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Audit Conference: 6 April 2023

**CONTINUING
PROFESSIONAL
DEVELOPMENT**

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Your Member Experience Team
Linda, Ian, Paul, Sonia,
Chris, Emma & Rachel

ISQM Overview/Guidance



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Sheila O'Donovan, Director, KPMG
CAI Audit Conference

6 April 2023



The Quality Management Standards

The International Auditing and Assurance Standards Board (IAASB) issued three revised standards to strengthen and modernise the approach to quality management in December 2020.

IAASA issued versions of these standards in December 2021 that apply to Ireland.

FRC issued versions of these standards in July 2021 that apply to the UK.

[CAI technical alert 03/2022 Draft II](#)
(charteredaccountants.ie)

ISQM1

ISQM2

ISA220 (Revised)

<p>Scope</p>	<ul style="list-style-type: none"> • International Standard on Quality Management (ISQM1) focuses on quality management at the firm level • Requires the firm to design, implement and operate a system of quality management (SoQM) to manage the quality of engagements performed by the firm • Applies to all firms that perform audits or reviews of financial statements, or other assurance or related services engagements 	<ul style="list-style-type: none"> • ISQM2 Engagement Quality Reviews focuses on engagement quality reviews • Focuses on the appointment and eligibility of the engagement quality (EQ) reviewer and the EQ reviewer's responsibilities relating to the performance and documentation of an EQ review • Applies to audits and reviews of financial statements; and other assurance and related services engagements 	<ul style="list-style-type: none"> • International Standard Auditing (ISA) 220 (Revised) clarifies and strengthens the key elements of quality management at the engagement level • focusing on the critically important role of the engagement partner and reinforcing the importance of quality to all members of the engagement team • Applies to audits of financial statements
<p>Effective date</p>	<p>Firms are required to:</p> <ul style="list-style-type: none"> • have their SoQM designed and implemented by 15 December 2022 • Evaluate for operating effectiveness at least annually, and no later than 15 December 2023 for the first evaluation 	<p>Periods beginning on or after 15 December 2022</p>	<p>Periods beginning on or after 15 December 2022</p>

Key elements of ISQM1

Replaces
ISQC1

ISQM replaces the existing standard International Standard on Quality Control 1 Quality Control for ('ISQC 1') for Firms that Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements

SoQM

The firm's System of Quality Management (SoQM) is continual and iterative, incorporates professional judgement and is responsive to changes in the nature and circumstances of the firm and its engagements

Risk based

Risk-based approach (para 8) to design, implementation and operation through:

- Establishing **quality objectives** to be achieved for components
- Identifying and assessing **risks** to the achievement of the quality objectives
- Designing and implementing **responses** to address the quality risks

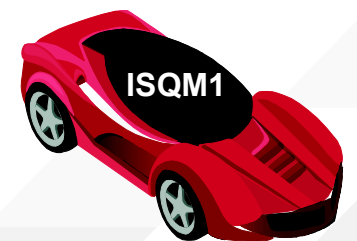
Reasonable
Assurance

At least **annually** (para 9 and 53), the **individual(s) assigned ultimate responsibility and accountability evaluates and concludes** whether the SoQM provides the firm with **reasonable assurance** that the **objectives** of the system are being **achieved**

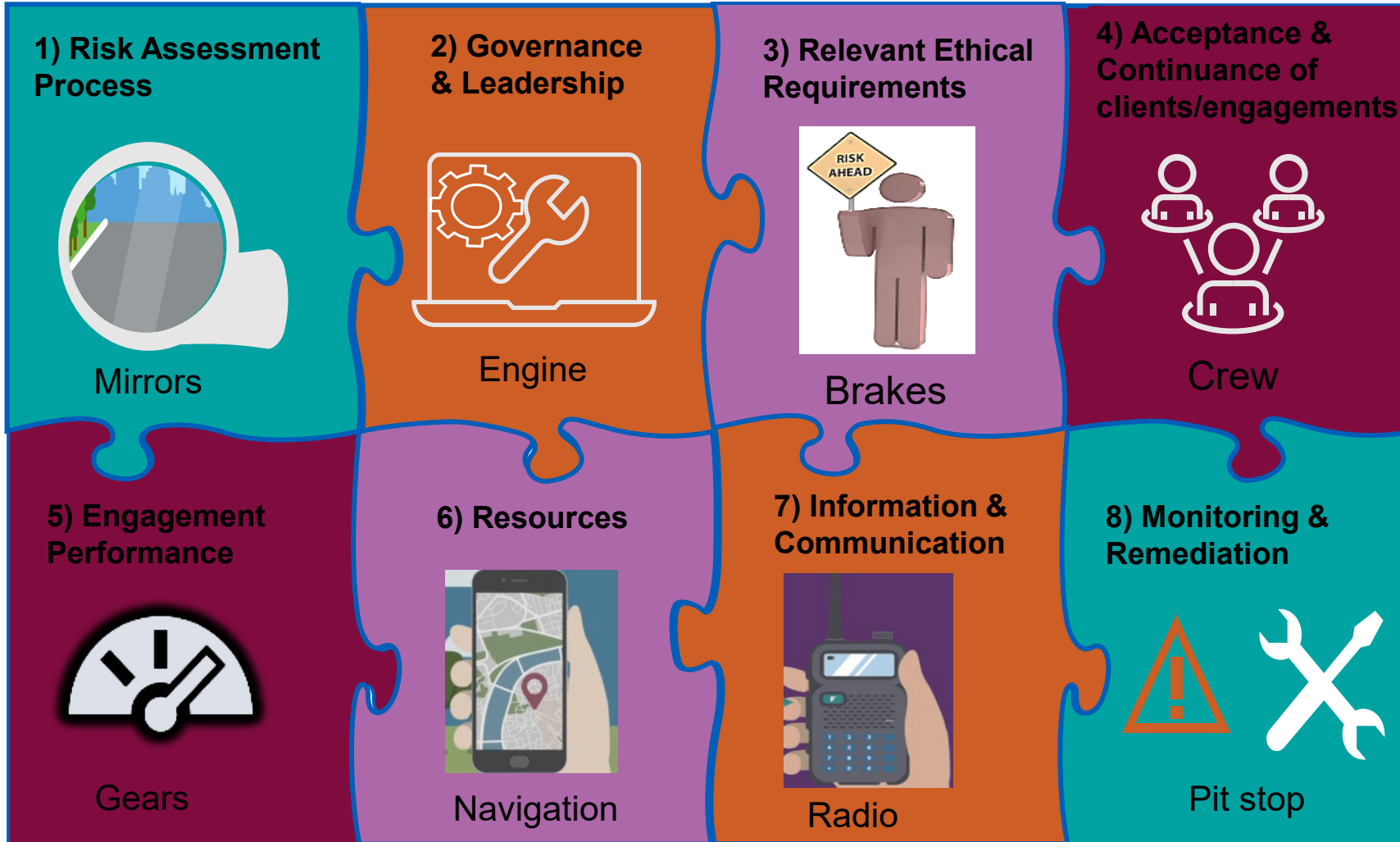
Responsibility

The firm shall **assign individuals** who have (para 20):

