

Client:	Ref: A
Year end:	
File no:	

**A AUDIT FILE INDEX**

1	Final accounts	<input type="text"/>
2	Tax computations	<input type="text"/>
3	Final journals	<input type="text"/>
4	Draft accounts, typing instructions	<input type="text"/>
5	Letter of representation	<input type="text"/>
6	Letter to management	<input type="text"/>
7	Company accounts disclosure checklists	<input type="text"/>
8	Management accounts/last year's accounts	<input type="text"/>
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Z OBSOLETE WORKING PAPERS

Client:	Ref: <b>A</b>
Year end:	
File no:	

**PARTNER COMPLETION**

<b>Final</b>	<b>Initials</b>
① Have all outstanding items on the initial partner completion been adequately dealt with? <span style="float: right;">Yes/N/A*</span>	_____
2 Has a signed letter of representation been received from management that addresses at least the specific issues required by the SLAuSs (see <b>B3.1</b> )? <span style="float: right;">Yes</span>	_____
③ Where fraud has been identified or information found that fraud may exist, has this been communicated to the appropriate level of management or those charged with governance? <span style="float: right;">Yes/N/A*</span>	_____
4 Where the letter of representation is signed by one director on behalf of the Board, have we seen minutes of a meeting agreeing its contents? <span style="float: right;">Yes/N/A*</span>	_____
⑤ Are we satisfied that the directors' representations can be relied upon? <span style="float: right;">Yes</span>	_____
⑥ Does the file contain adequate justification of the audit report? <span style="float: right;">Yes</span>	_____
7 Have we informed those charged with governance of any unadjusted misstatements, any material weaknesses in the accounting and internal control systems, or any other relevant matters relating to the audit as required by SLAuS 260.11? <span style="float: right;">Yes/N/A*</span>	_____
8 Has the final subsequent events programme on <b>T4</b> been completed? (Date latest subsequent events review completed _____) <span style="float: right;">Yes/NCN†*</span>	_____
9 Does the balance sheet state the name of the director who approves the accounts on behalf of the Board, together with the date of approval? <span style="float: right;">Yes</span>	_____
10 Do the working papers and the tax computation reflect final adjustments? <span style="float: right;">Yes</span>	_____
11 Have all final journals been recorded and processed to produce a closing trial balance agreeing with the accounts? <span style="float: right;">Yes</span>	_____
12 Has the final copy of the accounts been referenced to the file to ensure all lead and <b>Q</b> schedules reflect final adjustments? <span style="float: right;">Yes</span>	_____
13 Will the final file be assembled within 60 days of the date of approval of the audit report? <span style="float: right;">Yes</span>	_____
⑭ On consideration of the file and in particular questions 1 and 2 on <b>B3.2</b> are we satisfied that it is appropriate for us to seek re-appointment as auditors? <span style="float: right;">Yes</span>	_____

I am satisfied that sufficient appropriate audit evidence has been obtained to support the conclusions reached and for the auditor's report to be issued.

Signed \_\_\_\_\_ Partner Date \_\_\_\_\_

Second Partner (if applicable)

Signed \_\_\_\_\_ Partner Date \_\_\_\_\_

\* Delete as appropriate

† NCN = Not considered necessary

○ These questions should be signed by the partner, all other questions may be signed by the manager or senior and reviewed by the partner.

Client:	Ref: <b>B</b>
Year end:	
File no:	

**B    AUDIT COMPLETION**

- |    |  |                      |
|----|--|----------------------|
| 1  | Partner review                               | <input type="text"/> |
| 2  | Audit standards review questionnaire         | <input type="text"/> |
| 3  | File completion questionnaires               | <input type="text"/> |
| 4  | Critical review of accounts questionnaire    | <input type="text"/> |
| 5  | Audit highlights                             | <input type="text"/> |
| 6  | Justification of audit report                | <input type="text"/> |
| 7  | Summary of unadjusted errors                 | <input type="text"/> |
| 8  | Queries for partner                          | <input type="text"/> |
| 9  | Final analytical review                      | <input type="text"/> |
| 10 | Points forward to next year                  | <input type="text"/> |
| 11 | Commercial observations on client's business | <input type="text"/> |
| 12 | Senior/manager review                        | <input type="text"/> |
| 13 | Cleared audit queries                        | <input type="text"/> |
| 14 | Notes of meetings with client                | <input type="text"/> |
| 15 |  | <input type="text"/> |

Client:	Ref: <b>B</b>
Year end:	
File no:	

**PARTNER COMPLETION**

<b>Initial</b>	<b>Initials</b>
1 Have we obtained sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion? Yes	_____
2 Has the Auditing Standards Questionnaire been satisfactorily completed? Yes	_____
3 Have the file completion questionnaires been satisfactorily completed? Yes	_____
4 Has the critical review of accounts questionnaire been satisfactorily completed? Yes	_____
5 Has sufficient work been undertaken to reduce audit risk to an acceptably low level that is consistent with the audit objectives? Yes	_____
6 Have any differences of opinion amongst the audit team been resolved in accordance with the firm's procedures? Yes/N/A*	_____
7 Has external consultation been undertaken where required by the firm's procedures and has this been properly documented on file? Yes/N/A*	_____
8 Has all original work been reviewed, other than that undertaken by the partner responsible for the audit? Yes	_____
9 Is there sufficient evidence of partner review? Yes	_____
10 Has an engagement quality control review been undertaken where required by ICASL's Code of Ethics for Professional Accountants, SLSQC1 or the firm's procedures? Yes/N/A*	_____
11 Have all partner review points been properly cleared? Yes/N/A*	_____
12 Have all matters been documented that are important in providing audit evidence to: - support the audit opinion; and - confirm that the audit was carried out in accordance with SLAuSs? Yes/N/A*	_____
13 List below any other work that needs to be undertaken before the audit report is signed: Yes/N/A*	_____
_____	
_____	
_____	
_____	
_____	
_____	

I authorise the issue of the accounts for approval.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Second Partner (if applicable)-

Signed \_\_\_\_\_ Date \_\_\_\_\_

\* Delete as appropriate

Client:	Prepared by:	Date:	Ref: <b>B2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT STANDARDS REVIEW QUESTIONNAIRE**

*This questionnaire should be completed, where considered necessary, to enable the reviewer to answer question 1 on the Initial Partner Completion.*

SLAuS		Yes/No N/A	Comments	Initials
200.4	In conducting the audit, has the firm complied with the ICASLs' Code of Ethics for Professional Accountants?			
210.2	Does the firm have an up to date letter of engagement?			
210.5	Does the engagement letter for a corporate practice identify the director appointed by the corporate practice to be responsible for the performance of the audit engagement contemplated by the audit report?			
210.19.1	Where the firm has resigned from office or been removed; has the firm complied with the requirements of Companies Act regarding the statement in relation to the resignation or the exercise of the right to attend and be heard at the general meeting?			
220.2	Have the firm's quality control procedures been properly applied to this audit client?			
220.18	Has any information come to light that would have caused the firm to decline the audit engagement if that information had been available earlier?			
220.21	Has the audit work been properly directed, supervised and reviewed?			
230	Has audit documentation been prepared that would enable an experienced auditor, having no previous connection with the audit, to understand:			
230.9	(a) the nature, timing, and extent of the audit procedures performed to comply with SLAuSs and applicable legal and regulatory requirements;			
230.9	(b) the results of the audit procedures and the audit evidence obtained; and			
230.9	(c) significant matters arising during the audit and the conclusions reached thereon;			
230.12	(d) the identifying characteristics of the specific items or matters being tested;			
230.16	(e) the content of discussions with management and others concerning any significant matters.			
230.18	(f) how any contradictions or inconsistencies between the information received and the audit conclusions reached on significant matters have been addressed;			

Client:	Prepared by:	Date:	Ref: <b>B2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT STANDARDS REVIEW QUESTIONNAIRE**

230.21	(g) how alternative audit procedures performed achieved the objectives of the audit where it was considered necessary to depart from a basic principle or an essential procedure;			
230.23	(h) who performed the audit work and the date such work was completed; and			
230.23	(i) who reviewed the audit work performed and the date and extent of such review.			
240.3	In planning and performing the audit to reduce audit risk to an acceptably low level, did we consider the risks of material misstatements in the financial statements due to fraud?			
240.85	Did analytical procedures undertaken when forming an overall conclusion as to whether the accounts as a whole are consistent with our knowledge of the business indicate a previously unrecognised risk of material misstatement due to fraud?			
240.86	Have we considered the implications for the audit where one or more of the potential adjustments listed on <b>B7</b> gives an indication of fraud?			
240.110	Where we have concluded that the risk of material misstatement due to fraud related to revenue recognition is not applicable in the circumstances of the engagement, have we documented the reasons for that conclusion?			
250.2	Has the audit been planned and performed having considered the risk of material misstatement arising from non-compliance with relevant laws and regulations?			
250.28	Have we considered the impact of any suspected or actual non-compliance with laws and regulations on our reports to the management, shareholders and any external regulators?			
250.31	Have we considered the implications of any non-compliance with laws and regulations in relation to other aspects of the audit, particularly the reliability of management representations?			
260.11	Have audit matters of governance interest that arose from the audit of the financial statements been communicated to those charged with governance (See <b>B3.1 Q18</b> )			
260.11a	Have those charged with governance been informed of those uncorrected misstatements aggregated during the			

