

ISA 315 (Revised) – Exposure Draft

- CAG
- September 12th, 2018

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ISA 315 (Revised) Task Force Member
and Deputy Chair of the IAASB

Exposure Draft
July 2018

Comments due: November 2, 2018

International Standard on Auditing

Proposed International Standard
on Auditing 315 (Revised)

Identifying and Assessing the
Risks of Material Misstatement

and

Proposed Consequential and
Conforming Amendments to
Other ISAs

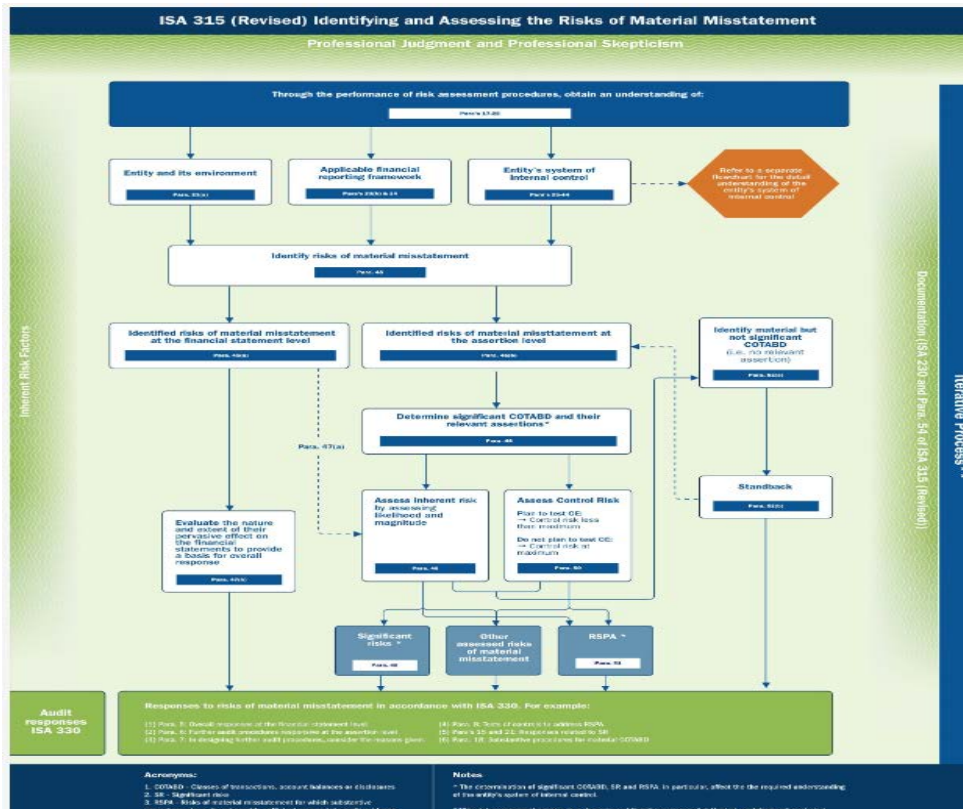
ISA 315 (Revised), Identifying and Assessing the Risks of Material Misstatement

- ISA 315 (Revised) Exposure Draft (ED–315) approved in June 2018
 - Includes conforming amendments to other ISAs – conforming amendments to approved ISA 540 (Revised) posted in August 2018
 - Comments close **November 2, 2018**
- Webinars:
 - August 8th 2018
 - October 3rd 2018
 - Invitation to register circulated
 - Question & answer style
 - Submit questions by September 24th 2018: philminnaar@iaasb.org

ISA 315 (Revised)

- Feedback to CAG since March 2018
 - Fraud
 - In light of ISA 240, Board considered whether further enhancements are required in ED–315
 - Board agreed references to fraud sufficient
 - Inherent risk factor – ‘*susceptibility to misstatement due to management bias or fraud*’
 - Scalability
 - Removed ‘*considerations specific to smaller entities*’ and built into ED–315
 - Smaller and less complex
 - Introductory paragraphs
 - Complexity and need for flowcharts
 - Introductory paragraphs – flow and iterative nature of standard

