

2020

Feedback Paper

ISA (Ireland) 315

(Revised October 2020)

*Identifying and Assessing the  
Risks of Material Misstatement*

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## **Mission**

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest.

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## Summary

The ISAs (Ireland) are based on the ISAs (UK) which, in turn, are based on the corresponding standards issued by the IAASB<sup>1</sup>.

IAASA's policy is to make minimal amendments to the UK standards. Amendments are considered where there is a conflict with Irish or EU law or where there are distinct differences between the Irish and UK markets which impact on the applicability of a standard in Ireland.

On 15 December 2019, the IAASB issued a revised ISA 315, *Identifying and Assessing the Risks of Material Misstatement*, together with related conforming amendments to other ISAs.

On 9 July 2020, the FRC issued a revised UK standard and a feedback statement on its consultation. These can be found [here](#).

On 4 August 2020, a consultation paper to obtain the views of stakeholders with regard to IAASA's proposal to issue a revised version of ISA (Ireland) 315, *Identifying and Assessing the Risks of Material Misstatement* was issued.

## Responses received

IAASA's consultation closed on 25 September 2020. IAASA received 5 responses, as listed below – three from professional accountancy bodies and two from audit firms.

1. Association of Chartered Certified Accountants (ACCA)
2. Chartered Accountants Ireland (CAI)
3. CPA Ireland (CPA)
4. KPMG
5. PwC

## Matters on which IAASA consulted, summary of responses and IAASA response

A summary of the responses received to the specific questions asked in the consultation, and IAASA's response, are set out below.

No.	Matters on which IAASA Consulted
1.	<p>In the context of IAASA's policy to make minimal amendments to the UK standards, are there any amendments proposed that, in your opinion conflict with Irish or EU law?</p> <p>If so, please:</p> <ol style="list-style-type: none"><li>i. identify the relevant legal provision(s);</li><li>ii. give reasons for your view; and</li><li>iii. explain what action(s), if any, you believe should be taken to update the standards in Ireland in respect of the matter(s) concerned.</li></ol>

<sup>1</sup> IAASB is a committee of the International Federation of Accountants (IFAC).

Summary of Responses	Respondents did not identify any proposed amendments which conflicted with Irish or EU law.
IAASA Response	IAASA is in agreement with the respondents.
2.	<p>In the context of IAASA's policy to make minimal amendments to the UK standards, are there any areas not identified in this consultation paper where there are distinct differences between the Irish and UK markets which, in your opinion, would impact on the applicability of the proposed amendments to the standards in Ireland?</p> <p>If so, please:</p> <ol style="list-style-type: none"> <li>i. give your reasons;</li> <li>ii. identify the market sector(s), audited entities etc. in Ireland impacted by the proposed amendment; and</li> <li>iii. explain what action, if any, you believe should be taken to update the standards in Ireland in respect of the matter(s) concerned.</li> </ol>
Summary of Responses	Respondents did not identify any differences between the Irish and UK markets, which in their opinion, would impact on the applicability of the proposed amendments to the standards in Ireland.
IAASA Response	IAASA is in agreement with the respondents.
3.	Is the proposed effective date, i.e. for financial periods beginning on or after 15 December 2021, appropriate? If not, please give reasons and indicate the effective date that you would consider appropriate.
Summary of Responses	Respondents were all in agreement with the effective date.
IAASA Response	IAASA is in agreement with the respondents.

## Conclusion

Following the consultation and having regard to the responses received, IAASA is adopting ISA (Ireland) 315 (Revised October 2020), *Identifying and Assessing the Risks of Material Misstatement* and the related conforming amendments to the other ISAs (Ireland).

The effective date is for audits of financial statements for periods beginning on or after 15 December 2021. Early adoption is permitted.

The other ISAs (Ireland) with conforming amendments, in line with the changes made by the IAASB and FRC, are listed below. At this stage, IAASA does not intend to publish updated versions of these ISAs (Ireland). Details of the conforming amendments are set out in the document containing the revised ISA (Ireland) 315.

ISA (Ireland) 200 (Updated December 2018), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*.

ISA (Ireland) 210 (Updated July 2017), *Agreeing the Terms of Audit Engagements*.

ISA (Ireland) 230 (Updated December 2018), *Audit Documentation*.

**Feedback Paper: ISA (Ireland) 315 (Revised October 2020) *Identifying and Assessing the Risks of Material Misstatement***

ISA (Ireland) 240 (Updated December 2018), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*.

ISA (Ireland) 250 Section A (Revised July 2017), *Consideration of Laws and Regulations in an Audit of Financial Statements*.

ISA (Ireland) 260 (Updated December 2018), *Communication with Those Charged with Governance*.

ISA (Ireland) 265, *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*.

ISA (Ireland) 300, *Planning an Audit of Financial Statements*.

ISA (Ireland) 330 (Revised August 2018), *The Auditor's Responses to Assessed Risks*.

ISA (Ireland) 402, *Audit Considerations Relating to an Entity Using a Service Organisation*.

ISA (Ireland) 500 (Updated December 2018), *Audit Evidence*.

ISA (Ireland) 501, *Audit Evidence—Specific Considerations for Selected Items*.

ISA (Ireland) 530, *Audit Sampling*.

ISA (Ireland) 540 (Revised December 2018), *Auditing Accounting Estimates and Related Disclosures*.

ISA (Ireland) 550, *Related Parties*.

ISA (Ireland) 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*.

ISA (Ireland) 610, *Using the Work of Internal Auditors*.

ISA (Ireland) 620, *Using the Work of an Auditor's Expert*.

ISA (Ireland) 701 (Updated December 2018), *Communicating Key Audit Matters in the Independent Auditor's Report*.

ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*.

## Appendix – Responses received

1. Association of Chartered Certified Accountants (ACCA)
2. Chartered Accountants Ireland (CAI)
3. CPA Ireland (CPA)
4. KPMG
5. PwC





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