- **Ultimate responsibility and accountability** for the SoQM
- **Operational responsibility** for the SoQM
- Responsibility for **Compliance with independence** requirements
- Responsibility for the **monitoring and remediation** process



ISQM1 has eight interrelated components of the SoQM



1) Risk Assessment Process

Para 23 – 27
Para A39 – A54

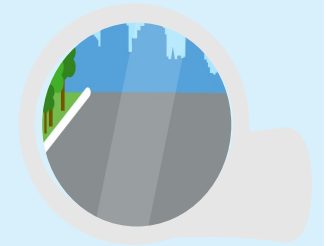
Para 25 – Identify and assess quality risks and design and implement responses by Understanding the conditions, events, circumstances, actions or inactions that may **adversely affect** the **achievement** of the **quality objectives**, including:

Nature and circumstances of the FIRM

- **Complexity & operating characteristics;**
- **Strategic & operational decisions and actions and firm's** business model;
- Characteristics and **management style of leadership;**
- **Resources** of the firm (including service providers);
- **Law, regulation, professional standards** and the **environment** in which the firm operates;
- **A firm that belongs to a network** – nature and extent of the network requirements and network services, if any
- Results of internal **monitoring and remediation**
- Results of **external inspections** or regulator actions
- **Complaints, allegations**, litigation and claims

Nature and circumstances of the ENGAGEMENTS

- **Types of engagements** performed by the firm and reports to be issued
- **Types of entities** for which such engagements are undertaken



Para 27 – Establish policies and procedures to identify when additional quality objectives, additional or modified or reassessed quality risk or additional or modified responses are required

2) Governance & Leadership

Para 28
Para A55 – A61

Para 28 – Establish quality objectives that address the firms governance & leadership to establish the environment that supports the SoQM:

28(a): **Commitment to quality** is demonstrated through a **culture** that exists which recognises and reinforces:

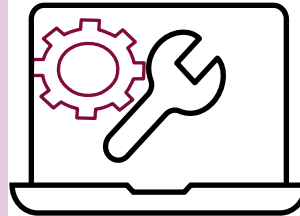
- Serving the public interest by consistently performing quality engagements;
- Importance of professional ethics, values and attitudes;
- Responsibility of all personnel for quality related to the performance of engagements or activities within the SoQM and their expected behaviour;
- Importance of quality in the firm's strategic decisions and actions, including the firm's financial and operational priorities

28(b): **Leadership is responsible and accountable for quality**

28(c): **Leadership demonstrates a commitment to quality** through their actions and behaviours

28(d): The **organisational structure and assignment of roles, responsibilities and authority is appropriate** to enable the design, implementation and operation of the firm's system of quality management

28(e): **Resource needs**, including financial resources, are **planned** for and resources are **obtained, allocated or assigned** in a manner that is consistent with the firm's commitment to quality



3) Relevant Ethical Requirements (RER)

Para 29
Para A62 – A66



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Para 29 – Establish the following **quality objectives**, including those relating to independence:

a) **The firm and its personnel:**

- **Understand** the RER to which the firm and the firm's engagements are subject;
- **Fulfil their responsibilities** in relation to the RER to which the firm and the firm's engagements are subject

b) **Others** who are subject to the RER to which the firm and firm's engagements are subject:

- **Understand** the RER applicable to them;
- **Fulfil their responsibilities** in relation to the RER that apply to them

Consider the impact on independence of the following when with your audit client

- Financial, business, employment or personal relationships
- Long association with engagements and with entities relevant to engagements
- Fees overdue or contingent, remuneration and evaluation linked to fees
- Gifts and hospitality received or provided
- Threatened and actual litigation
- Non audit services provided



4) Acceptance & Continuance

Para 30
Para A67 – A74

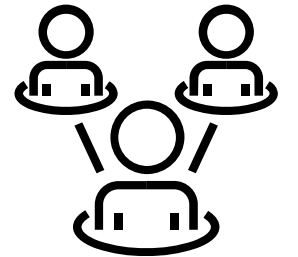
Para 30 – Establish quality objectives that address the judgements around acceptance & continuance of client relationships and specific engagements

Nature/circumstances of the engagement

- the industry and relevant regulators
- ownership, governance and financing
- Underlying subject matter and criteria
- the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements including resourcing, access to information and within RER requirements

Integrity/ethical values of the client

- Nature of client business practices
- Attitudes of key management and those charged with governance
- Client imposed limitations of scope or pressure to lower fees
- Indicators of money laundering
- Identity of related parties



30(b): The **financial and operational priorities of the firm do not lead to inappropriate judgements** about whether to accept or continue a client relationship or specific engagement

5) Engagement Performance

Para 31
Para A75 – A85



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Para 31 – **Establish quality objectives** that address the performance of **quality engagements**:

Responsibility

Overall responsibility of engagement partners:

- Managing and achieving quality engagements
- Sufficient and appropriate involvement

Work Plan

- Nature, timing and extent of direction and supervision of engagement teams and review of the work performed is appropriate
- Work performed by less experienced engagement members is directed, supervised and reviewed by more experienced engagement members

Judgement

Engagement teams exercise appropriate professional judgement and professional skepticism (where applicable)

Consultation

Consultation on difficult or contentious matters is undertaken and conclusions agreed are implemented

Differences

Differences of opinion within the engagement team are brought to the attention of the firm and resolved

Documentation

Engagement documentation is assembled on a timely basis after the engagement report date and is appropriately maintained and retained



6) Resources

Para 32
Para A86 – A108

Para 32 - **Establish quality objectives** to obtain, allocate, maintain and assign:

Human Resources

- **Personnel** are hired, developed and retained and have the **competence** and **capabilities** to **consistently** perform
- Personnel demonstrate a **commitment to quality** through their actions and behaviours
- Individuals are obtained from external sources to **enable the SoQM**
- Engagement team members are **assigned to each engagement** who have **appropriate competence** and capabilities (including the engagement partner)