Client:	Prepared by:	Date:	Ref: <b>B2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT STANDARDS REVIEW QUESTIONNAIRE**

	audit that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.			
	Unadjusted errors:			
300.16	Has the overall audit strategy and the audit plan been updated and changed as necessary during the course of the audit?			
315.2	Do our audit files contain information adequate to provide an understanding of the company and its environment, including its internal control, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and sufficient to design and perform further audit procedures?			
315.41	Where reliance has been placed on controls tested at an interim date or in prior years have the requirements of SLAuS 315 as set down in programme S2 been followed?			
315.108	Does the file document whether any of the risks identified are, in the auditor's judgment, risks that require special audit consideration ("significant risks")?			
315.122	Does the file document:			
	(a) the discussion among the engagement team regarding the susceptibility of the company's financial statements to material misstatement due to error or fraud, and the significant decisions reached;			
	(b) key elements of the understanding obtained of the company's environment, including the components of internal control, to assess the risks of material misstatement of the financial statements; the sources of information from which the understanding was obtained; and the risk assessment procedures;			
	(c) the identified and assessed risks of material misstatement at the financial statement level and at the assertion level; and			
	(d) the risks identified and related controls evaluated.			
320.11	Has materiality been reviewed during the course of the audit?			



Client:	Prepared by:	Date:	Ref: <b>B2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT STANDARDS REVIEW QUESTIONNAIRE**

	Preliminary materiality:			
	Final materiality:			
330.66	Have the risk assessments been reviewed to determine whether the assessments of the risks of material misstatement at the assertion level remain appropriate?			
330.73	The auditor should document:			
	(a) the overall responses to address the assessed risks of material misstatement at the financial statement level and the nature, timing, and extent of the further audit procedures;			
	(b) the linkage of those procedures with the assessed risks at the assertion level;			
	(c) the results of the audit procedures;			
	(d) the conclusions reached with regard to relying on internal controls that were tested in a prior audit.			
330.73a	Does the documentation on file demonstrate that the financial statements agree or reconcile with the underlying accounting records?			
402.2	Where the client uses a service organisation, has sufficient appropriate audit evidence been obtained to determine whether the accounts are free from material misstatement?			
501.6	Where we were unable to attend the physical inventory count on the date planned due to unforeseen circumstances, did we take or observe some physical counts on an alternative date and, when necessary, perform audit procedures on intervening transactions.			
501.42	Where applicable have we obtained sufficient appropriate audit evidence regarding the presentation and disclosure of segment information?			
505.11	Did we confirm the specific terms of any complex or unusual transactions undertaken by the company that were identified as having a significant impact on risk in accordance with SLAuS 315.108?			
505.25	Were satisfactory alternative procedures applied in instances where management had refused permission for the use of external confirmations such as circularisation requests?			
510.2	Is there sufficient, appropriate evidence that there is adequate disclosure of related party transactions and control of the entity in the accounts?			
520.2	Does the file contain sufficient evidence of analytical			

Client:	Prepared by:	Date:	Ref: <b>B2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT STANDARDS REVIEW QUESTIONNAIRE**

	review at the planning and overall review stages of the audit?			
520.13	Has an adequate overall review of the accounts been performed?			
530.2	Has audit sampling been applied in an appropriate manner?			
540.8	Does the file contain sufficient, appropriate evidence concerning the reasonableness of accounting estimates?			
545.3	Have we obtained sufficient appropriate audit evidence that any fair value measurements and disclosures are in accordance with the company's applicable financial reporting framework?			
550.2	Is there sufficient, appropriate evidence that amounts derived from the previous period are free from material misstatement and are appropriately incorporated and presented in the current period's accounts?			
560.2	Has an adequate post balance sheet events review been performed?			
570.2	Has the appropriateness of the going concern basis been considered?			
580.2	Has a letter of representation been drafted covering all necessary representations?			
580.9	Have any occasions where representations received were contradicted by other evidence been fully investigated?			
610.2	Where the client has internal auditors, has adequate consideration been given to the effect this should have on the audit?			
620.2	When using the work of an expert, is there sufficient, appropriate evidence that the work is adequate for the purpose?			
710.18	Where the prior period's financial statements were not audited does the auditor's report state that the corresponding figures are unaudited?			
720.2	Has other information to be issued with the financial statements been read so as to identify material inconsistencies?			

Client:	Prepared by:	Date:	Ref: <b>B3.1</b>
Year end:	Reviewed by:	Date:	
File no:			

**FILE COMPLETION QUESTIONNAIRE**

Where work is outstanding prior to review, the outstanding (O/S) column should be ticked in pencil to highlight work required. As and when work is completed, the final column should be initialed, and the tick rubbed out.

**Pre-partner review**

	Yes/None N/A	O/S	Comments	Initials
1 Does the file contain programmes on all relevant sections and have they been properly completed?				
2 Has each audit objective on the summary sheets been addressed and cross-referenced to the working papers?				
3 Have all the queries and problems been properly cleared or carried forward to schedule <b>B8</b> (queries for partner) or <b>B5</b> (audit highlights)?				
4 Has an audit highlights report ( <b>B5</b> ) been prepared that summarises the results of the testing in key audit areas?				
5 Have the budget and actual time summaries been completed, along with explanations of variances?				
6 Has the Permanent audit file been updated?				
7 Have all unadjusted errors been summarised on <b>B7</b> and adjusted where necessary?				
8 Where the unadjusted misstatements recorded on <b>B7</b> are considered to be material and management refuses to adjust has their effect on the audit opinion been documented on <b>B6</b> ?				
9 Have we agreed the financial statements to the underlying accounting records?				
10 Have we examined material journal entries and other adjustments made during the course of preparing the financial statements?				
11 Has the <b>B2</b> Audit Standards Review Questionnaire been completed?				
12 Has the <b>B6</b> Justification of Audit Report been completed?				
13 Has a review of post balance sheet events been completed?				
14 Have any commercial observations on the client's business been recorded on <b>B11</b> ?				



**Pre-partner review**

	Yes/None N/A	O/S	Comments	Initials
<ul style="list-style-type: none"> <li>• The Companies Act requires them to prepare financial statements which give a true and fair view of the state of affairs of the company and of the profit (loss) [and cash flows] of the company for the year.</li> </ul>				
<ul style="list-style-type: none"> <li>• They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act.</li> </ul>				
<ul style="list-style-type: none"> <li>• All reasonable steps have been taken to ensure that the financial statements comply with the Companies Act.</li> </ul>				
<p>16 Have the following matters of governance interest that arose from the audit been communicated to those charged with governance?</p>				
<p>a) The general approach and overall scope of the audit, including any expected limitations thereon, or any additional requirements.</p>				
<p>b) The selection of, or changes in, significant accounting policies and practices that have, or could have, a material effect on the entity's financial statements.</p>				
<p>c) The potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.</p>				
<p>d) Audit adjustments, whether or not recorded by the entity that have, or could have, a material effect on the entity's financial statements.</p>				
<p>e) Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.</p>				
<p>f) Disagreements with management about matters that, individually or in aggregate, could be significant to the entity's financial statements or the audit report. These communications include consideration of whether the matter has, or has not, been resolved and the significance of the matter.</p>				
<p>g) Expected modifications to the auditor's report.</p>				
<p>h) Other matters warranting attention by those charged with governance, such as material weaknesses in internal control, questions regarding management integrity, and fraud</p>				

***Pre-partner review***

involving management.

- i) Any other matters agreed upon in the terms of the audit engagement.

<b>Yes/None N/A</b>	<b>O/S</b>	<b>Comments</b>	<b>Initials</b>

Client:	Prepared by:	Date:	Ref: <b>B3.2</b>
Year end:	Reviewed by:	Date:	
File no:			

**FILE COMPLETION QUESTIONNAIRE**

*Where work is outstanding prior to review, the outstanding (O/S) column should be ticked in pencil to highlight work required. As and when work is completed, the final column should be initialed, and the tick rubbed out.*

<i>Final</i>	Yes/None N/A	O/S	Comments	Initials
1 Have you confirmed that there have been no changes to the firm's independence during the course of the audit, which would prevent reappointment of the firm as auditors for the next financial period?				
2 Have you considered whether there is any other reason why the practice would not wish to seek reappointment, for example, recurrent under recoveries?				
3 Has consultation been undertaken in all circumstances, where it is required by the firm's procedures?				
4 Where any fraud, error or breaches in laws and regulations have been identified, have the implications for the accounts been fully considered?				
5 Review <b>C1 &amp; C8</b> . Where there have been adjustments to the level of materiality, risk or the extent of reliance on controls; has the impact on the level of work already undertaken been considered?				
6 Has a draft letter to management or points for comment been prepared that includes:				
a) Material weaknesses identified in the design or implementation of internal controls intended to prevent or detect fraud?				
b) Any other matters related to the risk of fraud that should be discussed with those charged with governance?				
7 Has the review of post balance sheet events been updated to reflect the current position?				
8 Have all necessary points forward to next year been recorded on <b>B10</b> ?				
9 Has a budget for next year been prepared?				

