

Joint ISA 315 and ISA 540 Task Force Meeting

- Alignment of Qualitative Inherent Risk Factors:
 - ISA 540 planning to use complexity, subjectivity, estimation uncertainty
- Spectrum of Risk:
 - Explain the spectrum of risk – pointing to existing concepts in ISA 315
 - ISA 315 Task Force to consider what is needed to better explain the spectrum for the audit as a whole
 - Staff from both Task Forces to work together to work on draft words
 - Illustrate the spectrum through examples – comparisons of what would make a given risk higher or lower on the spectrum
 - Basis for Conclusions to help explain the way forward

Joint ISA 315 and ISA 540 Task Force Meeting

- Significant risk
 - ISA 540 Task Force to consider ISA 315 Task Force’s thinking on what else would be expected for significant risks
- ISA 540 Task Force to propose conforming amendment to ISA 200 with respect to paragraph A42 to remove apparent inconsistency with references to inherent risk in ISA 540
 - “*The ISAs do not ordinarily refer to inherent risk and control risk separately...*”
- Task Forces are going to illustrate the various issues discussed through the use of better examples