Technological Resources

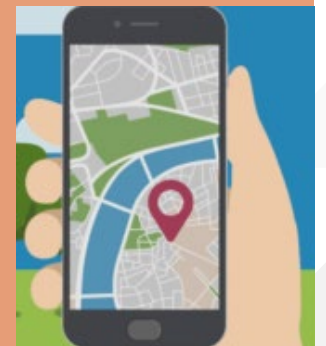
- **Appropriate technological resources** are obtained or developed, implemented, maintained and used to **enable the operation** of the **firm's SoQM** and the **performance** of **engagements**
- Includes IT applications forming part of the IT environment, engagement software and automated audit tools and related general IT controls

Intellectual Resources

- **Appropriate intellectual resources** are obtained or developed, implemented, maintained and used, to **enable** the **operation** of the **firm's SoQM** and the **consistent performance** of **quality engagements**
- Intellectual resources are **consistent with professional standards** and applicable legal and regulatory requirements
- Includes audit methodology and firm policies and procedures

Service Providers

- Human, Technological or intellectual **resources from service providers** are **appropriate for use** in the **firm's SoQM** and in the **performance of engagements**
- Includes component auditors not in firms network, outsourced monitoring or commercial IT applications



7) Information & Communication

Para 33
Para A109 – A115

Para 33 – **Establish quality objectives** that address **obtaining, generating or using information** regarding the SoQM and **communicating** information within the firm and to external parties **timely**

33(a): The **information system identifies, captures, processes and maintains relevant and reliable information** that supports the SoQM from internal or external sources

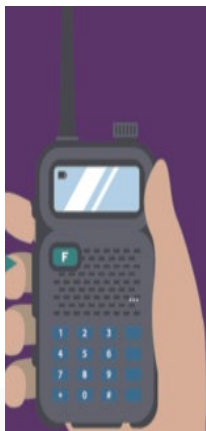
33(b): The **culture** of the firm recognises and reinforces the responsibility of personnel to **exchange information** with the firm and with one another

33(c):

- Information is **communicated** to personnel and engagement teams and the **nature, timing and extent** of the information **is sufficient** to enable them to understand and **perform** activities in the SoQM or **engagements**
- **Personnel and engagement teams communicate information to the firm** when performing activities within the SoQM or engagements

33(d):

- **Information is communicated by the firm to or within the firm's network or to service providers** enabling the network or service providers to fulfil their responsibilities
- **Information is communicated externally** when **required by law, regulation or professional standards** or to support external parties' understanding of the SoQM



8) Monitoring & Remediation

Para 35 – 47
Para A138 – A174

Para 36,37 – the firm shall design and perform **monitoring activities** to provide a basis for the **identification of deficiencies** by taking into account, for example:

- **Changes** in the SoQM, Results of **previous monitoring activities**
- **Complaints and allegations** about failures to perform work

Para 40,41,42 – **Evaluate findings** to determine whether deficiencies exist and the firm shall evaluate the severity and pervasiveness of identified deficiencies and Design and implement remedial actions to address identified deficiencies

Para 43 – The **individual assigned operational responsibility for the monitoring and remediation** process shall evaluate whether the remedial actions are **appropriately designed** to address the identified deficiencies and their **related root cause(s)**

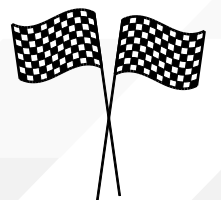
Para 45 – The **firm shall respond** to circumstances when **findings** indicate that there is an **engagement(s)** for which **procedures required** were **omitted** during the performance of the engagement(s) or the **report issued** may be **inappropriate**.

Para 47 – The firm shall **communicate the matters described in para 46** to engagement teams and other individuals within the SoQM including those with assigned responsibilities to enable them to take prompt and appropriate action



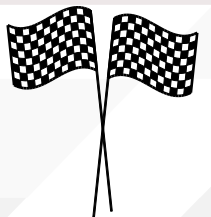
Supporting Resources – IAASA and CAI

IAASA issues revised quality management standards (December 2020)	https://iaasa.ie/iaasa-issues-revised-quality-management-standards/
IAASA highlights its series of videos and factsheet on the new suite of Quality Management Standards in Ireland	https://iaasa.ie/iaasa-highlights-its-series-of-videos-and-factsheet-on-the-new-suite-of-quality-management-standards-in-ireland/
CAI Quality management standards	Quality management - ..rteredaccountants.ie (charteredaccountants.ie) Quality management key requirements - ..rteredaccountants.ie (charteredaccountants.ie)
CAI ISQM Resource Pack - Quality Management Procedures (ROI & NI)	ISQM Resource Pack - Quality Management Procedures (ROI & NI) - ..rteredaccountants.ie (charteredaccountants.ie)



Supporting Resources – IAASB

IAASB Basis for conclusions & factsheets	ISQM 1	ISQM 2	ISA 220
First time implementation guides	ISQM 1	ISQM 2	ISA 220
IFAC quality management series	Quality Management Series: Small Firm Implementation, Installment One		
IFAC panel discussions on getting ready for the new risk-based approach and early lessons learned	IFAC panel discussions		
IFAC and IAASB four-part webinar series	All You Need to Know about the Firm's Risk Assessment Process Resources: Expectations for Firms and Engagement Partners What's New for Firms' Monitoring and Remediation Processes Bringing It All Together Quality Management Webinar Series IAASB		
IFAC Three part article series	ISQM 1 Quality Objectives and Quality Risks ISQM 1 Risk Responses ISQM 1 System for Evaluating and Monitoring		





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ISQM1 Inspection Insights

Martin Kelly, Senior Inspector, IAASA

6 April 2023



Overview

- Oversight of PIE audit firms
- Firm wide inspections
- Audit inspections
- ISQM 1 inspections



ISMQ1 Cycle





Inspection Insights

- Varied approach taken to implementation
- Missing Quality Objectives
- Response not addressing identified Quality Risk
- Good examples of quality management systems

Key takeaways

Not 'ISQC1 +' – entirely new system

ISQM1 is effective now

Quality objectives must be addressed

Continuous process



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Sustainability auditing – current update and future developments