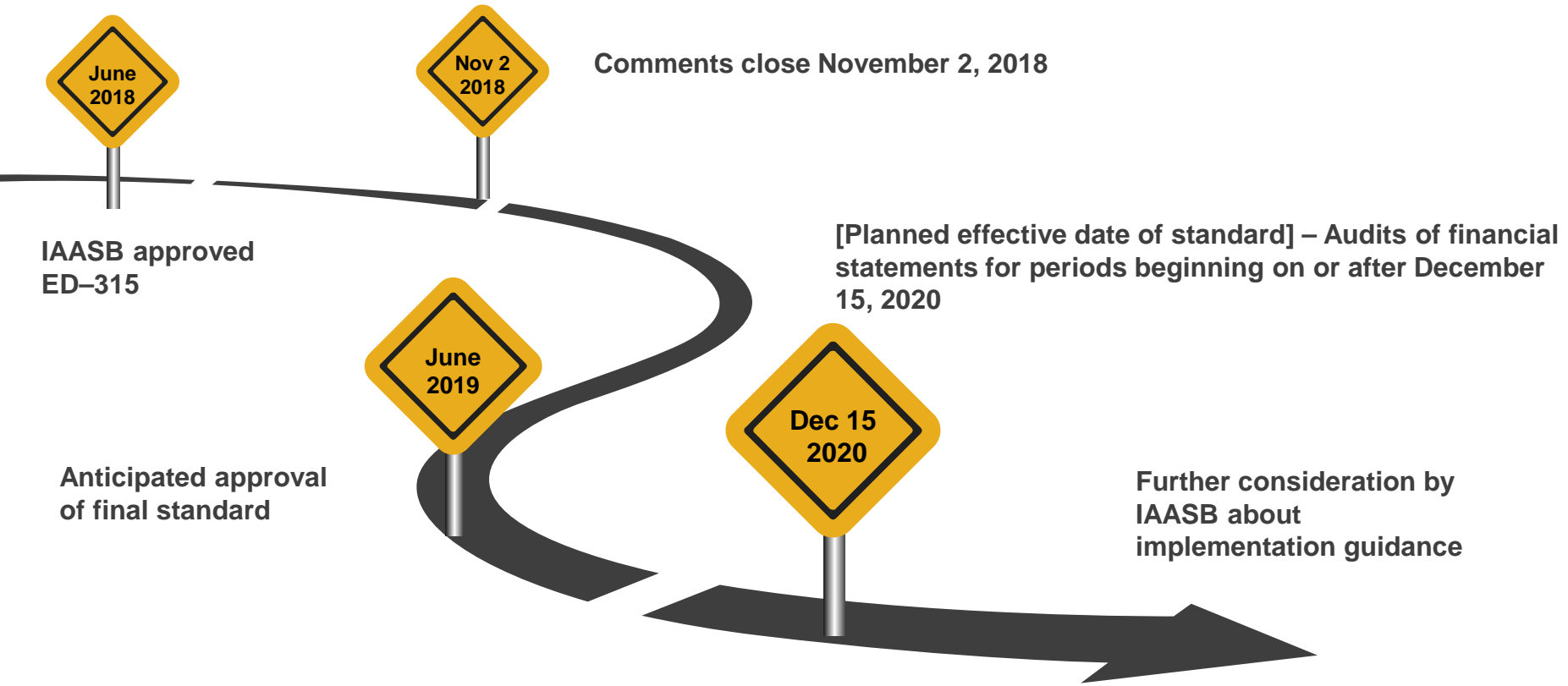
ISA 315 (Revised) – Overall Flowchart



ISA 315 (Revised)

- Other areas discussed by CAG
 - Professional skepticism
 - Automated tools and techniques / Data analytics
 - Spectrum of inherent risk concept
 - Significant risk
 - *'Highest'* replaced with *'close to the upper end'*
 - *'Reasonably possible'* versus *'more than remote'*
 - Use of *'significant'* and *'material'* – stand back requirement

ISA 315 (Revised) – The Way Forward





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