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ISCA Audit Bulletin 10

AB 10:
Key Revisions to SSA 570 (Revised 2024)



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1. Background

SSA 570 (Revised 2024) addresses the auditor's responsibilities in the audit of financial statements relating to going concern and the implications for the auditor's report.

In response to heightened stakeholders' expectations for a more robust standard and greater transparency in auditor's work related to going concern, SSA 570 (Revised 2024) has been issued to strengthen auditors' responsibilities in this area and ensure that the standard remains fit for purpose in today's environment.

The revised standard is effective for audits of financial statements for periods beginning on or after 15 December 2026.

2. Scope of this Audit Bulletin

This Audit Bulletin (AB) highlights the significant changes in SSA 570 (Revised 2024) and provides guidance on the implementation of the revised standard.

3. Key Revisions

Below are the key revisions to the standard¹:

(a) Assessment of going concern risk before management's mitigation plans

SSA 570 (Revised 2024) introduces a new definition for Material Uncertainty Related to Going Concern (MURGC) that explains the phrase "may cast significant doubt"². The definition clarifies that the auditor's assessment is to be made before considering the mitigating effects of management's plans.

The revised standard shifts the focus from "inquiry and discussion" to a more robust requirement for auditors to design and perform risk assessment procedures to obtain audit evidence that provides an appropriate basis for identifying events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. These events or conditions are to be identified before considering mitigating factors of management's plans. [SSA 570.11]

Practical implementation

The auditor's assessment should be performed in two distinct stages:

- (1) Identifying and assessing whether events or conditions, including those contemplated in **paragraph A7** of the standard, may cast significant doubt on the entity's ability to continue as a going concern; and
- (2) Considering whether management's plans have a mitigating effect on those events or conditions.

¹ For an overview of the key revisions, auditors may refer to IAASB's fact sheet on ISA 570 (Revised 2024), *Going Concern* [\[Link\]](#).

² Material Uncertainty (Related to Going Concern) – An uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern. "May cast significant doubt" is used to refer to circumstances where the magnitude of the potential impact and likelihood of occurrence of the identified events or conditions are such that, unless management's plans for future actions mitigate their effects, the entity may be unable to realize its assets and discharge its liabilities in the normal course of business and continue its operations for the foreseeable future." [SSA 570.10]

Accordingly, the auditor's documentation should clearly distinguish the assessment of the underlying going concern risk from the subsequent evaluation of management's mitigation plans.

Management's responsibilities

Management should have a process in place to assess the entity's ability to continue as a going concern as part of good governance and sound business management. Such a process is relevant not only for financial reporting purposes but also enables management to monitor the viability of the business and identify, in a timely manner, events or conditions that may affect the entity's ability to continue as a going concern³.

The revised standard expands the application of foundational requirements of SSA 315 (Revised 2021) to going concern matters, requiring the auditor to perform risk assessment procedures to obtain an understanding of:

- (1) the entity and its environment;
- (2) the applicable financial reporting framework; and
- (3) the entity's system of internal control. [SSA 570.12]

Practical implementation

In performing risk assessment procedures, it is important for the auditor to understand management's process for performing its going concern assessment. This includes understanding management's process for determining the method, significant assumptions and data used in its assessment, as well as the nature and extent of oversight exercised by directors or those charged with governance (TCWG). This understanding assists the auditor in evaluating the robustness of the assessment process, including the reliability of the information and assumptions underpinning the forecasts and the adequacy of the oversight applied over the assessment.

New application material:

- Provides guidance and examples on how events or conditions that may cast significant doubt on the entity's ability to continue as a going concern may also give rise to fraud risk factors and therefore may need to be considered in the context of SSA 240 (Revised)⁴. [SSA 570.A8]
- Provides guidance and examples in respect of the application of SSA 315 (Revised 2021) through a "going concern lens", including the application of scalability. [SSA 570.A12–A32]

The revised standard also introduces specific requirements for situations where events or conditions have not been previously identified or disclosed by management [SSA 570.14], as well as requirements relating to the identification and communication of control deficiencies within the entity's system of internal control. [SSA 570.15]

³ SSA 570 (Revised 2024) paragraphs 3–5 and A4.

⁴ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

(b) Evaluating management's going concern assessment in all audits

Under the extant standard, certain additional procedures on management's assessment were required only when events or conditions had been identified. The revised standard requires auditors to perform procedures to evaluate management's assessment irrespective of whether events or conditions have been identified, recognising that management's assumptions and judgements underpin its assessment of the entity's ability to continue as a going concern.

