
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITING STANDARDS

**Exposure Draft: Proposed International Standard on Auditing 570 (Revised),
Going Concern**

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The International Auditing and Assurance Standards Board (IAASB) has issued the proposed International Standard on Auditing (ISA) 570 (Revised), *Going Concern*, (ED-ISA 570 (Revised)) and consequential amendments to other ISAs, for public comment.

In its media release on the consultation process, the IAASB states that high-quality audits support the smooth functioning of capital markets, overall economic performance and financial stability. However, the ongoing uncertainties in the broader economic environment, corporate failures across the globe in recent years and the more recent turmoil in the financial services sector have put a spotlight on the topic of going concern. Also, conditions such as war and the global pandemic have heightened risks and focused attention on the challenges and issues related to auditors' responsibilities and work associated with management's assessment of an entity's ability to continue as a going concern.

"Investors, regulators and other stakeholders have repeatedly called for more robust audit procedures related to going concern and for increased transparency regarding that work in the auditor's report," noted IAASB Chair Tom Seidenstein. "The revisions proposed are a step in that direction. The proposals seek to strengthen going concern requirements by substantially enhancing the auditor's work effort in relation to going concern and providing enhanced, entity-specific information in the auditor's report."

As the audit regulator, the IRBA views this as an important project that address issues related to restoring confidence in the auditing profession and the audit product in South Africa.

Consequently, the proposed changes in ED-ISA 570 (Revised), which will ensure that ISAs continue to form the basis for high-quality, valuable and relevant global audits, aim to:

- Promote consistent practice and behaviour and facilitate effective responses to identified risks of material misstatement related to going concern;
- Strengthen the auditor's evaluation of management's assessment of going concern, including reinforcing the importance, throughout the audit, of the appropriate exercise of professional scepticism; and
- Enhance transparency with respect to the auditor's responsibilities and work related to going concern, where appropriate, including strengthening communications and reporting requirements.

Request for Comments

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) welcomes comments on all matters addressed in ED-ISA 570 (Revised), including responses to the specific questions set out in the Explanatory Memorandum. Comments should be submitted via email to standards@irba.co.za by **28 July 2023**. All comments will be considered as a public record.

Alternatively, we invite registered auditors and other interested parties to submit their comments directly to the [IAASB](#) by **24 August 2023**.

A PDF copy of ED-ISA 570 (Revised) is available and may be downloaded from the exposure draft page of the [IRBA website](#). Should you have any other queries or experience any technical difficulties in downloading the document, please do not hesitate to email the [Standards Department](#).

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Director: Standards

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the CFAS are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.