Lisa Campbell, IAASA

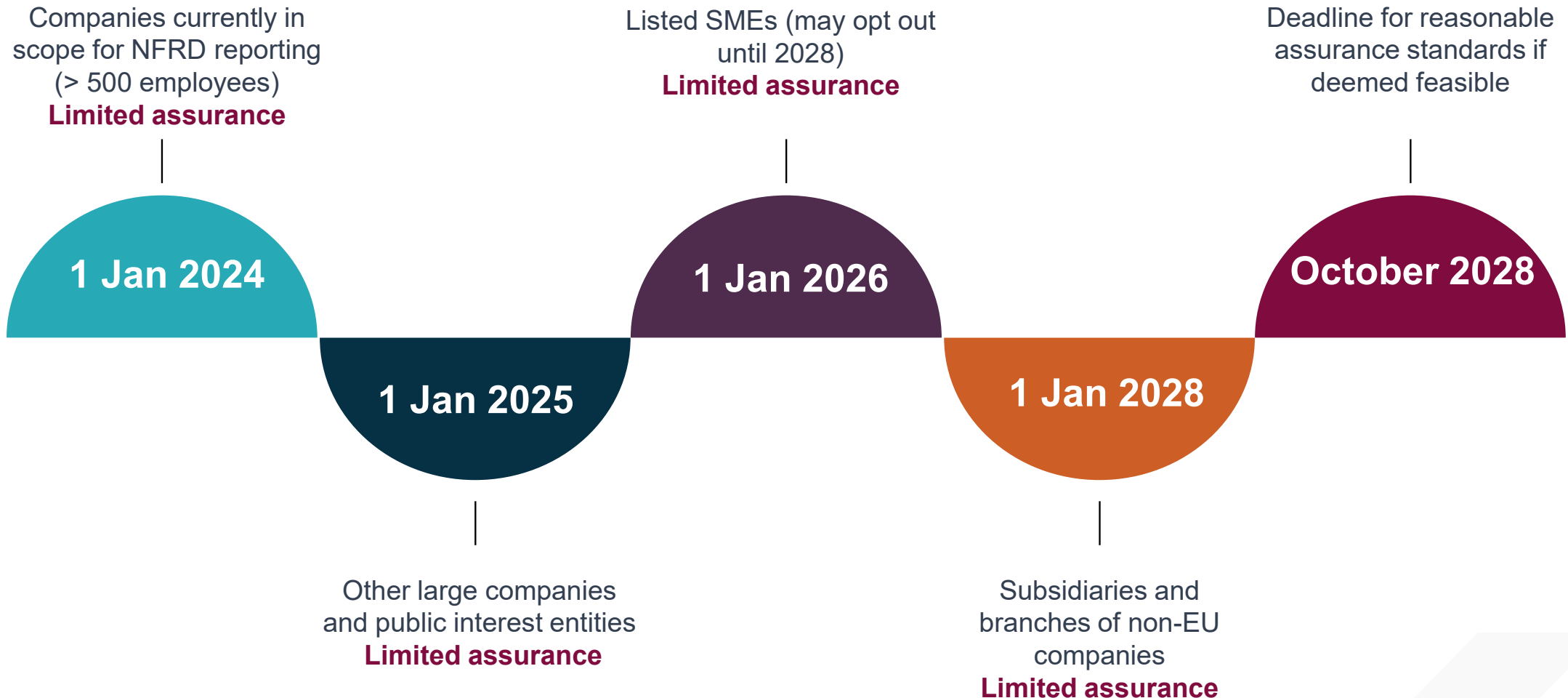
6 April 2023



Sustainability auditing – current update and future developments



Entities in scope & timeline



Transposition

- Work ongoing to transpose the directive into Irish law
- Public consultation on member state options closed on 9 March 2023
- 16 Member State options open for consideration
- Key options
 - Option to allow entities to exclude commercially sensitive information in certain circumstances
 - Option to allow a sustainability auditor to be separate from statutory auditor
 - Option to allow for Independent Assurance Service Providers

European Sustainability Reporting Standards

- European Commission required to adopt standards by mid-2023
- Based on draft standards prepared by EFRAG
- 1st set of horizontal standards delivered in November 2022 (see next slide for content overview)
- EFRAG have started work on sector specific standards
- EC have asked EFRAG to prioritise developing guidance over the sector specific standards

European Sustainability Reporting Standards

ESRS 1 (General requirements)
ESRS 2 (General disclosures)

ESRS E1 Climate change

ESRS E2 Pollution

ESRS E3 Water & Marine Resources

ESRS E4 Biodiversity & ecosystems

ESRS E5 Resource use & circular economy

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S3 Affected communities

ESRS S4 Consumers & end users

ESRS G1 Business conduct

European Sustainability Reporting Standards

- Double materiality
 - Required to report on how sustainability matters affect the entity (financial materiality);
AND
 - The impact of the activities of the company on people and the environment (impact materiality)
 - Double materiality = material from impact perspective, financial perspective or both
- Value chain
 - Entities own operations
 - Its products and services
 - Its business relationships
 - Its supply chains
 - Includes information that covers third countries where value chain extends beyond the union
 - Includes upstream and downstream

Limited assurance

- What the law says
 - Express opinion on
 - Compliance of sustainability reporting with ESRS
 - Process carried out to identify the information reported
 - Compliance with the requirement to mark up sustainability reporting
 - Compliance with reporting requirements under Article 8
- What the ISAs say
 - Express a conclusion on whether
 - A matter has come to the practitioner's attention to cause the practitioner to believe that the subject matter information is materially misstated

Sustainability Auditors

Before 1 Jan 2026

- Statutory auditors approved before 1 Jan 2026 are exempt from the requirements for a written exam and practical training
- Must acquire knowledge of sustainability reporting and assurance



Sustainability Auditors

After 1 Jan 2026

- Must sit a written exam of professional competence covering theoretical knowledge and practical application of legal requirements, reporting standards and assurance standards
- At least 8 months of the 3 years practical training required under the Audit Directive, shall be in the assurance of annual and consolidated sustainability reporting or other sustainability related services



Sustainability Auditors

Ongoing requirements



- CRO – register will note whether each firm and individual is a statutory auditor, sustainability auditor or both
- CPD – CPD will be required in order to maintain approval as a sustainability assurance service provider
- Quality assurance – QA reviews every 6 years, mirror current systems for statutory audit
- Investigation & Disciplinary – I&D systems also required to mirror current systems for statutory audit
- Independent Assurance Service Providers must be subject to same requirements both initially and on ongoing basis



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Financial Reporting Council

The Characteristics of a High Quality Audit

Presentation to:

Audit Conference

Chartered Accountants Ireland

April 2023

Presentation by:

Dave Buller

Technical & Quality Manager

06 April 2023

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Agenda



FRC's role in the UK



What Makes a Good Audit?