Client:	Ref: <b>B4</b>
Year end:	
File no:	

**CRITICAL REVIEW OF ACCOUNTS QUESTIONNAIRE**

*To evaluate whether the overall presentation of the financial statements, including the related disclosures, is in accordance with the applicable financial reporting framework.*

	<i>Results satisfactory Y/N</i>	<i>Comments</i>	<i>WP Ref</i>
1 Review accounting policies to determine whether they:			
(a) comply with applicable accounting standards;			
(b) are consistent with those of the previous period;			
(c) are consistently applied to all like transactions;			
(d) are appropriate to the nature of the client’s business;			
(e) are properly disclosed in accordance with the requirements of IAS 8.			
2 Carry out an overall review of the information in the accounts and compare it with other available data, including final analytical review. Note significant variations and obtain explanations thereto.			
3 Consider whether the accounts adequately reflect:			
(a) the substance of underlying transactions and balances and not merely their form;			
(b) the information and explanations obtained and conclusions reached on particular aspects of the audit.			
Schedule points of interest on ‘audit highlights’.			
4 Did the substantive procedures undertaken include agreeing the financial statements to the underlying records and a review of material journal entries?			
5 Consider whether the review reveals any new factors, which may affect the presentation of information or disclosures in the accounts.			
6 Review the accounts for proper preparation in accordance with the Companies Act, accounting standards and other disclosure requirements. State whether or not a disclosure checklist has been completed in respect of the current year. If not completed in the current year, state year in which it was last completed.			
7 Consider whether the information contained in the directors’ report and any other document issued with the accounts is consistent with the accounting information in the accounts and has not been unduly influenced by the directors’ desire to present matters in a favourable or unfavourable light.			



Client:	Ref: <b>B4</b>
Year end:	
File no:	

**CRITICAL REVIEW OF ACCOUNTS QUESTIONNAIRE**

***Conclusion***

- 1 I have compared the ratios of the final accounts with those of last year\*/the budget\*/the preliminary\*/extensive\* analytical review\*.
- 2 (a) I have obtained, recorded and corroborated explanations for significant fluctuations for principal areas of the accounts.\* Or  
(b) There were no significant fluctuations requiring explanation.\*
- 3 The directors' report and other published information is consistent with the accounts.

I am satisfied from this critical review that the accounts appear credible and have been properly prepared in accordance with the Companies Act and any other relevant statutory requirements.\*

Prepared by \_\_\_\_\_ Date \_\_\_\_\_

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

\* Delete as appropriate.

Client:	Ref: <b>B6</b>
Year end:	
File no:	

**JUSTIFICATION OF AUDIT REPORT**

*This form should be used to schedule any problems encountered during the audit, which could have an impact on the audit report.*

	<i>Yes/No N/A *</i>	<i>If yes give details</i>
1 Was the audit report qualified in the previous period?		
2 Have there been any problems obtaining sufficient appropriate evidence concerning the opening balances?		
3 Have there been any problems with books and records?		
4 Have you encountered problems obtaining from the directors all information and explanations necessary for the audit?		
5 Have the directors refused to confirm any representations in writing?		
6 Have you confirmed that, or were you unable to conclude whether, the financial statements are materially misstated as a result of fraud?		
7 Have you had problems obtaining adequate information concerning suspected non-compliance with relevant laws or regulations?		
8 Is there evidence of non-compliance with laws or regulations that have a material effect on the accounts and have not been properly reflected in the accounts?		
9 Has management refused to give permission for direct communication with the company's legal advisers?		
10 Has management refused to give permission for the use of external confirmation requests such as the circularisation of debtor or creditor balances or third party stock confirmations?		
11 Has management not amended the financial statements (adjustment or disclosure) in circumstances where it is believed that they need to be amended?		
12 Where other auditors are involved in the audit of subsidiaries are there any instances where their work cannot be relied upon?		

Client:	Ref: <b>B6</b>
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**JUSTIFICATION OF AUDIT REPORT**

13 Are there any material inconsistencies between the financial statements and other information to be issued with them?		
14 Were there problems obtaining adequate returns from branches not visited?		
15 Are there any problems with going concern? (Ref <b>T3</b> )		
16 Is there any problem with exemption from preparing group accounts where claimed by the company?		
17 Have any other problems occurred which could have an impact on the audit report?		

**Conclusion**

Where there are any 'yes' answers, detail below what effect they will have on the audit report or our ability to continue the engagement:

I am satisfied that any unqualified report is appropriate.\* **Or**  
 In my opinion, the attached fundamental uncertainty/emphasis of matter and/or qualification is appropriate.\*

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete as appropriate.



Client:	Prepared by:	Date:	Ref: <b>B9</b>
Year end:	Reviewed by:	Date:	
File no:			

**FINAL ANALYTICAL REVIEW**

*The auditor should apply analytical procedures at or near the end of the audit when forming an overall conclusion as to whether the financial statements as a whole are consistent with the auditor's understanding of the company. (SLAuS 520.13)*

	<i>Y/N</i>	<i>Comments</i>	<i>Ref</i>
1 Consider comparison of the results for the current period with: (a) information for prior periods; (b) those anticipated in budgets or forecasts; (c) other companies of comparable size in the same industry (d) overall industry or sector statistics.			
2 Consider relationships between: (a) elements of financial information that would be expected to conform to a predictable pattern based on the company's experience, such as gross margin percentages. (b) financial information and relevant non-financial information, such as payroll costs to number of employees.			
3 Consider the reliability of the information used to perform analytical review procedures and whether this has been verified as part of the audit process.			
4 Where applicable make a final assessment of the reasonableness of the company's accounting estimates based on understanding of the company and its environment.			
5 Consider whether the accounting estimates are consistent with other audit evidence obtained during the audit.			

**Conclusion** (truth and fairness of figures and consistency with understanding of the business)

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Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

Client:	Ref: <b>C</b>
Year end:	
File no:	

**C AUDIT PLANNING**

1	Audit planning summary	<input type="text"/>
1.1	Acceptance procedures	<input type="text"/>
2	Audit planning checklist	<input type="text"/>
2.1	Points forward from previous year	<input type="text"/>
3	Planning memorandum	<input type="text"/>
4	Record of planning meeting	<input type="text"/>
5	Systems and internal controls summary	<input type="text"/>
5.1	Review of design & implementation of internal controls	<input type="text"/>
6	Audit Risk Summary	<input type="text"/>
6.1	Audit risk checklist	<input type="text"/>
6.2	Risk response summary	<input type="text"/>
6.3	Specific risk action plan	<input type="text"/>
6.4	Detailed risk assessment	<input type="text"/>
7	Preliminary analytical review	<input type="text"/>
8	Materiality summary	<input type="text"/>
9	Other planning schedules	<input type="text"/>
9.1	Accountancy work planning	<input type="text"/>
9.2	Sample size planning	<input type="text"/>
9.3	Assignment planning – timetable	<input type="text"/>
9.4	Budget and performance summary	<input type="text"/>
9.5	Job progress report	<input type="text"/>
10		<input type="text"/>

Client:	Ref: <b>C1</b>
Year end:	
File no:	

**AUDIT PLANNING SUMMARY**

**Approval of planning**

I confirm that:

1. An overall strategy has been established for the audit.
2. An audit plan has been developed in order to reduce risk to an acceptably low level.
3. In particular the risks of material misstatement in the financial statements due to fraud have been considered.
4. The overall strategy and audit plan have been properly documented in a planning memorandum.
5. The acceptance procedures set out on **C1.1** have been followed.
6. The audit planning checklist at **C2** has been properly completed.
7. The audit has been planned with an attitude of professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated!

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

<b>Audit team</b>	<i>Initials</i>	<i>Date</i>
<i>I confirm that I have read and understood the audit plan (Section C).</i>		
Partner	_____	_____
Manager	_____	_____
Senior	_____	_____
	_____	_____
	_____	_____
	_____	_____

**Review of planning at completion stage**

I confirm that:

1. The overall strategy and audit plan were updated as necessary during the course of the audit.
2. All issues arising from the audit plan have been addressed on the file.
3. The audit plan has been cross-referenced to where the relevant work was performed.

