

Responses to ED-315¹
Comments on ‘Conforming Amendments to Other Standards²’ (question 9(c))
NVivo Report 3A
(FOR REFERENCE)

08. IRBA

The conforming amendments to the other ISAs, as presented in Appendix 2, are appropriate and complete.

09. FRC

We support the proposed conforming amendments described in Appendix 2 of the explanatory memorandum.

11. AuAASB

A stakeholder requested that the IAASB also consider reviewing whether conforming amendments are necessary for ISA 402 and ISA 600.

12. CAASB

Yes, we believe the list of other ISAs requiring conforming amendments is appropriate and complete. However, we believe that it is important that there be an avenue for stakeholders to raise comments on these conforming amendments once they are drafted. Further, if there are items that stakeholders believe are incorrect or need clarification, it is important that the IAASB has a process in place to make changes to these conforming amendments before they are finalized.

13. CNCC-CSOEC

The revision of ISA 315 will generate consequential amendments on other ISA. Therefore, we consider that before addressing the proposed conforming and consequential amendments from the revision of this standard, key issues in the ED-315 should be resolved as a priority. However as at today, we are supportive of the proposed conforming amendments.

15. IDW

We have no substantive comments on the other ISAs as presented in Appendix 2, other than those conforming amendments that would result from our comments on the draft of ISA 315.

17. Malaysian Institute of Accountants

We agree with the proposed conforming and consequential amendments.

18. NBA

It is difficult to review the conforming amendments in the other ISAs as these are only summarized in the ED, but not presented. We would like them to be presented in order to review them properly.

¹ Exposure Draft International Standard on Auditing 315, *Identifying and Assessing Risks of Material Misstatement*

² Other ISAs as presented in Appendix 2 of explanatory memorandum of ED-315

19. National Board of Accountants (Tanzania)

The other ISAs as presented in Appendix 2, they are appropriate and complete

20. NZ Auditing and Assurance Standards Board

The NZAuASB considers the proposed conforming amendments appropriate and complete.

21. Altaf Noor Ali Chartered Accountants

We have not reviewed this in detail and are not in a position to make a meaningful comment.

24. Crowe International

We agree with the conforming and consequential amendments.

25. Deloitte

DTTL agrees that the other ISAs presented in Appendix 2 are appropriate.

26. EY Global Limited

Yes

27. Grant Thornton International

We would recommend a further review of the ISAs for instances where the “risk of material misstatement” forms part of the requirement or of the application material. We noted that ISA 505 paragraph 15 refers to the risk of material misstatement being assessed as “low.” We are of the view that this should be changed to “lower” for consistency with ED 315. Further, as part of this review, we would recommend consideration of whether the reference should be to inherent risk rather than the combined assessment of risk of material misstatement.

28. KPMG IFRG Limited

Yes, we believe they are.

29. MNP LLP

We have no further comments with respect to the proposed conforming and consequential amendments.

31. RSM International

Question 9, 10 and 11(a)

We have no comment, other than in respect of paragraph 18 in ISA 330 as mentioned above in our response to questions 6d and 8.

32. Office of the Auditor-General of Alberta

Yes – we agree with the approach taken and consider the approach taken to incorporate scalability, specifically 315.A30 – .A34. We note the ED does not include any subsequent amendments to ISA 520 Analytical procedures. We agree the Board should consider possible amendments to ISA 520 given the

proposed amendments to 315, specifically amending 520.05-.06. Secondly, additional amendments should be made to 330 to incorporate what impact, if any, the automated tools and techniques have on substantive procedures – specifically sample sizes.

We have no additional comments.

33. Office of the Auditor-General of Canada

Other ISA conforming amendments - We have no comments concerning other conforming amendments.

35. US Government Accountability Office

We believe that the proposed amendments to the other ISAs, as presented in appendix 2, are appropriate and complete.

36. Swedish National Audit Office

We don't have any comments on the confirming and consequential revisions.

38. ACCA-CAANZ

We have no particular comments on this question.

39. Accountancy Europe

The revision of ISA 315 after the exposure period will have significant consequential bearing on the proposed conforming and consequential amendments moving forward. Therefore, before addressing the conforming and consequential amendments, key issues in the ED-315 are primarily to be resolved, such as unnecessary complex constructions, and the issues in applying scalability.