Management's responsibilities

Management would be expected to perform an assessment of the entity's ability to continue as a going concern in all circumstances, as the auditor is required to evaluate management's assessment in every audit. However, the form and extent of management's assessment may vary depending on the entity's specific facts and circumstances. For example, where an entity has strong financial performance, robust financial resources and no identified events or conditions that may cast significant doubt on its ability to continue as a going concern, a detailed or full-scale assessment may not be necessary. Nevertheless, management should still perform and document an assessment that is appropriate to the circumstances. It may therefore be useful for management to engage with the auditor early on the expected form and extent of the going concern assessment.

What if management has not performed an assessment?

If management has not performed an assessment, the auditor is required to request that management perform such an assessment [SSA 570.16]. Where management is unwilling to do so, the auditor may consider management's lack of assessment as a limitation on the audit evidence obtained and consider the implications in accordance with SSA 705 (Revised)⁵ [SSA 570.A33].

The auditor is also required to design and perform procedures to evaluate management's assessment [SSA 570.17], and evaluate the methodology, significant assumptions and data used in preparing the assessment, taking into account the results of the auditor's risk assessment procedures [SSA 570.19].

✦ Practical implementation

In performing the evaluation of the management's assessment, the auditor can apply scalability in determining the nature and extent of procedures, based on the assessed going concern risks. As explained in **paragraph A35**, auditors are not responsible for rectifying deficiencies in management's analysis. However, less extensive management analysis may be sufficient where, for example, the entity has profitable operations, adequate liquidity, and no identified events or conditions that may cast significant doubt on its ability to continue as a going concern. Conversely, where management has not performed an assessment that is appropriate in light of the entity's circumstances, this may indicate a deficiency in internal control under SSA 265⁶.

⁵ SSA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*

⁶ SSA 265 *Communicating Deficiencies in Internal Control to those Charged with Governance and Management*. For a smaller or less complex entity, management's assessment process may be less formal, provided that it is proportionate to the entity's circumstances and adequately addresses the relevant events or conditions. An informal process would not, in itself, necessarily constitute a deficiency in internal control. However, where events or conditions have been identified that may cast significant

Where higher going concern risks have been identified, auditors should perform more extensive procedures, including greater scrutiny of forecasts, key assumptions and supporting evidence. Throughout the process, auditors should exercise professional skepticism by considering the potential for management bias, critically challenging assumptions, evaluating contradictory evidence and performing an overall stand-back assessment of whether the management's going concern conclusion is appropriate.

In evaluating whether management's plans have a mitigating effect, auditors should also consider the timing of those plans. Mitigating actions should address the identified going concern risk at the time of the auditor's assessment. Actions that have already been implemented may have resolved, or contributed to resolving, the identified going concern risk. Conversely, actions that are only expected to be undertaken subsequently are forward-looking and should not be regarded as having already addressed the risk.

New application material provides guidance in the auditor's evaluation [SSA 570.A38–A46], including explaining the term “method” for assessing going concern may be based on using qualitative or quantitative information that involve applying assumptions and data. [SSA 570.A39–A41]

Given the more robust approach in the standard to evaluate management's assessment in all instances, auditors are now required to obtain written representations relating to going concern in all audits. [SSA 570.39] Where events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern, additional written representations are required. [SSA 570.40]

(c) Period of management's assessment extended to at least twelve months from the date of approval of the financial statements

The evaluation period is extended from at least twelve months from the date of the financial statements to at least twelve months from the date of approval of the financial statements. [SSA 570.21] This is regardless of the assessment period specified by the applicable financial reporting framework. [SSA 570.A50]

Management's responsibilities

Management is required to provide a going concern assessment covering at least twelve months from the date of approval of the financial statements, so that the auditor can evaluate the assessment in accordance with SSA 570 (Revised 2024).

SFRS(I) 1-1 or FRS 1 requires management to assess the entity's ability to continue as a going concern for at least twelve months from the end of the reporting period and does not preclude management from considering a longer period where relevant⁷. Accordingly, management will need to extend its assessment to cover the longer period required for the auditor's evaluation under SSA 570 (Revised 2024), thereby enabling the auditor to obtain sufficient appropriate audit evidence.

doubt on the entity's ability to continue as a going concern, management would be expected to perform a sufficiently robust assessment supported by appropriate analysis and documentation, regardless of the entity's size or complexity.

⁷ In assessing going concern, paragraph 26 of SFRS(I) 1-1 / FRS 1 *Presentation of Financial Statements* requires management to take into account information at least but not limited to twelve months from the end of the reporting period.

What if management is unwilling to extend its assessment?