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

Client:	Ref: <b>C1.1</b>
Year end:	
File no:	

## ACCEPTANCE PROCEDURES

*This questionnaire assumes a knowledge of the ICASL Code of Ethics for Professional Accountants. It must be completed annually for all clients to ensure that the firm complies with its requirements.*

*In the case of a financial statements audit, where relevant, all questions should be treated as applying to all partners and staff in the firm or a network firm and to their close family.*

	<i>Yes</i>	<i>No</i>
<b>1</b> <b><i>Undue dependence on an audit client</i></b>		
a) Do the total fees for this client/group of clients represent a large proportion of a firm's total fees?	<input type="checkbox"/>	<input type="checkbox"/>
b) Are any fees charged to this client/group of clients on a contingent basis?	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b> <b><i>Loans to or from a client; guarantees; overdue fees</i></b>		
a) Do you or any of your staff in the firm or a network firm have any loans or guarantees to or from the client?	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any overdue fees for any services?	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b> <b><i>Goods and services: hospitality</i></b>		
Have you or any of your staff accepted any material goods or services on favourable terms or received undue hospitality from the company?	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> <b><i>Litigation</i></b>		
Is there any actual or threatened litigation between yourself and the client in relation to fees, audit work, or other work?	<input type="checkbox"/>	<input type="checkbox"/>
<b>5</b> <b><i>Family or other personal relationships</i></b>		
Do you or any of your staff have any personal or family connections with the company and its officers?	<input type="checkbox"/>	<input type="checkbox"/>
<b>6</b> <b><i>Ex-partners or senior employees</i></b>		
a) Has any officer of the company been a partner or senior employee in the practice?	<input type="checkbox"/>	<input type="checkbox"/>
b) Is the partner or any senior employee on the audit joining or involved in substantive negotiations with the client?	<input type="checkbox"/>	<input type="checkbox"/>
<b>7</b> <b><i>Mutual business interest</i></b>		
Do you or any of your partners or staff have any mutual business interests with the client or with an officer or employee of the client?	<input type="checkbox"/>	<input type="checkbox"/>
<b>8</b> <b><i>Beneficial interests and trusteeships</i></b>		
Do you or any of your staff have any financial involvement in the	<input type="checkbox"/>	<input type="checkbox"/>



Client:	Ref: <b>C1.1</b>
Year end:	
File no:	

**ACCEPTANCE PROCEDURES**

- company in respect of the following:
- a) Any beneficial interest in shares or other investments?
  - b) Any beneficial interest in trusts?
  - c) Any trustee investments or nominee shareholdings?
  - d) Any trusteeships in a trust that holds shares in an audit client?

**9 Associated firms**

Are you or your staff associated with any other practice or organisation which has any dealings with the company?

**10 Provision of other services, specialist valuations and advocacy by the firm or a network firm**

- a) Are any services in relation to the management of the company performed by the firm or a network firm?
- b) Are any accounting services performed for the company such as preparation of the statutory accounts from trial balance, bookkeeping or payroll services?
- c) Do the accounts include any specialist valuations carried out by the firm or a network firm?
- d) Are the firm or a network firm currently acting for the client as an advocate in any adversarial proceeding or situation such as a hearing before the tax authorities?
- e) Has the firm or a network firm been involved in the design, provision or implementation of any IT systems?
- f) Does the firm or a network firm provide advice on taxation matters or undertake tax compliance work for the client?
- g) Have any other services been provided to the client that may cause a threat to the firm's objectivity or independence?

**11 Rotation of senior assurance team personal**

Has there been any long association of senior personnel in the firm with the assurance client?

**12 Adequate resources**

- a) Are there any indications that the engagement team is not competent or does not have the necessary time and resources?

Client:	Ref: <b>C1.1</b>
Year end:	
File no:	

**ACCEPTANCE PROCEDURES**

- b) Are there any indications that the firm or engagement team will not be able to demonstrate compliance with ethical requirements?

**13 Proper performance**

- a) Are there any aspects of the client, or other factors, that will adversely affect the firm’s ability to perform the audit properly?

- b) Are there any issues concerning the integrity of the principal owners, key management or those charged with governance of the entity?

**Safeguards**

Where any of the above questions have been answered ‘yes’, specify what safeguards are proposed to maintain integrity and independence, and to ensure the availability of resources and the ability to perform the audit properly.

**Conclusion**

Having regard to any safeguards identified above, I am satisfied that appropriate procedures regarding the acceptance and continuance of this client relationship and audit engagement have been followed, and that the conclusions reached in this regard are appropriate and have been properly documented. In arriving at this conclusion I confirm that I have:

- a) obtained all relevant information from the firm (and where applicable network firms) to identify and evaluate circumstances and relationships that may create a threat to independence;
- b) evaluated information on identified breaches, if any, of the firm’s independence policies and procedures to determine whether they create a threat to independence for this audit engagement;
- c) taken appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards; and
- d) documented the conclusion on independence and any relevant discussions within the firm that support this view.

Partner \_\_\_\_\_

Date \_\_\_\_\_

**Consultation** (to be completed where appropriate)

In my opinion the steps proposed are sufficient to maintain independence and to ensure the availability of resources and the ability to perform the audit properly.

Second Partner \_\_\_\_\_

Date \_\_\_\_\_

Client:	Prepared by:	Date:	Ref: <b>C2</b>
Year end:	Reviewed by:	Date:	
File no:	Reviewed by:	Date:	

**AUDIT PLANNING CHECKLIST**

*The auditor should plan and perform an audit with an attitude of professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated!*

	<i>Comments</i>	<i>WP Ref</i>
<b>Preliminary Engagement Activities</b>		
<b>1. Acceptance procedures</b>		
1.1 Confirm that the Acceptance Procedures questionnaire has been satisfactorily completed.		C1.1
1.2 Where appropriate, confirm that the firm has communicated with the previous auditor.		
<b>2. Engagement terms</b>		
2.1 Confirm that there is an engagement letter on the permanent file.		
2.2 Consider whether there is a need to revise the existing terms and issue a new letter.		
2.3 Consider whether there is a need to remind the client of the existing terms.		
<b>Planning Activities</b>		
<b>3. Strategic considerations</b>		
3.1 Confirm that key characteristics which determine the scope of the engagement are identified such as:		
a) the financial reporting framework used;		
b) any industry specific requirements;		
c) geographical location;		
d) group reporting requirements;		
e) the use of service organizations.		
3.2 Confirm that the reporting requirements are understood, including third parties, in terms of the timing and format of reports and to whom they should be sent.		
3.3 Are there any other factors that may have a significant effect on the overall focus of the audit?		
<b>4. Client background</b>		
4.1 Confirm that there is a completed copy of the 'Know your client checklist' on the permanent file ( <b>PAF04</b> ).		
4.2 Where the checklist was completed in an earlier year review its completion with the client and update the information on the permanent file as necessary.		
4.3 Ensure that the review of significant accounting policies on the permanent file ( <b>PAF07</b> ) has been updated.		



Client:	Prepared by:	Date:	Ref: <b>C2</b>
Year end:	Reviewed by:	Date:	
File no:	Reviewed by:	Date:	

**AUDIT PLANNING CHECKLIST**

a) Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of accounts.		
b) Review accounting estimates for bias that could result in material misstatement due to fraud.		
c) Obtain an understanding of the business rationale of significant transactions that are outside of the normal course of business for the entity, or that otherwise appear to be unusual given our understanding of the entity and its environment.		
7.9 Have we planned substantive procedures for each material class of transactions, account balance, and disclosure irrespective of the assessed risk of material misstatement?		
<b>8. General</b>		
8.1 Has an acceptable materiality level been determined for the audit?		C8
8.2 Review points forward from last year's schedule ( <b>B10</b> on previous file). File on current year's working paper file.		C2.1
8.3 Review correspondence file and note relevant points arising during the year.		
8.4 Where inventory is material to the financial statements has attendance been planned at the physical inventory count?		14
8.5 Determine whether the use of external confirmations, in addition to those for the bank balances, is necessary to obtain sufficient appropriate audit evidence at the assertion level?		
8.6 For initial engagements or where an audit was not undertaken in the previous year complete the 'Opening balance and comparatives checklist' ( <b>Cop01</b> ).		
8.7 Where the previous period's audit report was qualified or there was a fundamental uncertainty, consider what impact, if any, it will have on the current period's report.		
8.8 Have sample sizes been planned so as to ensure sufficient appropriate audit evidence will be obtained?		
8.9 Have we planned to obtain sufficient appropriate audit evidence concerning the reasonableness of accounting estimates?		
8.10 Consider whether any activities undertaken by service organisations are relevant to the audit: where appropriate complete the optional programme 'Use of service organisations' ( <b>Cop04</b> ).		
8.11 Consider whether there is a risk that the non-disclosure of related party transactions will have a material impact on the		

Client:	Prepared by:	Date:	Ref: <b>C2</b>
Year end:	Reviewed by:	Date:	
File no:	Reviewed by:	Date:	

