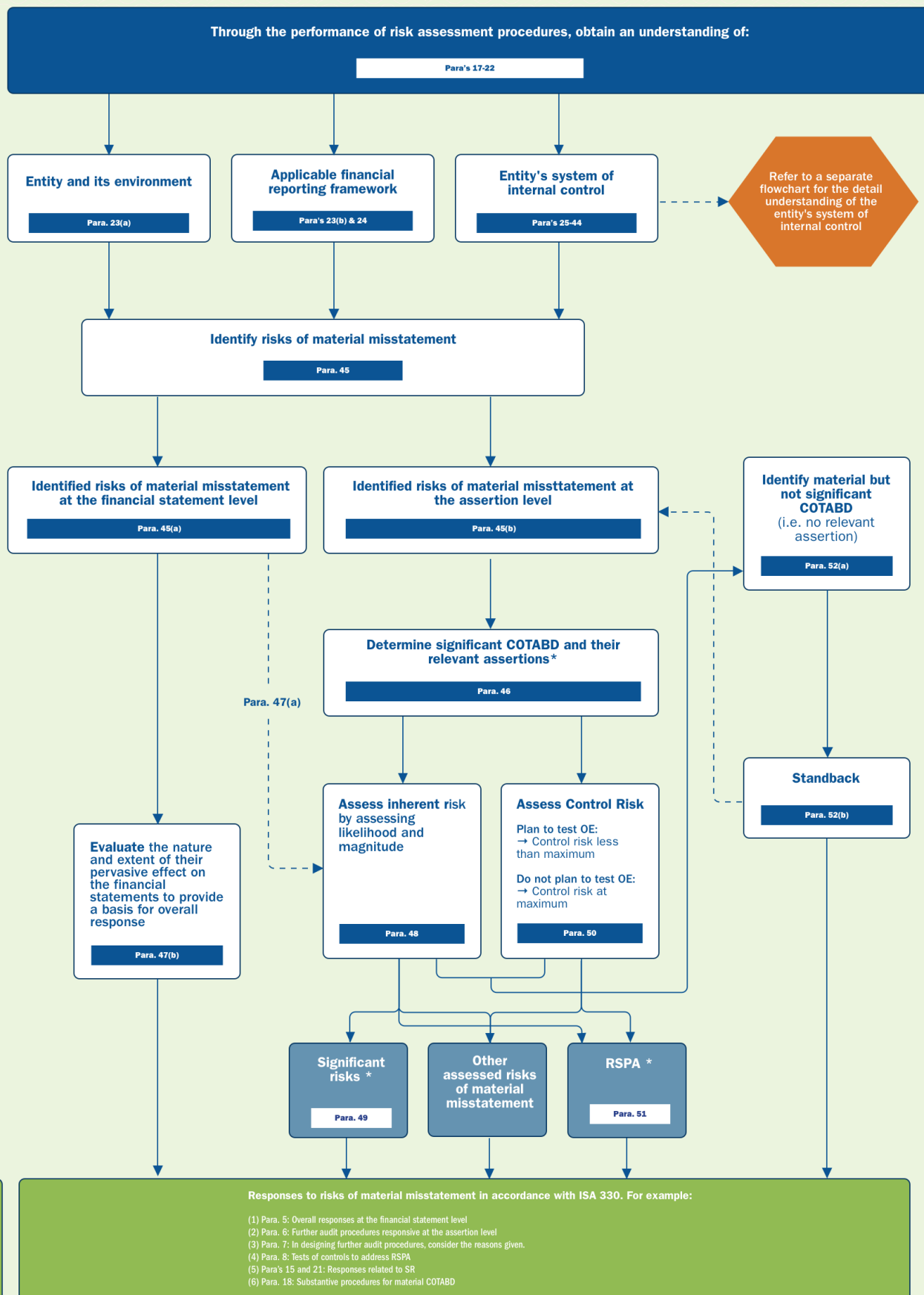


## Professional Judgment and Professional Skepticism

Inherent Risk Factors

Documentation (ISA 230 and Para. 54 of ISA 315 (Revised))

Iterative Process \*\*



## Acronyms:

1. COTABD - Classes of transactions, account balances or disclosures
2. SR - Significant risks
3. RSPA - Risks of material misstatement for which substantive procedures alone do not provide sufficient appropriate audit evidence
4. OE - Operating effectiveness of controls

## Notes

- \* The determination of significant COTABD, SR and RSPA, in particular, affect the the required understanding of the entity's system of internal control.
- \*\*The risk assessment process is a dynamic and iterative process of gathering, updating and analyzing information and continues throughout the audit.