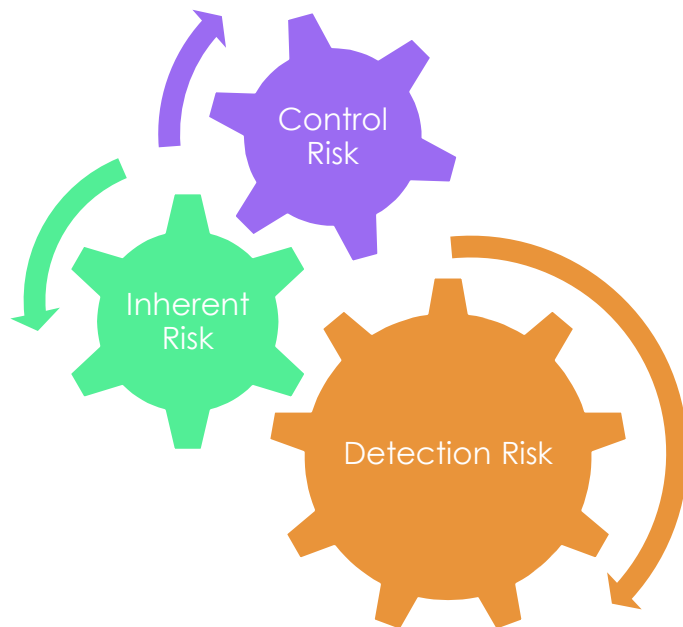


ISA -315(Revised 2019) Impact on Audits



Disclaimer: The views expressed over here are those of the authors

About:

- ▶ International Audit and Assurance Standards Board (IAASB) back in September 2019 approved major changes to ISA 315.
- ▶ The revisions will be effective for audits of financial statements for periods beginning on or after 15 December 2021.
- ▶ The effect of changes require audit firms of all sizes to revisit their approach to risk assessments.

Key changes:

- ▶ Introduction of five new inherent risk factors to aid in risk assessment; subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias.
- ▶ In determining significant risks, a new spectrum of risk, at the upper end of which lie significant risks
- ▶ Enhanced focus on IT general controls
- ▶ Inherent risks to be assessed separately from control risks
- ▶ Scalability considerations have been included
- ▶ Considerations specific to Automated Tools and Techniques
- ▶ Sufficient appropriate evidence to be obtained from risk assessment procedures as the basis for the risk assessment
- ▶ Greater emphasis on controls