**AUDIT PLANNING CHECKLIST**

audit: where appropriate complete the optional programme 'Related party transactions' ( <b>Rop02</b> ).	
8.12 Where it will be necessary to place reliance on the work of another auditor complete the optional programme 'Reliance on the work of another auditor' ( <b>Cop05</b> ).	
8.13 Where the work of an expert is to be relied upon concerning: the valuation of assets; the determination of quantities; the application of specialised techniques to determine amounts; or the measurement of work completed the complete the optional program 'Using the work of an expert' ( <b>Cop06</b> ).	
8.14 Where other information is expected to be issued with the financial statements review of this information should be planned so as to allow sufficient time for resolution of an inconsistencies.	
8.15 Consider and schedule impact of changes in legislation and accounting standards on the accounts.	
8.16 Meet/discuss with client current year's accounts and timetable.	C10
8.17 Consider whether there are any indications that the going concern basis of accounting may not be appropriate.	
8.18 Where there may be a requirement to report to an external regulator have we considered the scope of the client's authorisation and the effectiveness of its control environment?	
8.19 If appropriate, prepare a brief file note of matters arising from the review of the correspondence file and the meetings/discussions with the client.	C9
8.20 Obtain print-out of the firm's WIP (time costs) and prepare fee budget. Agree fee estimate with client where necessary.	C11/C12
8.21 Carry out analytical procedures based on the preliminary figures or other information available and conclude upon the impact on the audit approach.	C3
8.22 Consider whether extensive analytical review can be used to improve the efficiency and effectiveness of the audit.	
8.23 Review/tailor the summary sheets for all relevant sections to ensure adequate tests planned for all objectives.	
8.24 Review/tailor/prepare audit programme as directed by <b>C6.2</b> and <b>C6.3</b> .	
8.25 Prepare a formal planning memorandum documenting the overall audit strategy and the detailed audit plan.	C3
8.26 Where substantive procedures were performed at an interim date have we planned further substantive procedures (and tests of controls) to cover the remaining period from the	

Client:	Prepared by:	Date:	Ref: <b>C2</b>
Year end:	Reviewed by:	Date:	
File no:	Reviewed by:	Date:	

**AUDIT PLANNING CHECKLIST**

interim date to the period end?		
8.27 Having regard to the risks identified and the specialist knowledge required: allocate and brief staff as appropriate.		
<b>9. Quality control</b>		
9.1 Consider whether there is a need under the firm's procedures or ethical requirements for an engagement quality control review.		
9.2 Agree the timing and scope of the review with the partner (or other external consultants) who will be undertaking it.		
9.3 Confirm that the time budget and completion timetable have been updated accordingly.		
9.4 Where applicable, have points raised in a cold review of the previous year been incorporated into this period's planning?		

**Conclusion**

I am satisfied that:

- (a) the planned audit procedures have been determined having regard to the requirements of SLAuSs, relevant professional bodies, legislation, regulations and, where appropriate, the terms of the audit engagement and reporting requirements;
- (b) the engagement team collectively has the appropriate capabilities, competence and time to perform the audit engagement in accordance with professional standards and regulatory and legal requirements, and to enable an auditor's report that is appropriate in the circumstances to be issued;
- (c) the staff assigned have been adequately briefed;
- (d) the audit has been planned effectively, and that it is adequate to meet the financial statement assertions: existence; rights and obligations; occurrence; completeness; valuation; measurement and presentation; and disclosure.
- (e) the file does/does not\* require second partner external\* review;
- (f) the audit plan details fully the responses to the various matters identified at the strategic level.

Senior/Manager: \_\_\_\_\_ Date: \_\_\_\_\_

In approving the planning I acknowledge my responsibility for the direction, supervision and performance of the audit engagement in compliance with professional standards and regulatory and legal requirements, and for the auditor's report that is issued to be appropriate in the circumstances.

Engagement Partner \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete as appropriate.

Client:	Ref: C3
Year end:	
File no:	

**PLANNING MEMORANDUM**

**EXAMPLE ONLY - DO NOT  
PHOTOCOPY THIS FORM!**

*A planning memorandum should be used to draw together the planning work performed. The headings and content are suggestions only. These should be tailored to the requirements of the client.*

***Background information***

*For example:*

*A summary of the nature of the company*

*A summary of the industry, regulatory and other external factors affecting the company.*

*What locations does the company trade from?*

*What are the client's office hours?*

*Directions to client*

*Any other useful information*

***Scope of engagement***

*Engagement terms*

*Reporting requirements*

***Key personnel***

*Give the names, roles and contact details for key personnel*

***Timetable***

***Key risks and responses at financial statement level***

*For example:*

*Weak control environment*

*Going concern worries*

*Particular factors in determining composition of audit team*

***Key risks and responses at assertion level***

*For example:*

*Inventory cut-off*

*Completeness of income*

*Identifying all related party transactions*

***Outline the audit approach to these areas: how will the risk or problem be addressed?***

*Describe how the problems will be tackled. Specify the tests and procedures*



Client:	Prepared by:	Date:	Ref: <b>C4</b>
Year end:	Reviewed by:	Date:	
File no:			

**NOTES OF PLANNING MEETING**

*If this form is not used then the appropriate information should be incorporated into the planning memorandum*

***Present at Meeting:***

_____	_____
_____	_____
_____	_____
_____	_____

***Date of meeting:*** \_\_\_\_\_

***Susceptibility of the entity's financial statements to material misstatement***

<i>Risks</i>	<i>Financial statement assertion</i>	<i>Reference to risk action plan (C6.3)</i>

***Susceptibility of the entity to fraud***

<i>Risks</i>	<i>Financial statement assertion</i>	<i>Reference to risk action plan (C6.3)</i>

***Other matters***




Client:	Ref: C5
Year end:	
File no:	

**Systems and Internal Controls Summary**

(b) tests of the effectiveness of controls have been planned where necessary.

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

**Review of Reliance on Internal Controls at the Completion stage**

I confirm that:

- (a) tests of the effectiveness of controls were completed satisfactorily/and further work undertaken where necessary.\*
- (b) all weaknesses in controls identified have been recorded in a draft letter of comment for the client.

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

\* Delete as appropriate



Client:	Prepared by:	Date:	Ref: <b>C5.1</b>
Year end:	Reviewed by:	Date	
File no:			

**REVIEW OF DESIGN AND IMPLEMENTATION OF INTERNAL CONTROLS**

*SLAuS 315 requires the auditor to obtain an understanding of the client's system of internal control relevant to the audit. It is compulsory to review the design and implementation of all controls relevant to the audit for all audits irrespective of any decision to place reliance on the effective operation of those controls. Completion of this schedule does not constitute tests on the effective operation of controls.*

*Inquiry alone is not sufficient to evaluate the design of a control relevant to the audit and to determine whether it has been implemented. Further work such as inspecting documents or tracing transactions through the system is required.*

<i>Only complete where it is decided to carry out compliance testing or where it is required.</i>
---

<i>Business area</i>	<i>Outline of information system and controls</i>	<i>Comment on design and effectiveness of controls</i>	<i>Comment on implementation of Controls</i>	<i>Is this a key control? Y/N</i>	<i>Further testing required? Y/N</i>	<i>Ref to ICE (S3)</i>
Fixed assets						
Investments						

<i>Business area</i>	<i>Outline of information system and controls</i>	<i>Comment on design and effectiveness of controls</i>	<i>Comment on implementation of Controls</i>	<i>Is this a key control? Y/N</i>	<i>Further testing required? Y/N</i>	<i>Ref to ICE (S3)</i>
Inventories						
Trade & other receivables						
Bank & cash						
Trade & other payables						

<i>Business area</i>	<i>Outline of information system and controls</i>	<i>Comment on design and effectiveness of controls</i>	<i>Comment on implementation of Controls</i>	<i>Is this a key control? Y/N</i>	<i>Further testing required? Y/N</i>	<i>Ref to ICE (S3)</i>
Provisions						
Taxation						
Capital and reserves						
Directors' loan accounts and transactions						

<i>Business area</i>	<i>Outline of information system and controls</i>	<i>Comment on design and effectiveness of controls</i>	<i>Comment on implementation of Controls</i>	<i>Is this a key control? Y/N</i>	<i>Further testing required? Y/N</i>	<i>Ref to ICE (S3)</i>
Income						
Purchases and other expenses						
Payroll						
General ledger						



<i>Business area</i>	<i>Outline of information system and controls</i>	<i>Comment on design and effectiveness of controls</i>	<i>Comment on implementation of Controls</i>	<i>Is this a key control? Y/N</i>	<i>Further testing required? Y/N</i>	<i>Ref to ICE (S3)</i>
Accounting system						
Other relevant IT systems						
Production of management accounts						
Production of forecasts and business plans						

Client:	Prepared by:	Date:	Ref: <b>C5.1</b>
Year end:	Reviewed by:	Date	
File no:			

**REVIEW OF DESIGN AND IMPLEMENTATION OF  
INTERNAL CONTROLS**

*SLAuS 315 requires the auditor to obtain an understanding of the client's system of internal control relevant to the audit. It is compulsory to review the design and implementation of all controls relevant to the audit for all audits irrespective of any decision to place reliance on the effective operation of those controls. Completion of this schedule does not constitute tests on the effective operation of controls.*

*Inquiry alone is not sufficient to evaluate the design of a control relevant to the audit and to determine whether it has been implemented. Further work such as inspecting documents or tracing transactions through the system is required.*

<i>Only complete where it is decided to carry out compliance testing or where it is required.</i>
---

<i>Business area</i>	<i>Outline of information system and controls</i>	<i>Comment on design and effectiveness of controls</i>	<i>Comment on implementation of Controls</i>	<i>Is this a key control? Y/N</i>	<i>Further testing required? Y/N</i>	<i>Ref to ICE (S3)</i>

Client:	Ref: <b>C6</b>
Year end:	
File no:	

**AUDIT RISK SUMMARY**

**Objectives**

To assess the risk of material misstatement of the financial statements whether due to fraud or error in sufficient depth to design and perform further audit procedures.