Professional Judgement

FRC's role in the UK

About the FRC

The FRC:

- sets the UK Corporate Governance and UK Stewardship Codes
- sets UK standards for accounting, auditing and actuarial work
- monitors and takes action to promote the quality of corporate reporting
- and operates independent enforcement arrangements for accountants and actuaries

As the competent authority for audit in the UK the FRC sets auditing and ethical standards and monitors and enforces audit quality

The FRC works in the public interest. Our work is aimed at investors and others who rely on company reports, audit and high-quality risk management

The FRC is a public sector organisation that receives no public funding

FRC Objectives



Set high standards in corporate governance and stewardship, corporate reporting, auditing, and actuarial work and assess the effectiveness of the application of those standards, enforcing them proportionately where it is in the public interest.



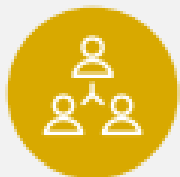
Promote improvements and innovation in the areas for which we are responsible, exploring good practice with a wide range of stakeholders.



Influence international standards and share best practice through membership of a range of global and regional bodies and incorporate appropriate standards into the UK regulatory framework.



Create a more resilient audit market through greater competition and choice



Transform the organisation into a new robust and independent regulator, acting in the public interest.

About AQR

Our Audit Quality Review (AQR) team monitors the **quality** of the audit work of statutory auditors and audit firms in the UK that audit Public Interest Entities (PIEs) and certain other entities within a retained scope

The **frequency** of AQR inspections varies with larger firms inspected annually while other firms are generally inspected once every three years, or up to six years in certain circumstances

The FRC is also responsible for annual monitoring of the **quality** of audits of:

- the largest local public bodies in England
- NHS Foundation Trusts
- National Audit Office audits

Public reporting

What Makes a Good Audit?



Financial Reporting Council

What Makes a Good Audit?



What Makes a Good Audit?

"The FRC is often asked what good audit looks like, and so, for the first time, the FRC has set out its expectations of what good looks like from the planning phase of an audit right through to how audit firms are being led and run. While some progress has been made in recent years, it is clear that significant improvement is still required, which will take time and an ongoing commitment from the firms to improve standards.

Ahead of wider reform of the sector, this report is an important contribution to the debate on what good quality audit should be and how it will lead to better outcomes for the UK's corporate ecosystem."

**Sir Jon Thompson, CEO
Financial Reporting Council**



What Makes a Good Audit?

provide investors and other stakeholders with a **high-level of assurance** that financial statements give a true and fair view

comply with both the **spirit and the letter** of auditing regulations and standards

are driven by a **robust risk assessment**, informed by a thorough understanding of the entity and its environment

are supported by **rigorous due process** and audit evidence, avoid conflicts of interest, have strong quality management, and involve the **robust** exercise of **professional judgement** and **professional scepticism**

challenge management effectively and obtain **sufficient audit evidence** for the conclusions reached

report unambiguously the auditor's conclusion on the financial statements

What is it?

Highlighting good practice from across AQR file reviews and firmwide work

Structured around the aspects of the audit process at an engagement level

Figure 1 – Key Aspects of the Audit Process


Risk assessment and planning 	Execution 	Completion and reporting 
<ul style="list-style-type: none">Careful risk assessmentTimely planningKnowledge and understandingInformed expectationsAuditors responsibilities relating to fraudAppropriate resourcesPlanning analytical reviewPlanning the group auditCommunicated to those charged with governance	<ul style="list-style-type: none">Fieldwork must execute the agreed audit planAppropriate oversight and directionProportionate approach to higher risk engagementsAudit documentation tells the storyProfessional scepticism and challenge of managementSpecialists and experts appropriately involvedSufficient group oversightConsultation and oversight	<ul style="list-style-type: none">Assess that sufficient, appropriate audit evidence has been obtainedCommunicate matters of interest

Figure 2: The Key Components of a System of Quality Management

What is it?

Also looks at what makes a good audit practice that can support high-quality audit work

Based around the key components of a quality management system (from ISQM1)



Good practice examples

Taken directly from individual inspection reports and firmwide work

The audit team tailored its group scoping to respond to fraud risks making good use of the business insights gained from management and the Audit Committee. The group audit team also incorporated elements of unpredictability into the audit procedures to a greater extent than is typically observed. [RA&P]

The selection criteria for journal testing and the communication of those detailed criteria as required procedures for the component teams was thorough. This ensured that fraud risks associated with revenue recognition and management override of controls were appropriately considered across the group. [RA&P]

The audit team identified the valuation of complex financial investments as a significant risk. They drew up a work paper which explained how they addressed the valuation risk for each different category of financial investment in each component and where the audit testing could be found. [E]

The audit team obtained direct confirmations from customers to verify that revenue for major contracts for the first ten months of the year had been appropriately recognised. [E]

There was good integration of the tax specialists in the group audit team with other tax experts. This enhanced the level of challenge around the tax provisions and the implementation of accounting changes arising from recent international guidance on uncertain tax treatments. [E]

The group audit team requested component auditors to complete detailed review templates in relation to the audit of component cash flow forecasts used in the goodwill impairment models which provided granular challenge on each of the key assumptions used in the cashflow forecast. [E]

Good practice examples

Taken directly from individual inspection reports and firmwide work

The audit team delayed signing the auditor's opinion until all matters raised in the consultation process had been satisfactorily resolved. [C&R]

The audit team presented graduated findings in its report to the Audit Committee, differentiating between those investment valuations considered to be optimistic, balanced and pessimistic. Such presentation provided context to the audit team's findings and aided effective two-way discussion with the Audit Committee. [C&R]

The Head of Audit signs-off each root cause review. [G&L]

Firms have involved their Boards and the Independent Non-Execs in the setting and review of Audit Quality Indicators (AQIs). Two firms have mapped their AQIs to their risks [G&L]

The audit firm demonstrated a clear link between audit quality and partner remuneration with audit quality results incorporated into long-term remuneration for partners, in addition to the in-year variable pay. [R]

The firm has a process to analyse how often individual post training assessment questions are answered incorrectly to identify topics that course attendees found difficult. [C]

What next on good practice?



