

LUXEMBOURG SUPPLEMENT TO INTERNATIONAL STANDARD ON AUDITING 240 THE AUDITORS RESPONSIBILITIES RELATING TO FRAUD IN THE AUDIT OF FINANCIAL STATEMENTS

Requirements

Communications to Management and with Those Charged With Governance

41R-1. For statutory audits of financial statements of public-interest entities, when an auditor suspects or has reasonable grounds to suspect that fraud with regard to the financial statements of the entity, may occur or have occurred, the auditor shall (unless prohibited by law or regulation) inform the entity and invite it to investigate the matter and take appropriate measures to deal with such irregularities and to prevent any recurrence of such irregularities in the future. (Ref: Para. A63-1) [AR/Article 7]

Communications to Regulatory and Enforcement Authorities

43R-1. For statutory audits of financial statements of public-interest entities, where the entity does not investigate the matter referred to in paragraph 41R-1, the statutory auditor or the audit firm shall inform the authorities responsible for investigating such fraud. (Ref: Para. A65-1) [AR/Article 7]

Application and Other Explanatory Material

Communications to Management and with Those Charged With Governance

Communications with Those Charged With Governance

A63-1. For statutory audits of financial statements of public-interest entities, ISA 260 (Revised)¹ requires the auditor to communicate in the additional report to the audit committee any significant matters involving actual or suspected non-

¹ Luxembourg supplement to ISA 260 (Revised), “Communication with Those Charged with Governance”, paragraph 16R-1(k).

compliance with laws and regulations, including from fraud or suspected fraud, which were identified in the course of the audit. [AR/Article 11.2(k)]

Communications to Authorities of Public-Interest Entities (Ref: Para. 43R-1)

A65-1. The disclosure in good faith to the authorities responsible for investigating such irregularities, by the auditor, of any irregularities referred to in paragraph 43R-1 shall not constitute a breach of any contractual or legal restriction on disclosure of information in accordance with the Audit Regulation. [AR/Article 7]