If management is unwilling to extend its assessment when requested by the auditor, the auditor is required to discuss the matter with management and, where appropriate, TCWG. [SSA 570.22] If following the discussion, management is still unwilling to do so, the auditor shall determine the implications for the audit [SSA 570.23], which could include:

- Revising the risk assessment and modifying planned audit procedures, including considering whether management's unwillingness indicates a fraud risk factor; and
- Considering treating management's unwillingness as a limitation on the audit evidence obtained, with potential implications for the auditor's opinion under SSA 705 (Revised). [SSA 570.A57]

★ Practical implementation

Auditors should discuss the required assessment period with management at the planning stage of the audit. As the assessment period under SSA 570 (Revised 2024) extends beyond the minimum period required by SFRS(I) 1-1 or FRS 1, early communication helps ensure that management's assessment covers the required period and avoids delays later in the audit process.

For long-overdue financial statements, auditors would still need to obtain sufficient appropriate audit evidence covering the relevant assessment period. Where management has previously prepared a going concern assessment, they may update and extend that assessment. The auditor then considers whether management's assessment has been appropriately updated and corroborates the assessment through procedures such as reviewing subsequent events and the entity's trading performance, assessing the entity's current liquidity position and compliance with financial covenants, and evaluating whether key assumptions underlying the assessment remain valid and are supported by current evidence.

(d) Evaluating intent and ability to carry out management's future plans

The revised standard introduces requirements for the auditor to evaluate both management's intent and ability to carry out specific courses of action. [SSA 570.26–28, A59–A65]

Specifically, where financial support is provided by third parties or related parties, including the entity's owner-manager, the auditor is required to obtain audit evidence about their intent and ability to maintain or provide the necessary support. Paragraphs A63–65 provide examples of procedures that may be performed in this regard.

★ Practical implementation

For audits of subsidiaries, the auditor's assessment of management's plans should consider the extent to which the subsidiary's ability to continue as a going concern depends on financial or operational support from the group and the subsidiary's role within the group, including its strategic purpose, and its operational and financial interdependencies with other group entities. Auditors should remain alert to information obtained during the audit that may contradict management's assumptions regarding the availability or sufficiency of such support.

Where the necessary support is expected to come from individuals, such as an owner-manager or shareholder, auditors may need to perform additional procedures to address the identified risks and assess the availability and reliability of such support. Relevant audit evidence may include the individual's track record of providing financial support, evidence of available funds or readily realisable assets, access to financing, the terms and enforceability of any support arrangements, and whether there is a reasonable economic rationale or incentive for the individual to provide such support.

New application material:

- Provide guidance for the auditor's consideration of requesting a written confirmation from third or related parties and for terms and conditions of borrowing facilities, and alternative procedures [SSA 570.A61–62]
- Emphasise how information from sources external to the entity can be leveraged in the auditor's work related to going concern [SSA 570.A17, A28]

(e) Going concern disclosures in the auditor's report

The revised standard requires the auditor's conclusions about going concern to be explicitly communicated in a separate Going Concern section in the auditor's report in all audits, regardless of whether a material uncertainty related to going concern has been identified. [SSA 570.34–36] Illustrations are available in the Appendix of the standard, as well as in AGS 1⁸.

Another new requirement relates to the communication of "close call" situations as key audit matters (KAMs) in the auditor's report where SSA 701⁹ applies. Under the revised standard, the following matters are, by their nature, KAMs, and the auditor is required to apply the relevant KAM requirements accordingly:

- A material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern; or
- When significant judgments were made by management in concluding that there is no material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. [SSA 570.A1]

Auditors may refer to [IAASB's Frequently Asked Questions \(FAQs\) on Reporting Going Concern Matters in the Auditor's Report](#), which addresses the following FAQs:

Question 1	What are the sections of the auditor's report where entity specific going concern matters are reported?
Question 2	What are the implications for the auditor's report when a Going Concern or MURGC section apply?
Question 3	What is an example of a circumstance when significant judgments are made by management in concluding that there is no material uncertainty?
Question 4	What is included in the description in the auditor's report of how the auditor evaluated management's assessment of going concern?
Question 5	Can the Going Concern or MURGC sections in the auditor's report be supplemented with additional information?

⁸ Illustrative auditor's reports can be found in AGS 1 *Sample Auditor's Reports* last updated in July 2026.

⁹ SSA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*

Question 6	When a disclaimer of opinion is provided, what are the implications for the auditor's report as far as a separate section that addresses going concern?
Question 7	When the use of the going concern basis of accounting is inappropriate, what are the implications for the auditor's report?