Key Findings Reported in 2020/21 Inspection Cycle



Good practices reported in 2020/21 inspection cycle

The promotion of good practice, explicitly as part of our audit inspections, supports the FRC as an improvement regulator

AQR will continue to highlight good practice from file reviews and include in the individual inspection reports (the audit team and the audit committee chair)

These are not public reports

We published (anonymized):

- key findings (which we only include on inspections which are graded 3 and 4)
- good practice points from all our inspections in the 2020/21 cycle

to give stakeholders a better understating of what we include in our reports

Professional Judgement

Professional Judgement Guidance

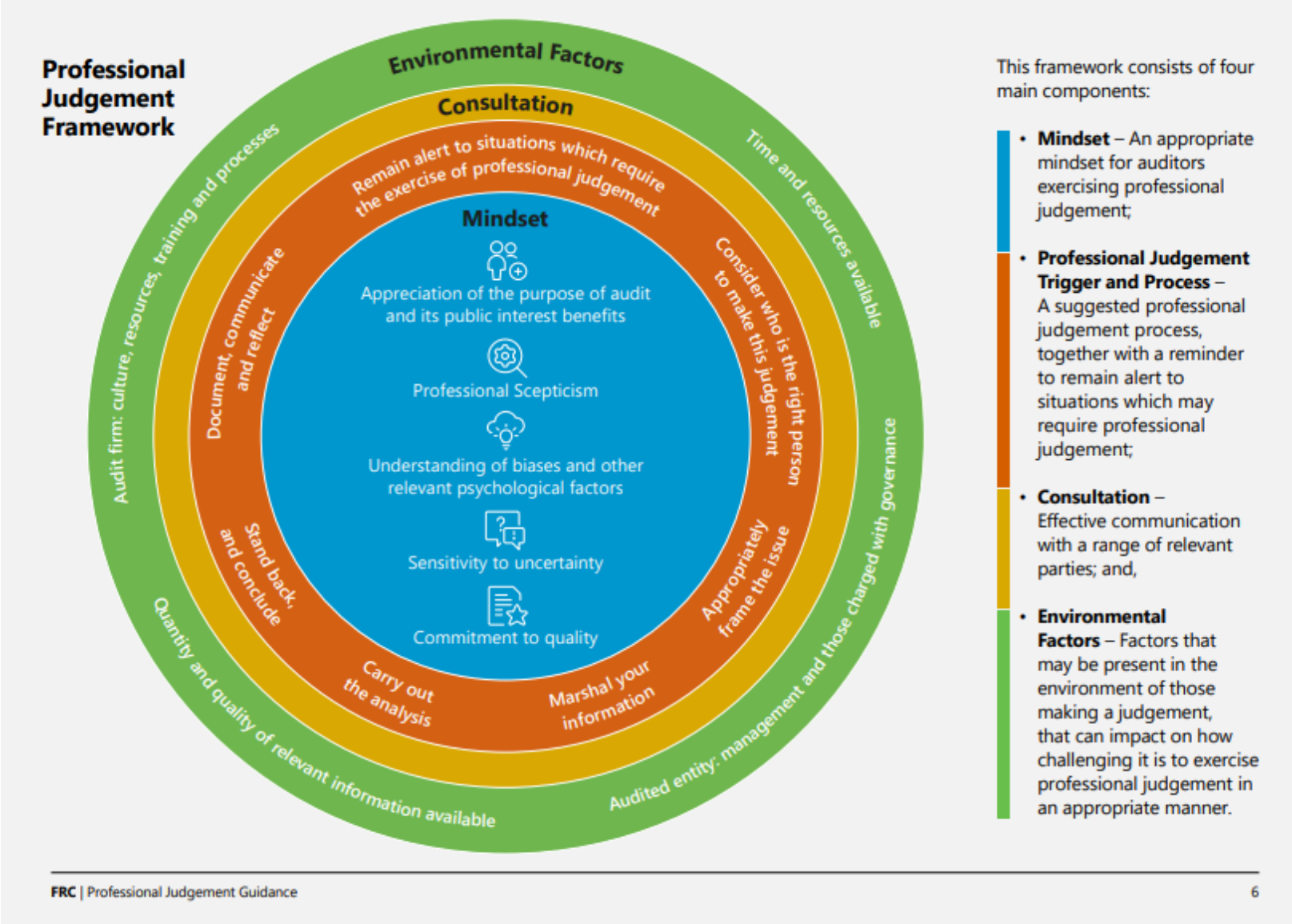
"Professional judgement is a fundamental requirement for high quality audit. Unfortunately the FRC's supervision and enforcement work regularly finds professional judgement has not been exercised effectively and consistently, undermining audit quality and trust in audited accounts.

The new guidance, which is the first of its kind by a regulator, sets out a clear framework for how auditors should exercise professional judgement to enhance audit quality."

**Mark Babington, Executive Director of Regulatory Standards
Financial Reporting Council**



Professional Judgement Guidance



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FRC's role in the UK



What Makes a Good Audit?



Professional Judgement



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8th Floor
125 London Wall
London EC2Y 5AS
+44 (0)20 7492 230

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Auditing Technical Updates

Yvonne Mc Cafferty (Audit Technical Director)

6th April 2023



Agenda



01

Pace of change in Auditing Standards

02

Post Implementation Review- ISA 315(Revised)

03

Up Next- ISA (Ireland/UK) 600 (Revised)

