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Description of content of ISSAI 1330

The Auditor's Responses to Assessed Risks

Reading this description is not a substitute for reading the ISA or ISSAI itself.

ISSAI 1330 is comprised of International Standard on Auditing (ISA) 330 – The Auditor's Responses to Assessed Risks, and a corresponding Practice Note. The ISA and the Practice Note are read together.

Authority

Public Sector auditors using the ISAs or ISSAIs as the authoritative standard shall comply with all ISAs or ISSAIs relevant to the audit. An ISA or ISSAI is relevant to the audit when the ISA or ISSAI is in effect and the circumstances addressed by the ISA or ISSAI exist. The auditor shall not represent compliance with ISAs or ISSAIs in the auditor's report unless the auditor has complied with the requirements of all ISAs or ISSAIs relevant to the audit.

Description of the ISA

ISA 330 deals with the auditor's responsibility to design and implement responses to the risks of material misstatement identified and assessed by the auditor in accordance with ISA 315¹ in an audit of financial statements.

Objective of the auditor in terms of the ISA

The objective of the auditor is to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement, through designing and implementing appropriate responses to those risks.

Among other matters, the requirements in this ISA deal with:

- a. Procedures responsive to assessed risks of material misstatement at the assertion level.
- b. Evaluating the adequacy of presentation and disclosure.
- c. Evaluating the sufficiency and appropriateness of audit evidence.

¹ ISA 315, Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment.

d. Documentation.

Description of the Practice Note

The Practice Note provides supplementary guidance for auditors applying ISA 330 when conducting financial audits of public sector entities.

Content of the Practice Note

The Practice Note provides additional guidance for public sector auditors related to:

- a. Overall considerations relating to additional objectives or public expectations when responding to additional risks of material misstatement, assessed risks and risks relating to effectiveness of internal control.
- b. Audit procedures responsive to the assessed risks of material misstatement at the assertion level.
- c. Evaluating the sufficiency and appropriateness of audit evidence.
- d. Specific considerations for public sector auditors with a judicial role.