Mr. Richard Moriarty
CEO
Financial Reporting Council (FRC)
1 Harbour Exchange Square
London, E14 9GE

14 January 2026

Dear Mr. Moriarty,

Subject: FRC Consultations on Proposed Revisions to ISA (UK) 240 and ISA (UK) 570

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the UK Financial Reporting Council's (FRC) consultation on proposed revisions to ISA (UK) 240 and 570.[1]

Led by investors responsible for assets under management of over US$ 90 trillion, ICGN promotes high standards of corporate governance and investor stewardship globally. Our membership is based in more than 40 countries and comprises asset owners, asset managers and advisers.

Investors rely on high-quality audit and reliable corporate reporting to exercise stewardship and allocate capital effectively. We welcome the FRC's overall approach of maintaining alignment with the IAASB standards while retaining limited UK-specific requirements where justified by the UK legal and regulatory context.

ISA (UK) 240 - Fraud, Consultation Questions 1-3

Do you agree that ISA (UK) 240 (Revised May 2021) and other ISAs (UK) should be revised to adopt the revisions to the underlying international standard and the related conforming amendments to other ISAs?

Yes. ICGN supports adopting the IAASB's revisions to ISA 240 and conforming amendments. For UK investors, international alignment on standards is important, and we agree that the incremental work effort for UK auditors should be limited given the existing 'UK plus' content already in place.

If you agree that the ISAs (UK) should be revised to adopt ISA 240 (Revised) and conforming amendments, do you agree that the limited UK supplementary material retained from the extant ISA (UK) and included in the exposure draft is sufficient?

Yes. We agree that the limited UK supplementary material retained is sufficient and appropriate. In particular, we support retaining UK requirements driven by law and regulation (for example, the enhanced professional scepticism articulation and UK-specific provisions on public interest entities and NOCLAR). These additions preserve important UK protections without undermining global consistency. We do not see a need, at this stage, for further UK-specific requirements on fraud beyond what is proposed.

[1] FRC, ISA (UK) 240 and ISA (UK) 570 Consultation, 2025

Is the proposed effective date, 15 December 2026, which is consistent with the effective date of the IAASB's revised ISA, appropriate?

Yes, aligning the UK effective date with the IAASB's timetable is sensible and provides adequate time for methodology updates and training. We would support early adoption for firms and entities that are ready, provided this is clearly disclosed to investors.

ISA (UK) 570 - Going Concern, Consultation Questions 4-6

Do you agree that ISA (UK) 570 (Revised September 2019) and other ISAs (UK) should be revised to adopt the revisions to the underlying international standard and the related conforming amendments to other ISAs?

Yes, we support adopting the IAASB's revisions to ISA 570 and conforming amendments.

If you agree that the ISAs (UK) should be revised to adopt ISA 570 (Revised 2024) and conforming amendments, do you agree that the limited UK supplementary material retained from the extant ISA (UK) and included in the exposure draft is sufficient?

Yes. We agree that retaining only a limited set of UK supplementary material is appropriate. We support keeping those additions that reinforce professional scepticism in going-concern judgements and preserve important UK specific requirements on going-concern reporting where these are already embedded.

We ask the FRC, in its Basis for Conclusions and guidance, to make clear how the revised ISA (UK) 570 work on going concern links to narrative disclosures on resilience, viability and risks in the front half of the annual report, so that investors can see a coherent overall picture.

Is the proposed effective date, 15 December 2026, which is consistent with the effective date of the IAASB's revised ISA, appropriate?

Yes, we agree with an effective date for periods beginning on or after 15 December 2026 for the revised ISA (UK) 570 and related conforming amendments. As with ISA 240, we would welcome the option of early adoption with clear disclosure.

Thank you again for the opportunity to share our perspective. If you would like to follow up with questions or comments, please contact Ayan Tewari, Senior Policy Executive (policy@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN

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