(f) Enhanced communications with TCWG

Where events or conditions are identified that may cast significant doubt on the entity's ability to continue as a going concern, the auditor is required to communicate additional matters to TCWG. These include:

- an overview of the audit procedures performed, the basis for the auditor's conclusions, including the auditor's evaluation of management's plans for future actions [SSA 570.42(c)] and
- when applicable, management's unwillingness to make or extend its going concern assessment when requested. [SSA 570.42(e)]

4. Practical Reminders for Auditors

The following practical reminders are intended to provide useful tips for auditors in applying the revised requirements:

- **Early planning and communication:** Plan and communicate with management early on the expected form and extent of the going concern assessment and the supporting evidence required. Emphasise that the assessment period must cover at least twelve months from the date of approval of the financial statements.
- **Sharing illustrative materials with management:** Auditors may provide management with illustrative checklists to guide them in performing its going concern assessment, including consideration of the examples of events or conditions set out in paragraph A7. Such materials should support management in developing its own assessment and should not result in the auditor preparing the assessment on management's behalf.
- **Sufficient appropriate audit evidence:** Inquiry and management representations alone are insufficient. Auditors should obtain sufficient appropriate audit evidence to evaluate management's going concern assessment, recognising that the nature and extent of the audit procedures may be scaled according to the assessed going concern risks.
- **Written representations:** Obtain the required written representations from management and, where appropriate, TCWG, confirming management's conclusion regarding the appropriateness of the going concern basis of accounting and that all relevant information has been provided to the auditor.
- **Group audit considerations:** For group audits, consider early in the planning process whether going concern procedures are required at the component level. Where applicable, provide clear instructions on the procedures to be performed and the information to be reported, including any relevant going concern matters identified.
- **Overall stand-back evaluation:** Perform an overall stand-back evaluation of the going concern assessment, including whether management's plans adequately address the identified going concern risks and whether those plans are supported by the audit evidence obtained.

Appendix: What the Revised Going Concern Requirements Mean for Management and Those Charged with Governance

While SSA 570 (Revised 2024) is directed at auditors, its effective implementation has important implications for management and those charged with governance (TCWG).

In particular, management will need to prepare its going concern assessment and supporting documentation on a timely basis to facilitate the auditor's evaluation under the revised requirements.

No.	What management and TCWG need to know	What management needs to do
1	Management must perform its own going concern assessment	Management should perform and document an assessment of the entity's ability to continue as a going concern. This applies even where there are no obvious going concern issues , although the extent of the assessment may be proportionate to the entity's circumstances.
2	Management must be able to support its conclusion	The assessment should be supported by an appropriate method, significant assumptions and relevant data. Where management relies on plans such as obtaining financing, financial support, restructuring or other mitigating actions, it should be prepared to demonstrate that these plans are realistic and capable of being implemented . TCWG should exercise appropriate oversight over the assessment and significant judgements made.
3	The assessment may need to cover a longer period than before	The assessment provided to the auditor will need to cover at least 12 months from the date the financial statements are approved , which extends beyond the minimum period required by the applicable financial reporting framework. Management should therefore start the assessment early enough to obtain the necessary information and address issues before the financial statements are approved.
4	Not having an adequate assessment can affect the audit	If management has not performed an appropriate assessment, the auditor will need to request that management do so. If management is unwilling to perform or extend the assessment, this may affect the audit procedures and could have implications for the auditor's opinion. Management and TCWG should therefore engage with the auditor early on the expected assessment, supporting evidence and assessment period.
5	Going concern matters will be more visible in the auditor's report	The auditor's report will include a separate Going Concern section in all audits. Where significant going concern matters arise, there may also be additional reporting. Management and TCWG should therefore expect greater discussion of significant judgements and should ensure that the related financial statement disclosures appropriately reflect the entity's circumstances.

Early engagement among management, TCWG and the auditor will be important in clarifying the expected form and extent of management's assessment, the supporting evidence required and the applicable assessment period.

For reference: ISCA Auditing and Assurance Pronouncements and Publications

The table below summarises the formal categorisation, degrees of authority and due process for issuance of ISCA's auditing and assurance standards and guidances. This provides credence to ISCA's technical content, promulgates ISCA's views on the application of auditing and assurance standards as well as promotes best practices and consistency in auditing and assurance.

Category	Nature	Degree of authority	Due Process	Highest level of approval
1. a) Singapore Standard on Auditing (SSA) b) Singapore Standard on Assurance Engagements (SSAE) c) Singapore Standard on Review Engagements (SSRE) d) Singapore Standard on Related Services (SSRS) e) Singapore Standard on Quality Management (SSQM) f) Statement of Auditing Practice (SAP)	Authoritative pronouncements	Required to comply	Public consultation required	ACRA's Public Accountants Oversight Committee
2. a) Audit Guidance Statement (AGS) b) Singapore Auditing Practice Note (SAPN)	Provide interpretive and practical guidance to auditors Non-authoritative	Expected to apply or explain departures	Public consultation required	ISCA Council
3. Audit Bulletin (AB)	Informative / educational publications to highlight pertinent topical issues to auditors Non-authoritative	For information and educational purposes	Public consultation not required	ISCA AASC

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