To determine the overall responses to assessed risks at the financial statement level and to design and perform further audit procedures is response to risks at the assertion level to reduce audit risk to an acceptably low level.

**Procedures undertaken**

1. The Audit risk checklist (C6.1) has been properly completed.
2. Where appropriate the checklist and related information on the permanent file have been reviewed to ensure they remain up-to-date.
3. All risks that may result in a material misstatement at the assertion level have been recorded on the risk action plan (C6.3) with the overall approach summarised on C6.2.
4. Financial statement level risks (that are not addressed at the assertion level) are summarised below together with the response to that risk.

Yes/No /NA	Comments

**Financial Statement Level Risks**

The overall risk assessment at the financial statement level (see C6.4) is:

**Low\* Medium\* High\***

\* Delete as appropriate

<i>Risk at financial statement level</i>	<i>Response</i>

**Conclusion at Planning Stage**

For all relevant risk factors have been identified, procedures have been planned that should reduce those risks to an acceptably low level.

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

**Review of Audit Risk at Completion Stage**

I confirm that:

1. The overall strategy and audit plan were updated as necessary during the course of the audit.
2. All risk factors identified have been addressed on the file and the risk reduced to an acceptably low level.
3. The outcome column on C6.3 has been completed and any additional work as a result of reassessing risk properly documented.

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

Client:	Prepared by:	Date:	Ref: <b>C6.1</b>
Year end:	Reviewed by:	Date	
File no:			

### AUDIT RISK CHECKLIST

*The purpose of this checklist is to act as an aide memoire in considering the various matters required by SLAuSs and also as a guide to the completion of relevant forms within this manual.*

	<b>Yes/No /NA</b>	<b>Comments</b>
1 Was a detailed risk assessment (C6.4) performed in previous years?		
2 If not then complete the detailed risk assessment (C6.4) and place a copy on the permanent file.		
3 If a checklist was completed in previous years then review the checklist with the client to ensure it remains up-to-date.		
4 Have all specific risks assessed as medium or high been recorded on the risk action plan (C6.3)?		
5 Have all other specific risks not addressed on C6.4 that may result in a material misstatement been recorded on the risk action plan (C6.3)?		
6 Has the design and implementation of the entity's controls, including relevant control activities, been evaluated for all risks set out on the risk action plan (C6.3)?		
7 Has the overall response to risk been summarised at the financial statement level (C6)?		
8 Have additional compliance tests on the operational effectiveness of controls been planned where:		
(a) the risk assessment at the assertion level included an expectation that controls were operating effectively, or		
(b) substantive procedures are not expected provide sufficient appropriate evidence to reduce risk to an acceptably low level.		
9 Where we plan to rely on the operating effectiveness of controls to mitigate significant risks at the assertion level; have we planned to obtain evidence about the operating effectiveness of those controls from tests of controls to be performed in the current period?		
10 Where we have determined that an assessed risk of material misstatement at the assertion level is significant have we planned substantive procedures that are specifically responsive to that risk?		
11 Have we specifically considered the possibility of fraud in relation to revenue recognition and documented the approach in this area (C6.3)?		
12 Has the audit approach to each area been tailored on the basis of the risk assessment in that area (C6.2)?		

Client:	Ref: <b>C6.2</b>
Year end:	
File no:	

**RISK RESPONSE SUMMARY**

*To ensure that the nature and extent of testing undertaken is responsive to the risks assessed.*

	<i>Issues &amp; risks identified (H, M) (See C6.3 &amp; S4)</i>	<i>Assertions other than issues and risks identified (See SLAuS 500.17)</i>		<i>Audit approach &amp; reference to programme</i>
		<i>Risks (H, M, L)</i>	<i>Justification of risks</i>	
E	Intangible assets			
F	Tangible fixed assets			
G	Investments in group and associated undertakings			
H	Other investments			
I	Inventories			

	<i>Issues &amp; risks identified (H, M) (See C6.3 &amp; S4)</i>	<i>Assertions other than issues and risks identified (See SLAuS 500.17)</i>		<i>Audit approach &amp; reference to programme</i>
		<i>Risks (H, M, L)</i>	<i>Justification of risks</i>	
J	Trade & other receivables			
K	Bank and cash			
L	Trade & other payables			
M	Long-term loans and deferred income			
N	Provisions and contingencies			
O	Capital and reserves			
p	Taxation			

		<i>Issues &amp; risks identified (H, M) (See C6.3 &amp; S4)</i>	<i>Assertions other than issues and risks identified (See SLAuS 500.17)</i>		<i>Audit approach &amp; reference to programme</i>
			<i>Risks (H, M, L)</i>	<i>Justification of risks</i>	
R	Income statement	Income			
		Expenditure			
		Wages			
		Related party transactions			
		Other			
T	Post balance sheet events				
V	Consolidation				

	Assertions other than issues and risks identified (See SLAuS 500.17)		Audit approach & reference to programme
	Risks (H, M, L)	Justification of risks	
Opening balances and comparatives – checklist			
Other			

*Note*

Where the risk assessment at the assertion level is low for a major transaction cycle you should consider whether this includes an expectation that controls in that area will be operating effectively. Where this is the case SLAuS 330.23 requires that tests on the effectiveness of those controls be performed.

**Planning Conclusion**

I am satisfied that the planned audit will produce sufficient appropriate audit evidence.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

I have reconsidered specific risks and: no changes are needed\*/the following changes have been implemented\* (specify):

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete as appropriate

**TABLE OF INHERENT RISK ASSESSMENT FACTORS**

Test of detail only  
 Assertion level risk (see above)

	L	M	H
L	1.2	1.4	1.6
M	1.4	1.8	2.1
H	1.6	2.1	2.5

Financial statement risk (See C6)



Client:	Prepared by:	Date	Ref: <b>C6.3</b>
Year end:	Reviewed by:	Date	
File no:			

**SPECIFIC RISK ACTION PLAN**

<i>Ref C6.2 C6.4 S4</i>	<i>Specific risk affecting client</i>	<i>H, M or L</i>	<i>Management response</i>	<i>Financial reporting areas and assertions affected</i>	<i>Audit approach &amp; reference to programme</i>	<i>Outcome</i>

1. A risk should only be categorised as high (significant risk) if it is so significant as to require special audit consideration. (SLAuS 315.108)
2. A general risk that relates to all financial areas and assertions such as the possible sale of the business should show 'All' in the financial areas and assertions column.

Client:	Prepared by:	Date:	Ref: <b>C6.4</b>
Year end:	Reviewed by:	Date	
File no:			

## DETAILED RISK ASSESSMENT

*When completing this checklist it is important that an attitude of professional scepticism be maintained throughout, recognising the possibility that a material misstatement due to fraud could exist, notwithstanding our past experience with the entity about the honesty and integrity of management and those charged with governance.*

*Any risks that have an impact at the assertion level and that are assessed as 'medium' or 'high' should normally be carried forward to C6.3. Where this is not the case a full explanation should be given as to how the risk will be managed. Similarly, responses to financial statement level risks should be addressed on C6 to the extent that they are not already addressed on C6.3.*

*A risk should be categorised as high where it is considered so significant (significant risk) as to require special audit consideration. (SLAuS 315.108)*

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
<b>1. General</b>				
1.1	Do we have any concerns as to the integrity of the directors / management?			
1.2	Are there any untrained or inexperienced staff in key accounting roles?			
1.3	Does the entity have a weak control environment?			
1.4	Is the appropriateness of the going concern basis an issue?			
1.5	Would you describe the relationship with the client as either 'abrasive' or 'deteriorating'?			
1.6	Is there any significant external interest in the company's financial statements?			
1.7	Are there any other risk factors that may affect the client at the financial statement level?			
<b>2. Industry Conditions</b>				
2.1	Is there a risk of technological obsolescence of products or services?			
2.2	Is the company in a highly competitive or volatile sector of the economy?			

