



**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND PLANNING**



**THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
TANZANIA (NBAA)**

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In reply please quote:

Date: 21st August 2023

Treasury Registrar,
CHC Building,
33 Mirambo Street,
P.O. Box 3193,
1 Madaraka Avenue,
11104 DAR ES SALAAM.

**RE: COMMENTS ON EXPOSURE DRAFT: PROPOSED INTERNATIONAL
STANDARD ON AUDITING 570 (REVISED 202X) GOING CONCERN**

Refer to the heading above.

NBAA as the PAO responsible for the professional training, development and regulation of the accountancy profession in Tanzania and as the member board of the International Federation of Accountants welcomes the opportunity to provide you with our comments on the Exposure Draft on the proposed ISA 570 (Revised 202X) on going concern.

In principle, we are supportive of all the requirements in the Exposure Draft. However, after going through it we came up with the following critical insights which we think can add value to proposed ISA 570 (Revised 202X).

Overall Questions

1. Do you agree that the proposals in ED-570 are responsive to the public interest, considering the qualitative standard-setting characteristics and project objectives that support the public interest as set out in **Appendix 1**?

Yes, we do agree with the proposals.

2. Do you believe that the proposals in ED-570, considered collectively, will enhance and strengthen the auditor's judgments and work relating to going concern in an audit of financial statements, including enhancing transparency through communicating and reporting about the auditor's responsibilities and work?

Yes, we do believe that the proposals will enhance and strengthen the auditor's judgments and work relating to going concern in an audit of financial statements.

3. Do you believe the proposed standard is scalable to entities of different sizes and complexities, recognizing that general purpose financial statements are prepared using the going concern basis of accounting and that going concern matters are relevant to all entities?

Yes, we do believe that the proposed standard is scalable to entities of different sizes and complexities.

4. Do the requirements and application material of ED-570 appropriately reinforce the auditor's application of professional skepticism in relation to going concern?

Yes, the requirements and application material reinforce application of professional skepticism.

Specific Questions

5. Do you support the definition of Material Uncertainty (Related to Going Concern)? In particular, do you support the application material to the definition clarifying the phrase "may cast significant doubt"?

Yes, we support the definition of Material Uncertainty and the related application material.

6. Does ED-570 appropriately build on the foundational requirements in ISA 315 (Revised 2019) in addressing risk assessment procedures and related activities, to support a more robust identification by the auditor of events or conditions that may cast significant doubt on the entity's ability to continue as a going concern?

Yes, ED 570 appropriately builds on the foundational requirements in ISA 315 (Revised 2019).

7. Do you support the change in the commencement date of the twelve-month period of management's assessment of going concern, from the date of the financial statements (in extant ISA 570 (Revised)) to the date of approval of the financial statements (as proposed in paragraph 21 of ED-570)? When responding consider the flexibility provided in paragraphs 22 and A43–A44 of ED-570 in circumstances where management is unwilling to make or extend its assessment. If you are not supportive of the proposal(s), what alternative(s) would you suggest (please describe why you believe such alternative(s) would be more appropriate and practicable)?

Yes, we do support the changes, but in circumstances where management is unwilling to make or extend its assessment, we are of the view that the auditor should not only issue an unmodified opinion but also should include this matter after consultation with those charged with governance in the key auditor matter paragraph.

8. Do you support the enhanced approach in ED-570 that requires the auditor to design and perform audit procedures to evaluate management's assessment of going concern in all circumstances and irrespective of whether events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern?

Yes, we do support enhanced approach in ED-570.

9. Does ED-570 appropriately incorporate the concepts introduced from ISA 540 (Revised) for the auditor's evaluation of the method, assumptions, and data used in management's assessment of going concern?

Yes, ED-570 appropriately incorporate the concepts introduced from ISA 540 (Revised).

10. Do you support the enhanced requirements and application material, as part of evaluating management's plans for future actions, for the auditor to evaluate whether management has the intent and ability to carry out specific courses of action, as well as to evaluate the intent and ability of third parties or related parties, including the entity's owner-manager, to maintain or provide the necessary financial support?

Yes, we do support the enhanced requirements and application material.

11. Will the enhanced requirements and application material to communicate with TCWG encourage early transparent dialogue among the auditor, management and TCWG, and result in enhanced two-way communication with TCWG about matters related to going concern?

Yes, enhanced requirements and application material will encourage early transparent dialogue.

12. Do you support the new requirement and application material for the auditor to report to an appropriate authority outside of the entity where law, regulation or relevant ethical requirements require or establish responsibilities for such reporting?

Yes, enhanced we do support this requirement for auditor to report to appropriate authority outside of the entity.

If you require any clarification on our comments, please contact the undersigned.

Thank you in advance for your cooperation.

Yours sincerely,



CPA Angyelile V. Tende

For: EXECUTIVE DIRECTOR