To address some of the specific aspects of this question, on point a) above, we consider the ISA 200 definition of 'small entities' to be sufficient for the time being, while on point b) above, we note that there is a lot more to be done to promote the use of data analytics as part of the revision of ISA 500.

40. AICPA

Finally, we recommend the IAASB clarify how the use of the term "assessed the risk of material misstatement as low" in paragraph 15(a) of ISA 505, External Confirmations, operates in the context of the "spectrum of risk" concept in ED-315.

43. CPA Australia

Yes, no concerns noted.

44. EFAA

We have no comments.

45. Finnish Association of Authorised Public Accountants

No comments

46. Fed of Prof Council of Economic Sciences (Argentina)

We believe that the changes are appropriate.

48. Interamerican accounting association (South America)

Appropriate yes, complete no. We believe that the changes to be submitted to the application will require adjustments that could involve the incorporation of illustrative examples and other explanatory material-

There will always be new requirements for requirements imposed by the paradigm changes in business and the advances in technology and communication

49. Instituto dos Auditores Independentes do Brazil

Yes.

51. Institute of Chartered Accountants in England and Wales

We note the large number of conforming amendments in this appendix but we have no specific comments on them.

52. Institute of Chartered Accountants (Ghana)

Yes. ISA 330 which deals with the response to the assessed risks needs to reflect these changes as does ISA 210, 220, 230, 250, 265,300, 402, 500, 501, 505, 550, 570, 600, 610, 701, 720, 800. In all these ISA's there are definitions and terms which have to be updated to reflect the ED 315 as it reflects in all these standards.

53. Institute of Chartered Accountants of Pakistan

Yes, we understand that these are complete.

54. Institute of Chartered Accountants of Scotland

The revision of ISA 315 will have a significant impact on the revision of future standards. Therefore, before addressing the conforming and consequential amendments from the revision of this standard, our concerns regarding the current ED-315 need to be resolved such as its unnecessarily complex construction and the issues around scalability.

To address some of the specific aspects of this question, on point a) above, we consider the ISA 200 definition of 'small entities' to be sufficient for the time being, while on point b) above, we note that further work is required to promote the use of data analytics as part of the revision of ISA 500. We also reiterate our concerns regarding the introduction of the concept of a 'spectrum of inherent risk' in relation to conforming amendments to ISAs 200 and 300.

55. Institute of Chartered Accountants (Zimbabwe)

Yes, they are appropriate and complete. The key standards which are affected are mentioned.

57. Institute of Public Accountants

The IPA supports the proposed consequential amendments in Appendix 2 of the Explanatory Memorandum.

59. Malaysian Institute of CPAs

Generally, MICPA notes that the proposed conforming and consequential amendments are appropriate.

61. PAFA

Yes, the changes are appropriate

62. SAICA

We believe these amendments are appropriate and complete.

63. SMPC

The other ISAs are considered appropriate and complete.

65. Chartered Accountants Academy (Zimbabwe)

Yes, they are appropriate and complete. The key standards which are affected are mentioned.

67. Lynessa Dias

The proposed conforming amendments as a consequence of the revisions in ISA 315, relating:

- to the separation of inherent risk and control risk compared to the combined risk of material misstatement in ISA 200 and 240;
- to the spectrum of inherent risk, inherent risk factors, relevant assertions and significant classes of transactions, account balances and disclosures introduced in the revised standard and explained in paragraph A40 in ISA 200 and in paragraph A43a in ISA 330 to merge the meaning of the purpose of identification and assessment of risks of material misstatement at the assertion level;
- to clarify the work effort related to understanding an entity's system of internal controls new paragraphs in ISA 240;
- to new amendments in ISA 330 to reflect the concepts of significant classes of transactions, account balances and disclosures in the revised ISA 315;
- to recognize that materiality relates to both quantitative and qualitative aspects in ISA 330; and

other such changes are appropriately noted by the Board.

70. S Dianne Azoor Hughes

No matters arising in the context of the current drafting.

Amendments may not be complete to the extent they are impacted by better articulation of the auditor's examination of a company's risk management procedures in further revision to ED-315.