

## **Supplement to Agenda Item 2-C (Updated)**

### **Paragraph 13 Without Marked Changes**

*Note to IAASB: The following paragraph is the same as paragraph 13 in Agenda Item 2-C (Updated), and is shown without marked changes to aid readability.*

13. In applying ISA 330, the auditor is required to design and perform further audit procedures to respond to the assessed risks of material misstatement, including significant risks, at the assertion level. In doing so, the auditor shall design and perform tests of controls to obtain sufficient appropriate audit evidence as to the operating effectiveness of relevant controls if the auditor's assessment of risks of material misstatement at the assertion level includes an expectation that relevant controls are operating effectively, or if substantive procedures alone cannot provide sufficient appropriate audit evidence at the assertion level. With respect to accounting estimates: (Ref: Para. A57A–A57H)
- (a) If the assessed risk of material misstatement is low, and that assessment does not include an expectation that relevant controls are operating effectively, the auditor shall consider whether an overall procedure would provide sufficient appropriate audit evidence regarding the assessed risk of material misstatement in the circumstances. (Ref: Para. A57I)
  - (b) If the assessed risk of material misstatement is low and that assessment includes an expectation that relevant controls are operating effectively, the auditor's further audit procedures shall include tests of controls to obtain audit evidence about the applicable matters in paragraphs 13A-13C. Such procedures shall be responsive to the reasons for the assessment given to the risk of material misstatement in accordance with paragraph 10. (Ref: Para. A57J)
  - (c) If the assessed risk of material misstatement is not low, the auditor's further audit procedures shall include procedures to obtain audit evidence about the applicable matters in paragraphs 13A–13C. Such procedures shall be responsive to the reasons for the assessment given to the risk of material misstatement in accordance with paragraph 10, recognizing that the higher the assessed risk the more persuasive the audit evidence needs to be. (Ref: Para. A57K–A57M)