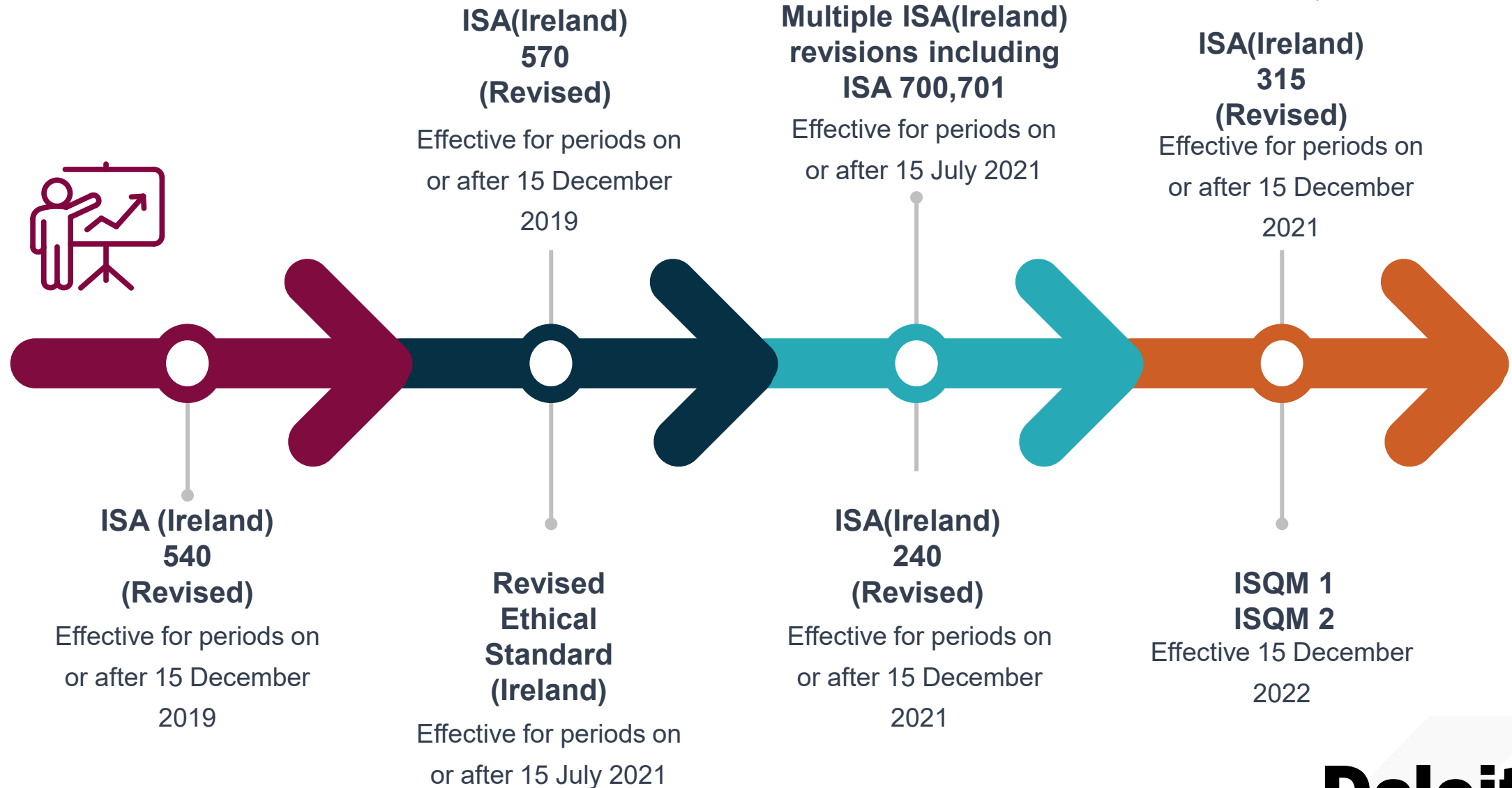
04

International Developments

05

Questions

Pace of Change



Deloitte.

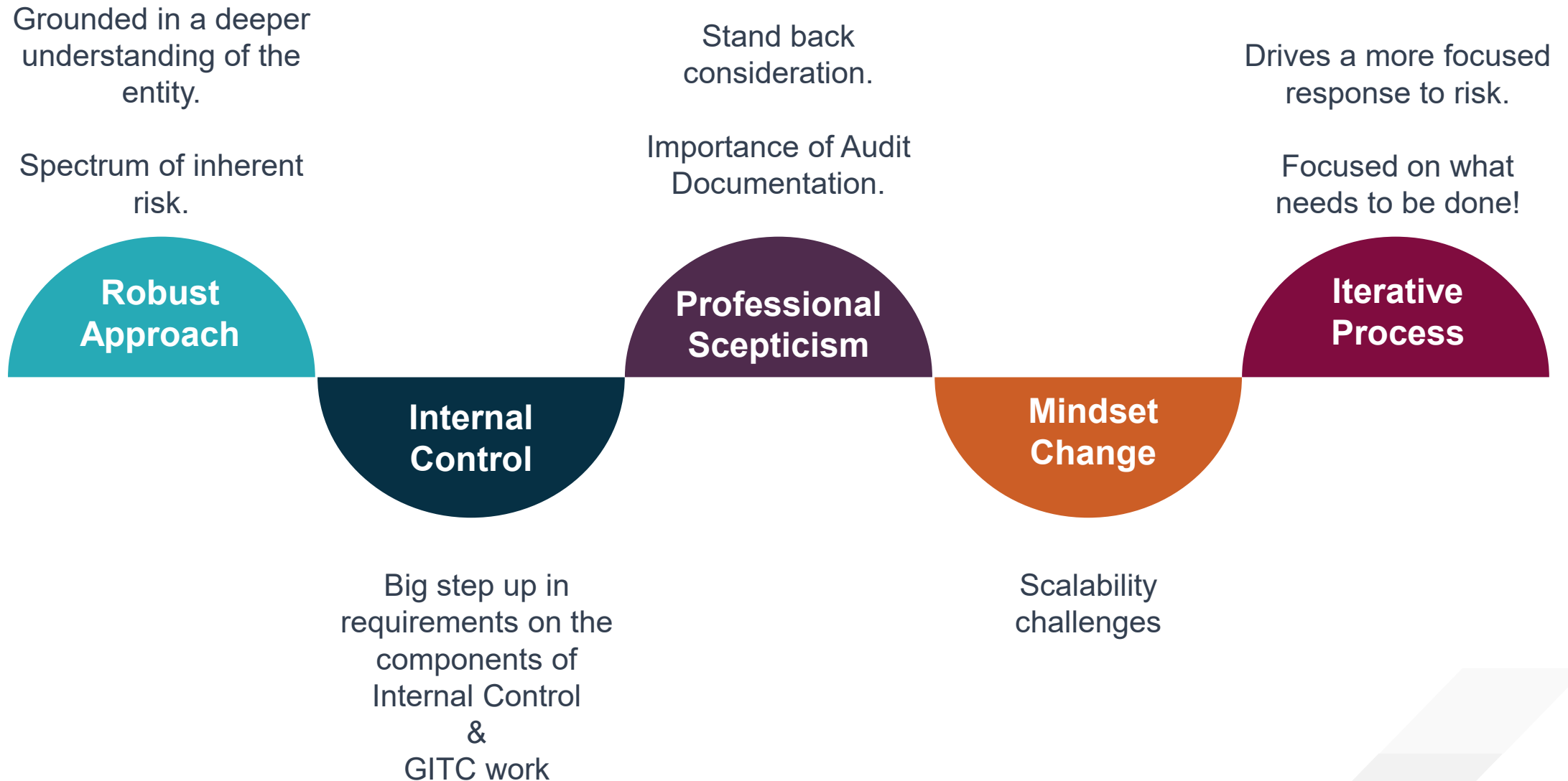


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Post Implementation Review

ISA 315 (Revised)- Identifying and Assessing the Risks of Material Misstatement
*Effective for audits of financial statements for periods commencing on or
after 15 December 2021*

ISA 315 (Revised)- Experience



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ISA (Ireland)/(UK) 600 (Revised)

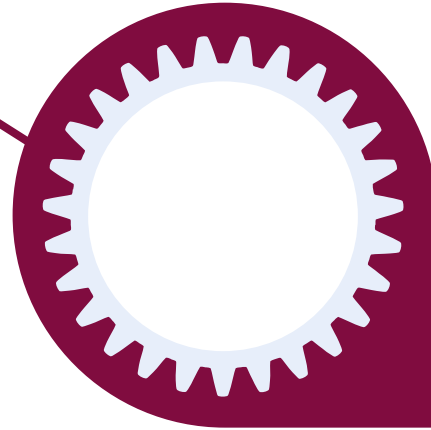
Audits of Group Financial Statements (including the work of Component Auditors)

*Effective for audits of financials statements for periods commencing
on or after 15 December 2023*

Risk based approach

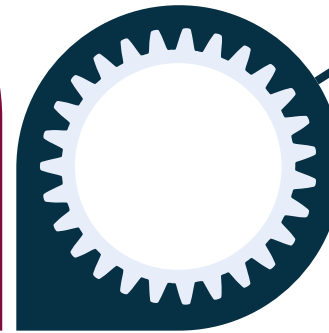
Introduces a **new framework** for planning and performing a group audit engagement.

