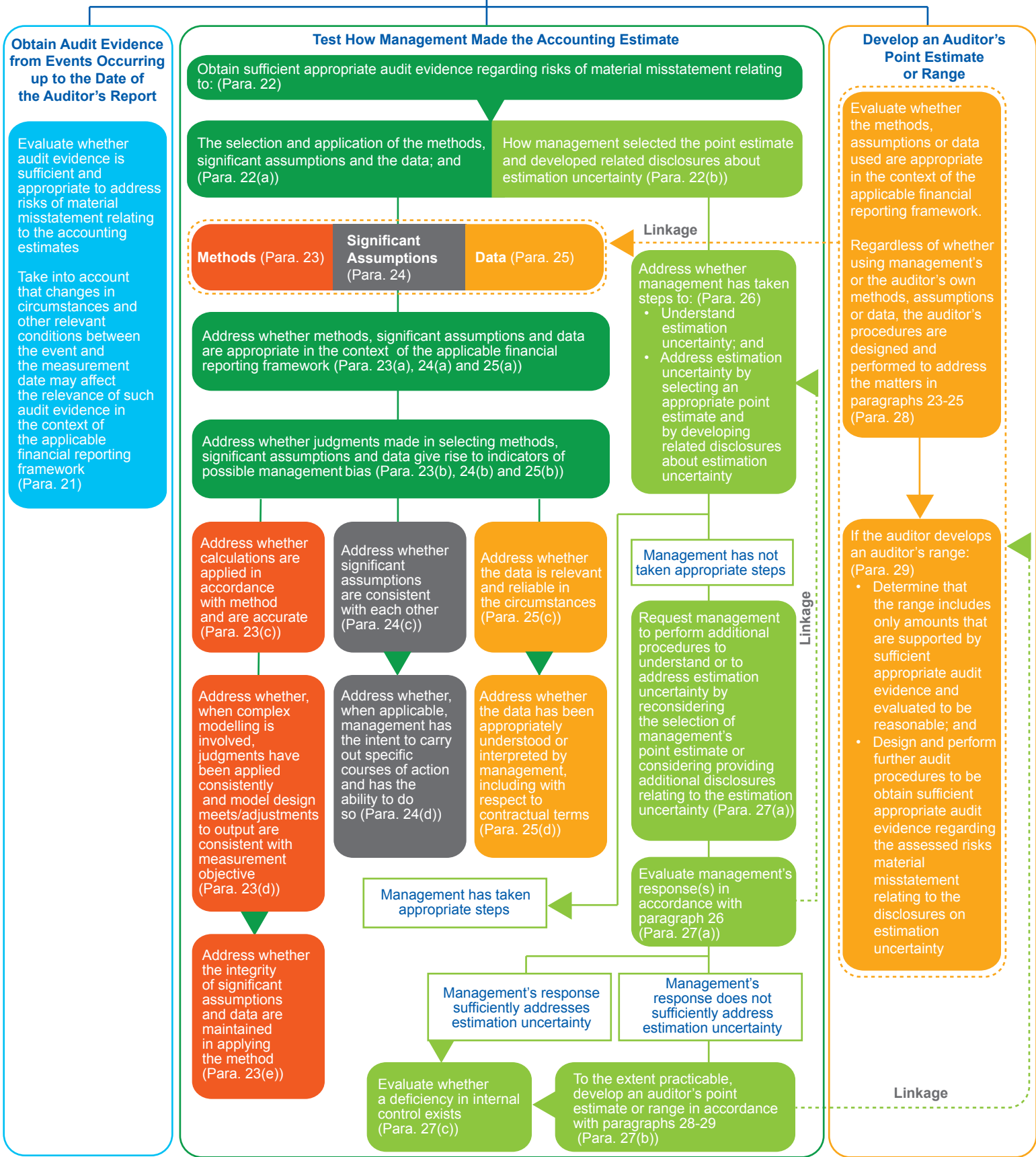


ISA 540 (Revised) – Three Testing Approaches

This flowchart provides an overview of the key requirements relating to the three testing approaches, including their linkages.

Include one or more of the following testing approaches in designing and performing further audit procedures in a manner that is not biased towards obtaining audit evidence that may be corroborative or towards excluding audit evidence that may be contradictory (Para. 18) (*Note)



*** Note: Scalability**

The nature, timing and extent of the auditor's further audit procedures are affected by, for example: (Para. A84)

- The assessed risks of material misstatement, which affect the persuasiveness of the audit evidence needed and influence the approach the auditor selects to audit an accounting estimate
- The reasons for the assessed risks of material misstatement