
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITING STANDARDS

**IRBA Board Adopts International Standard on Auditing 315 (Revised):
*Identifying and Assessing the Risks of Material Misstatement***

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The International Auditing and Assurance Standards Board (IAASB) issued International Standard on Auditing (ISA) 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement* (ISA 315 (Revised 2019)) on 19 December 2019.

Subsequently, at its meeting on 29 October 2020, the Board of the Independent Regulatory Board for Auditors (IRBA) approved ISA 315 (Revised 2019) for adoption, issue and prescription for use by auditors in South Africa. The approval includes *Conforming and Consequential Amendments to Other International Standards*.

The changes in substance between extant ISA 315 and ISA 315 (Revised 2019) are that in finalising ISA 315 (Revised 2019), the IAASB focused on the understandability, complexity and length of the standard, and made enhancements and clarifications to encourage a more consistent and robust risk assessment, which forms the foundation of the auditor's efforts to gather sufficient appropriate audit evidence. In addition, the revisions modernise the standard to keep up with the evolving environment in which businesses operate, particularly in relation to technology, and focus on why procedures are required.

Related conforming amendments have been made to the following other ISAs:

- ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*;
- ISA 210, *Agreeing the Terms of Audit Engagements*;
- ISA 230, *Audit Documentation*;
- ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*;
- ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*;
- ISA 260 (Revised), *Communication with Those Charged with Governance*;
- ISA 265, *Communicating Deficiencies in Internal Control to Those Charged with Governance*;
- ISA 330, *The Auditor's Responses to Assessed Risks*;
- ISA 402, *Audit Considerations Relating to an Entity Using a Service Organisation*;
- ISA 500, *Audit Evidence*;
- ISA 501, *Audit Evidence – Special Considerations for Selected Items*;
- ISA 530, *Audit Documentation*;

- ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*;
- ISA 550, *Related Parties*;
- ISA 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*;
- ISA 610, *Using the Work of Internal Auditors*;
- ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*; and
- ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*.

ISA 315 (Revised 2019) and the related *Conforming and Consequential Amendments to Other International Standards* become effective for audits of financial statements for periods beginning on or after 15 December 2021. Early adoption is permissible and encouraged by the IRBA.

ISA 315 (Revised 2019) and the related *Conforming and Consequential Amendments to Other International Standards* may be downloaded from the IRBA website at www.irba.co.za.

Should you have any further queries, please email the [Standards Department](#).

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About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the Committee for Auditing Standards are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.