Emphasises importance of Professional Scepticism



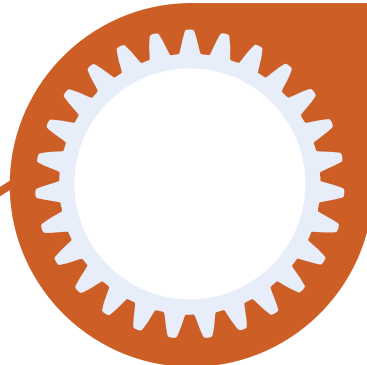
Restrictions on Access

Clarifies the various types of restrictions that may exist on access to people and information, and advises on how to overcome these restrictions.



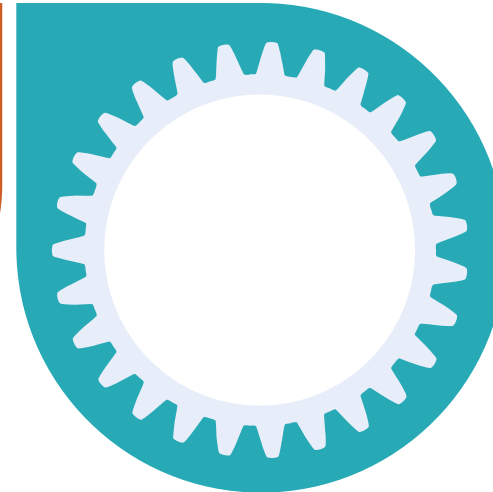
Communication & Audit Documentation

The standard promotes the importance of communication between the group auditor and the component auditor.



Materiality

Clarifies how the concepts of materiality and aggregation risk apply in a group audit.



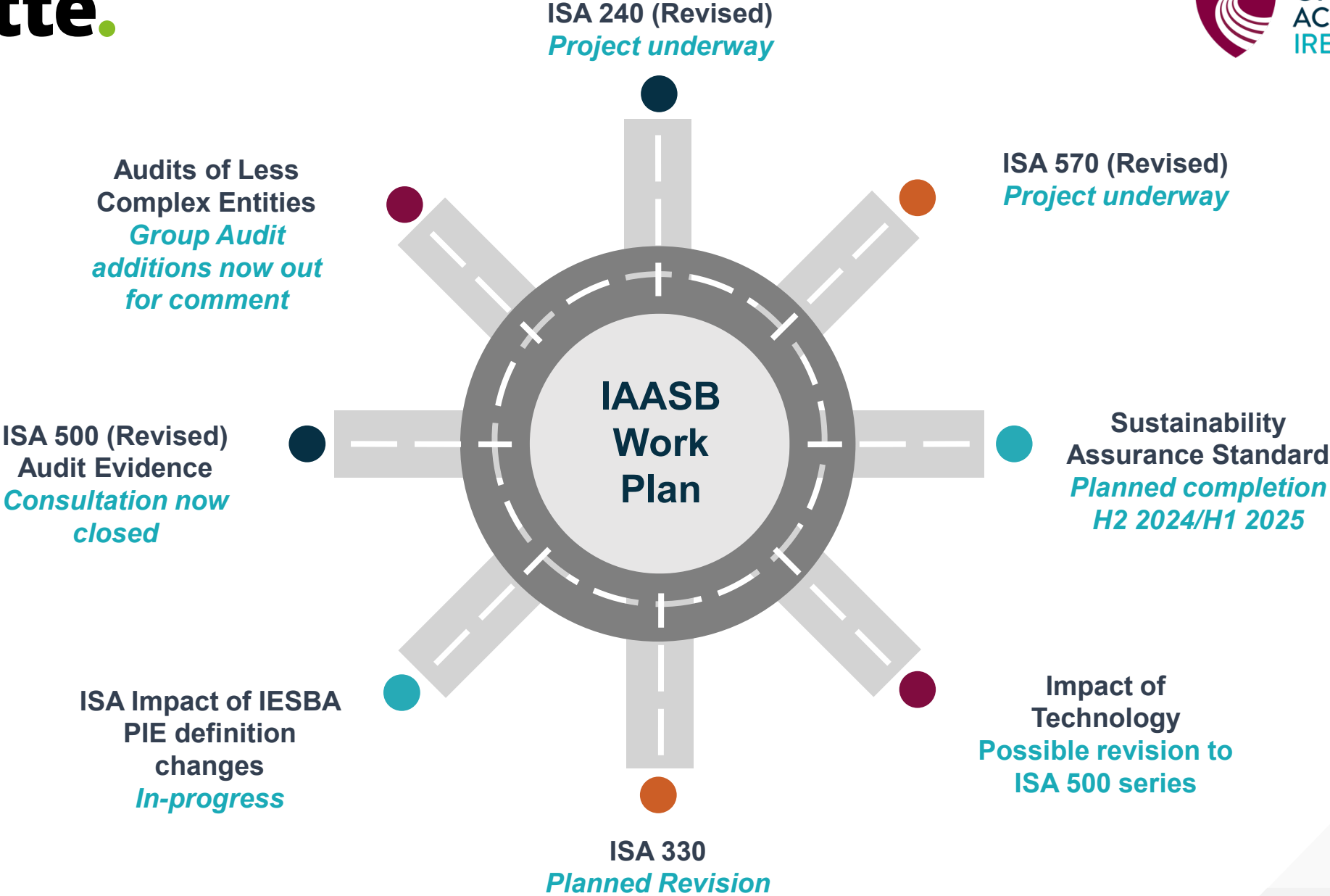
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International Developments

IAASB Strategy & Proposed Workplan





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Over to you

Q&A



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Thank you

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