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
2.3	Is the company's business affected by fashion, demographic trends or public opinion?			
2.4	Is the company affected by cyclical or seasonal factors?			
<b>3. Regulatory Environment</b>				
3.1	Is the client authorised by an external regulator?			
3.2	Does the regulator require any special reports?			
3.3	Are year-end returns or a copy of the accounts required to be filed with a trade association or regulator?			
3.4	Does the client rely on membership of an association or similar body for a substantial part of its business?			
3.5	Does the client operate in a business sector where there is likely to be additional regulations?			
3.6	Are there any issues concerning eligibility for government grants or other aid programmes?			
<b>4. Other External Factors</b>				
4.1	Will the accounts be sent to a third party?			
4.2	Are there any individually material third-party creditors?			
4.3	Is there any expectation that the business (or part of it) may be sold in the near future?			
4.4	Are there any external factors (e.g. a potential listing or bank financing) which could influence expected results?			
<b>5. Business Operations</b>				
5.1	Is the company reliant on only a few customers or suppliers?			
5.2	Is the company heavily reliant on particular products or services?			
5.3	Are there any significant related parties to the business?			
5.4	Are there a large number of business locations and/or a wide geographical spread of its activities?			

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
5.5	Are there any complex situations which might require the use of the work of an expert?			
5.6	Is the company involved in electronic commerce including internet sales?			
5.7	Does the company carry out any research or development activities?			
<b>6. Investments</b>				
6.1	Were there any acquisitions, mergers or disposals of business activities in the period or after the year-end?			
6.2	Does the company have any investments in securities or loans?			
6.3	Does the company have any investments in non-consolidated entities, including partnerships, joint ventures and special-purpose entities?			
<b>7. Financing</b>				
7.1	Does the company have a complex capital structure?			
7.2	Are there any issues arising from the company's debt structure, including covenants, restrictions, guarantees, or off-balance-sheet financing arrangements?			
7.3	Does the company use derivative financial instruments?			
7.4	Are there any risks of material misstatement at the assertion level related to the fair value measurements and disclosures in the financial statements?			
<b>8. Financial Reporting</b>				
8.1	Have generally accepted accounting principles been complied with in the past years?			
8.2	Are the accounting policies for significant matters appropriate to the circumstances of the entity? Consider: * Valuation of fixed assets * Income recognition * Depreciation * Long term contracts			

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
8.3	Could the treatment of any areas in the accounts be disputed by the tax authorities?			
8.4	Are there usually a large number of related party transactions?			
8.5	In terms of related party transactions:			
	a) Is the company a member of a group that does not prepare group accounts?			
	b) Are any payment made to the directors/shareholders other than remuneration or dividends?			
	c) Were there balances due to or from the directors at any time during the year?			
8.6	Is there any indication of risk of misstatement at the assertion level for classes of transactions, account balances or disclosures?			
<b>9. Objectives, Strategies and Related Business Risks</b>				
9.1	Have we reviewed a copy of the company's long term strategy or business plan?			
9.2	Are there any risks arising from the company attempting to achieve the objectives set out in the plan?			
9.3	Is there a risk of failure to meet stock market (or other shareholder) expectations (which management may have encouraged) whether or not the expectations were reasonable?			
9.4	Are the directors' and/ or managements' incomes highly geared to results either directly, through share options, or through other possibilities for large capital gains?			
9.5	Is there pressure to meet targets to ensure protection of the jobs of directors, management or other employees?			
9.6	Is there a desire to understate profits to reduce tax liabilities?			
9.7	Are there legal or regulatory requirements to meet specific financial thresholds or ratios?			

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
9.8	Is there a need to ensure compliance with loan covenants or to pacify bankers?			
9.9	Are future plans for selling the company dependant upon achieving specified results?			
9.10	Are the amounts for provisions set by management at the time of finalising the profit and loss account rather than being determined by others as part of the routine accounting system?			
9.11	Is there a pattern whereby accounting judgements and estimates made when finalizing the accounts are all biased in the direction management desires?			
9.12	Are the final figures for the company subject to significant change as a result of journal adjustments generated at head office?			
9.13	Were there any contracts or transactions undertaken, particularly where this was close to the year end, where the commercial rationale is unclear?			
9.14	Do the accounting policies applied by the company fallen comfortably within IASs or do they push the boundaries of acceptability in some areas?			
9.15	Have the directors brought forward the reporting date without good reason making it difficult to obtain the quantity and quality of audit evidence required?			
9.16	Are the results of the company out of step with industry trends with no discernable explanation available?			
9.17	Is management keen to manipulate profits (e.g. to reduce tax or increase bonuses)?			
<b>10. Measurement and Review of the Entities Financial Performance</b>				
10.1	Have accounting records been reliable in the past?			
10.2	Are meaningful management accounts prepared during the year?			

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
10.3	Has the audit report contained a qualification in either of the last two years?			
10.4	Have there been problems with making adjustments in the past?			
10.5	Is the engagement 'stable' i.e. long standing?			
<b>11. Control environment</b>				
11.1	Is the extent of management knowledge and experience sufficient for operating the business?			
11.2	Do management and administrative controls appear strong?			
11.3	Are good management information systems in existence and used?			
11.4	Is management in a position to override any controls in existence?			
11.5	Do management promote an operating style where competence and integrity are valued?			
<b>12. The Entity's Risk Assessment Process</b>				
12.1	Will the company's risk assessment process be used in identifying relevant risks and the actions taken in response to them?			
<b>13. Information Systems</b>				
13.1	Are the accounting records kept up-to-date?			
13.2	Has there been any change to the accounting system?			
13.3	Are there any particular issues arising from the use of IT that give cause for concern?			
<b>14. Control Activities and Monitoring Controls</b>				
14.1	Are there any indications that control activities such as performance reviews or segregation of duties have broken down or otherwise failed to operate?			
14.2	Is there an effective system of monitoring controls in place?			
14.3	Are there any indications that the			

<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
	monitoring controls have broken down or otherwise failed to operate?			
<b>15. Fraud and Error</b>				
15.1	Have there been any previous experiences or incidents which call into question the integrity or competence of management?			
15.2	Are there any unusual financial or reporting pressures within the business?			
15.3	Are there any significant weaknesses in the design or implementation of internal controls?			
15.4	Is there a history of unusual and/or complex transactions?			
15.5	Is there a history of problems in obtaining sufficient appropriate audit evidence?			
15.6	Are there inadequate controls over data in the information system?			
15.7	Is there a high degree of judgement involved in determining account balances?			
15.8	Are there a large number of assets which may be susceptible to loss or misappropriation?			
15.9	Do the results of analytical procedures undertaken to obtain an understanding of the entity and its environment show unusual or unexpected relationships that may indicate risks of material misstatement due to fraud?			
15.10	Are there usually a large number of transactions not subjected to ordinary processing?			
15.11	Are the accounting staff well trained and capable of performing the tasks allocated to them?			
15.12	Are there any attitude or morale problems in the accounting department?			
15.13	Is there a high level of turnover of accounting staff?			
15.14	Does any other information obtained indicate any risk of material misstatement due to fraud?			



<i>General risk area</i>		<i>Specific risk affecting client</i>	<i>Risk H, M or L or N/A</i>	<i>How will the audit risk be managed?</i>
15.15	Is there a business rational for any transactions that appear out of the ordinary?			

**Conclusion**

*(Identify any major risks and mitigating factors to arrive at an overall assessment of financial statement level risk. Note, assertion level risks that will be addressed on C6.3 should not affect the assessment of risk at the financial statement level.)*

The assessment of risk at the financial statement level is:

**Low\***    **Medium\***    **High\***

\_\_\_\_\_  
Audit engagement partner

\_\_\_\_\_  
Date

\*Delete as appropriate

Client:	Prepared by:	Date:	Ref: <b>C7</b>
Year end:	Reviewed by:	Date	
File no:			

**PRELIMINARY ANALYTICAL PROCEDURES**

*The auditor should apply analytical procedures as risk assessment procedures to obtain an understanding of the company and its environment. (SLAuS 520.8)*

	<i>Y/N</i>	<i>Comments</i>	<i>Ref:</i>
1 Consider comparison of the draft results for the current period with:			
(a) information for prior periods;			
(b) those anticipated in budgets or forecasts;			
(c) other companies of comparable size in the same industry;			
(d) overall industry or sector statistics.			
2 Consider relationships between:			
(a) elements of financial information that would be expected to conform to a predictable pattern based on the company's experience, such as gross margin percentages.			
(b) financial information and relevant non-financial information, such as payroll costs to number of employees.			
3 Consider the reliability of the information used to perform analytical review procedures and whether this will be verified as part of the audit process.			
4 Ensure that any areas of increased risk identified are recorded on <b>C6.3</b> .			

