide a basis for the auditor's conclusion and to provide evidence that the review was performed in accordance with NZ SRE 2410. [paragraph 56]	Specifies the form, content and extent of engagement documentation and matters related to assembly and retention of engagement documentation. [paragraphs 120-125]	