

## In Practice News

### CPA Ireland's Code of Ethics for all Members revised

CPA Ireland's Code of Ethics for all Members (including International Independence Standards) has recently been revised to incorporate additional provisions and guidance relating to changes in professional appointments (Section 320 – Professional Appointments).

The revised Code of Ethics is effective from 1st October 2020 and can be downloaded from the Ethics section of the technical and business resource at [www.cpaireland.ie](http://www.cpaireland.ie).

### IAASA issues Compendium of Illustrative Auditor's Reports

The Irish Auditing and Accounting Supervisory Authority (IAASA) recently issued a compendium of illustrative auditor's reports.

The compendium provides illustrative examples of auditor's reports for private non-listed entities in Ireland, where the auditor intends to issue an unmodified audit opinion, and illustrates how the requirements of ISA (Ireland) 700 (Updated December 2018), Forming an Opinion and Reporting on Financial Statements and other reporting requirements of ISAs (Ireland) can be applied.

The compendium includes the following illustrative auditor's reports:

- Irish private company preparing its financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Ireland;
- Irish private group preparing its financial statements in accordance with EU adopted International Financial Reporting Standards (IFRS);
- Irish private company preparing its financial statements in accordance

with FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime;

- Irish private company making a voluntary revision of its financial statements in accordance with Section 366 Companies Act 2014 by replacement of the original financial statements;
- The Auditor's Report on Abridged Financial Statements;
- Irish qualifying partnership, as defined by Regulation 5 of the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019 (S.I. 597/2019)
- Industrial or provident society preparing its financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Ireland;
- Friendly society preparing its financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Ireland.

A copy of the compendium can be downloaded from the website of IAASA at [www.iaasa.ie/news/2020](http://www.iaasa.ie/news/2020).

### ISA (Ireland) 315 revised

ISA (Ireland) 315, Identifying and Assessing the Risks of Material Misstatement has recently been revised in line with revisions made to the underlying International Standard issued the International Auditing and Assurance Standards Board (IAASB), also recently adopted by the Financial Reporting Council (FRC).

The standard has been revised to include a more robust and consistent risk identification and assessment, enhancing the basis on which the auditor designs and performs audit procedures in response to the assessed risks of material misstatement, significant changes include:

- New concepts and definitions, including a revised definition of 'significant risk' for risks close to the upper end of the spectrum of risk;
- Enhancements to the auditor's approach to risk assessment to reflect the evolving business environment, for example the increased use of technology by both auditor's and audit entities and increasingly complex financial reporting frameworks;
- A requirement to separately assess inherent risk and control risk;
- Enhanced requirements relating to the exercise of professional scepticism including a new requirement to design and perform risk assessment procedures in a manner that is not biased towards obtaining audit evidence that may be corroborative or

towards excluding audit evidence that may be contradictory;

- A new 'stand back' requirement to evaluate the completeness of the significant classes of transactions, account balances and disclosures at the end of the risk assessment process; and
- Making the standard more scalable through revised principles-based requirements and the inclusion of further application material illustrating scaling up and down for more and less complex situations respectively.

The revised standard is effective for audits of financial statements for periods beginning on or after 15 December 2021, early application is permitted.

Source: [www.iaasa.ie](http://www.iaasa.ie)