

Meeting: IAASB

Meeting Location: New York, USA

Meeting Date: September 16–20, 2019

Agenda Item 13

Due Process

Objective of Agenda Item

1. To advise the IAASB of the status of due process for proposed ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement*.

Background

2. The IAASB Technical Director is responsible for advising the IAASB as to whether due process has been followed effectively and with proper regard for the public interest before a proposed Standard, or changes to a Standard, are approved for issue.
3. The following outlines the Technical Director's conclusion and basis thereof with respect to actions up to the September 2019 IAASB meeting for the above ISA. Before approval of proposed ISA 315 (Revised), the Technical Director will advise on whether due process has been followed during the course of the September 2019 meeting.

Due Process Up to the Date of the September 2019 IAASB Meeting

4. The Technical Director confirms to the IAASB that, up to the September 2019 IAASB meeting, proposed ISA 315 (Revised) has been developed in accordance with the IAASB's due process.
5. In summary, for proposed ISA 315 (Revised), the IAASB:

Project Commencement and Development

- Approved the project proposal¹ for commencement of work to revise extant ISA 315 (Revised), and consulted with the IAASB Consultative Advisory Group (CAG) on the proposal.
- Consulted with the IAASB CAG on significant issues during the development of proposed ISA 315 (Revised).

Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Task Force has reported back to the IAASB CAG the results of the IAASB's deliberations.

- Considered whether it is necessary to hold a public forum or roundtables, or to issue a consultation paper or conduct field testing, in order to solicit views on a matter under consideration.

The ISA 315 Task Force undertook extensive outreach with key stakeholders throughout the course of the development of the proposals, including regulators and audit oversight bodies, accounting firms and representatives of the small-and medium-practices (SMP) community.

¹ https://www.iaasb.org/system/files/meetings/files/ISA-315-Revised-Project-Proposal_Final-September-2016.pdf

Accordingly, no consultation paper, public forums, or further field testing were deemed necessary for proposed ISA 315 (Revised).

Exposure Draft

- Approved and issued an [exposure draft](#) of proposed ISA 315 (Revised) (ED-315) for public comment, together with an explanatory memorandum highlighting, among other matters, the significant proposals of the IAASB.
- Considered analyses of the significant comments and issues raised by respondents on the exposure draft, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters, the IAASB members:
 - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Task Force, that they considered should be discussed; and
 - Amended ED-315 accordingly.
- Consulted with the IAASB CAG on significant issues raised in comment letters on ED-315 and the IAASB's related responses. Significant comments received to date through the consultation with the IAASB CAG have been brought to the IAASB's attention. The Task Force has reported back to the IAASB CAG the results of the IAASB's deliberations since the March 2019 CAG meeting at the CAG's September 2019 meeting. The Task Force has reported back to the IAASB CAG the results of the IAASB's earlier deliberations.