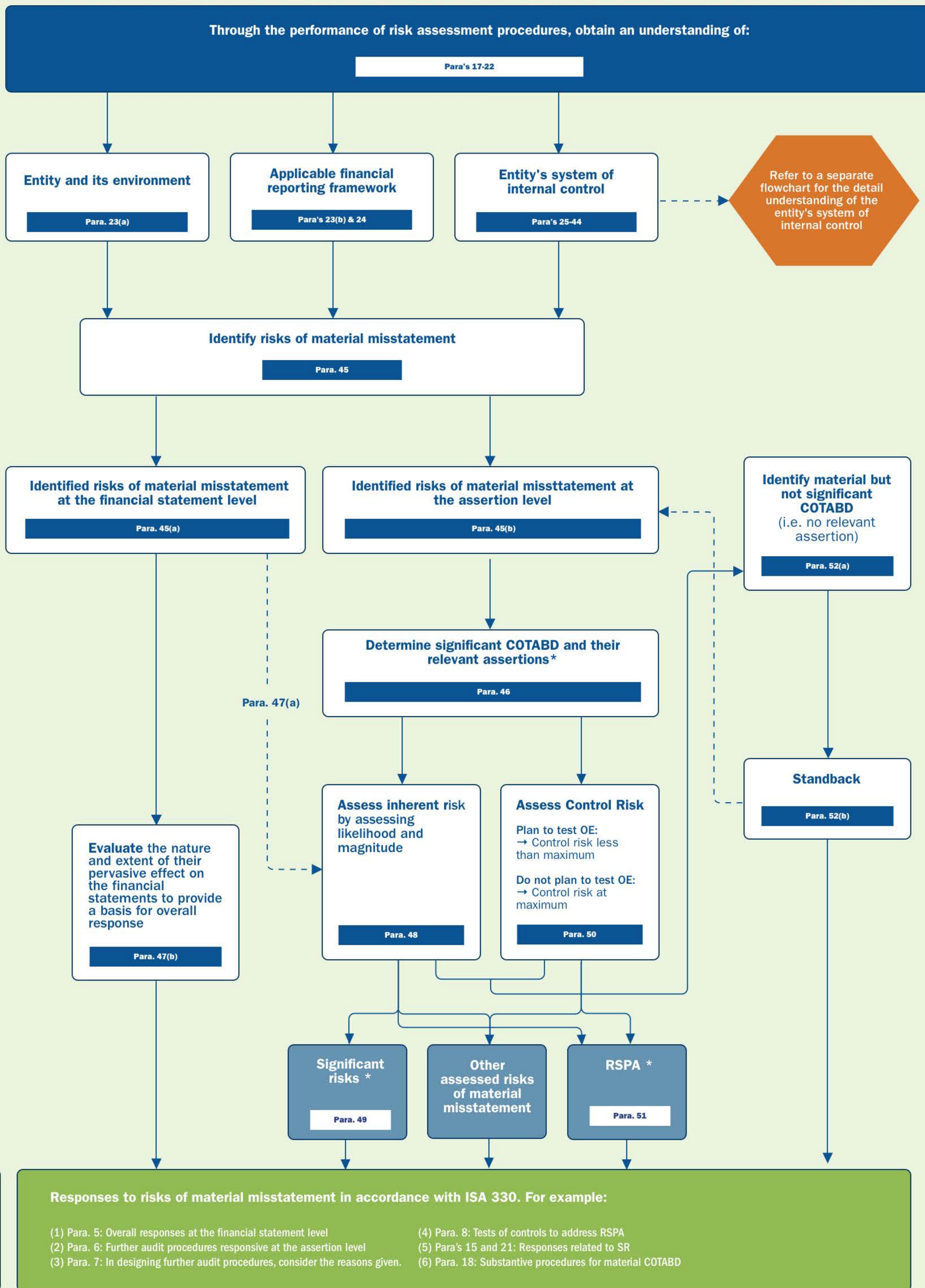


Professional Judgment and Professional Skepticism



Documentation (ISA 230 and Para. 54 of ISA 315 (Revised))

Iterative Process **

Acronyms:

- COTABD - Classes of transactions, account balances or disclosures
- SR - Significant risks
- RSPA - Risks of material misstatement for which substantive procedures alone do not provide sufficient appropriate audit evidence
- OE - Operating effectiveness of controls

Notes

* The determination of significant COTABD, SR and RSPA, in particular, affect the the required understanding of the entity's system of internal control.

**The risk assessment process is a dynamic and iterative process of gathering, updating and analyzing information and continues throughout the audit.

Inherent Risk Factors