**Conclusion** (identifying any transactions or balances meriting further enquiry or areas of increased risk)

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Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

Client:		Ref: <b>C8</b>
Year end:		
File no:		

**Materiality Summary**

*The determination of what is material is a matter of professional judgement. The percentage benchmarks set out below are intended to provide guidance in exercising that judgement. They should not be used as a formula to 'calculate' materiality.*

**Materiality ranges**

Profit before Tax 5% - 10% (Circumstances of the entity should be taken in to account if Profit before Tax criteria is used for materiality and the given threshold is only guidance)

Turnover/Total Assets/Net Assets 1% - 3%

**Conclusion**

Based on the final results, I am satisfied that the above figure represents an appropriate final audit materiality.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Client:		Ref: <b>D</b>
Year end:		
File no:		

**D ANALYTICAL PROCEDURES**

1 Lead schedule

2 Audit programme

3

Client:	Ref: <b>D</b>
Year end:	
File no:	

**SUMMARY SHEET– ANALYTICAL PROCEDURES**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To provide additional assurances on the completeness, accuracy and validity of the information contained in the accounting records and accounts.	2, 3, 4, 5, 6		Yes/No		
2	To provide assurance on the validity of any preliminary analytical review procedures carried out at the planning stage.	4		Yes/No		
3	To assist in carrying out final analytical review procedures.	7		Yes/No		
4	To seek to reduce the extent of tests of detail, if the results of our analytical review are consistent with expectations /explanations.	8		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the analytical procedures carried out I confirm that \*(subject to the matters described below and highlighted on **B5** or **B8**) in my opinion such procedures provide additional appropriate audit evidence as to the completeness, accuracy and validity of information in the accounts.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Client:	Completed by:	Date:	Ref: <b>D2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - ANALYTICAL PROCEDURES**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Carry out extensive analytical review procedures if: (a) efficient in audit time; (b) this may, where appropriate, reduce the extent of detailed testing; (c) necessary to provide additional audit evidence, where the audit trail is otherwise incomplete.					
2 Identify, using the working paper attached, for which of the business cycles (and which objectives/assertions) extensive analytical review can be utilised to reduce or eliminate additional audit tests in the areas: - sales - purchases - wages and salaries - other overheads					
3 Compare current year's figures, at intervals consistent with availability of management information, against estimates derived from a sample of the following: (a) previous year's figures; (b) budgeted figures (if available); (c) industry and other external statistics; (d) non financial information (specify); (e) any other relevant information (specify).					
4 Compare results of extensive analytical review with those of preliminary analytical review.					
5 Investigate normal and abnormal fluctuations, and record explanations.					
6 Record details of the evidence obtained to substantiate and corroborate the explanations received.					
7 Note points on <b>B9</b> where relevant to final analytical review procedures.					
<b>Conclusion</b>					
8 Determine whether or not the results					

- of the analytical procedures are such as to justify reducing the nature or extent of detailed testing, in each of the business cycles.
- 9 Tailor the audit programmes accordingly, and cross-reference to relevant sample selection planning schedules.
- 10 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Ref: <b>E</b>
Year end:	
File no:	

**EA INTANGIBLE ASSETS**

- 1 Lead schedule
- 2 Audit programme
- 3
- 4
- 5

**EB BUSINESS COMBINATIONS**

- 1 Lead schedule
- 2 Audit programme
- 3
- 4
- 5



Client:	Ref: <b>EA</b>
Year end:	
File no:	

**SUMMARY SHEET– INTANGIBLE ASSETS**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that all intangible assets exist and the register/listing is complete.	10,11		Yes/No		
2	To ensure that intangible assets have been valued properly.	12, 13, 14, 15, 16, 17, 18, 19, 23		Yes/No		
3	To ensure amortisation and impairment are adequate if applicable.	20, 21, 22		Yes/No		
4	To confirm that all necessary disclosures concerning intangible fixed assets have been made and that the information is appropriately presented and described.	24, 25		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* intangible assets are fairly stated/ \*not fairly stated as described below:

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Client:	Completed by:	Date:	Ref: <b>EA2</b>
Year end:	Reviewed by:	Date:	
File no:			

## AUDIT PROGRAMME – INTANGIBLE ASSETS

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1					
2					
3					
4					
5					
6					
7					
8					
9					
<b>Existence</b>					
10					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(b) examining evidence of expenditure incurred e.g. purchase details for intangible asset separately acquired, acquired in a business combination, internally generated, etc.					
<b>Completeness</b>					
11 Ensure the completeness of intangible assets by : (a) assessing whether there was any expenditure that should have been capitalised as intangible assets but expensed in the income statement. (b) reviewing board minutes (Ref. Section O). (c) performing search for unrecorded liabilities (Ref. Section T).					
<b>Cost/valuation</b>					
12 Ensure intangible assets are properly classified under: (a) Intangible assets with finite useful lives. (b) Intangible assets with indefinite useful lives. (Refer to IAS 38.88 - 96)					
13 Ensure sufficient and appropriate reasons are obtained to support indefinite useful life assessments.					
14 Ensure the entity has accounted for its intangible assets by adopting the cost model or the revaluation model (IAS 38.72 - 84).					
15 Vouch additions to supporting documentation. Ensure that: (a) cost has been correctly recorded; (b) they have been added to the intangible asset register/listing; (c) they have been appropriately capitalized in the current financial year/period; (d) they have been properly authorised.					
16 Has the cost been correctly determined as follows: (a) For assets separately acquired: purchase price plus any directly attributable costs					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>under IAS 38.24 - 32, 44.</p> <p>(b) For assets acquired as part of a business combination: fair value at the acquisition date under IAS 38.33 - 41.</p> <p>(c) For assets exchanged: value under IAS 38.45 - 47.</p> <p>(d) For assets internally generated: expenditure incurred and any directly attributable costs. (Refer to IAS 38.51 - 67 for guidance).</p>					
17 Ensure that expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date. (IAS 38.71).					
18 Vouch disposals to supporting documentation. Ensure that: <p>(a) any sales proceeds have been correctly accounted for;</p> <p>(b) any profit or loss on disposal has been correctly calculated;</p> <p>(c) they have been removed from the intangible asset register/listing;</p> <p>(d) they should be derecognised in the current financial year/period;</p> <p>(e) they have been properly authorised.</p>					
19 Where the revaluation model is being applied for a class of assets ensure that: <p>(a) the policy is applied consistently to all assets in that class (IAS 38.72)</p> <p>(b) revaluation increases and decreases are properly recorded (IAS 38.85)</p> <p>(c) where a revalued asset was disposed of, any revaluation surplus was transferred to equity and not recycled through the income statement. (IAS 38.87)</p>					
<b>Amortisation</b>					
20 For intangible assets with finite useful lives: <p>(a) Compare bases and rates of</p>					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>amortization with accounting policy note and ensure consistency.</p> <p>(b) Review the methods applied and consider whether they are appropriate to the pattern of future economic benefits embodied in the assets.</p> <p>(c) Confirm that all assets are being amortised in accordance with the company's accounting policy.</p> <p>(d) Test check calculations or check reasonableness of amortisation charge for the year/period.</p> <p>(e) Ensure that no assets have been amortised by more than the lower of cost or residual value.</p>					
<p>21 For intangible assets with indefinite useful lives:</p> <p>(a) Reviewed each year/period to determine whether events and circumstances continue to support an indefinite useful life assessment for such asset.</p> <p>(b) If not, amortisation shall be tested in step 17.</p>					
<p><b>Impairment</b></p> <p>22 Consider whether there are any indicators of impairment, which might adversely affect the value of the assets, and ensure that these have been dealt with in accordance with applicable accounting standards (Refer to IAS 36). In addition, intangible assets with indefinite useful lives and intangible asset not yet available for use must be assessed for impairment annually. (IAS 36.10)</p> <p>(a) If the recoverable amount of an asset (i.e. the higher of an asset's fair value less cost to sell and its value in use) is less than the carrying amount, ensure an impairment loss has been recognised immediately in profit or loss, unless the asset is carried at revalued amount;</p> <p>(b) Where an increase in carrying value is attributable to a</p>					

reversal of previous impairment loss; confirm that the carrying value (net of amortisation) does not exceed the value at which the asset would have been stated had no previous impairment loss been recognised.

**Foreign Currencies**

23 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.

**Presentation and disclosure**

24 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.

25 Ensure that there is evidence on the file to support the disclosures made.

**Bespoke tests**

26 Perform any necessary additional tests such as those required by **C6.3** and cross reference with the objectives on the summary sheet.

**Conclusion**

27 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Ref: <b>F</b>
Year end:	
File no:	

**FA PROPERTY, PLANT, EQUIPMENT AND LEASED ASSETS**

- 1 Lead schedule
- 2 Audit programme
- 3 Additions and disposals
- 4 Depreciation basis/calculation
- 5 Grants received/receivable
- 6
- 7
- 8

**FB INVESTMENT PROPERTY**

- 1 Lead schedule
- 2 Audit programme
- 3 Additions and disposals
- 4
- 5
- 6

Client:	Ref: <b>FA</b>
Year end:	
File no:	

**SUMMARY SHEET– PROPERTY, PLANT, EQUIPMENT AND LEASED ASSETS**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To establish that property, plant & equipment and leased assets exist and its register/ listing is complete.	10,11		Yes/No		
2	To establish that property, plant & equipment and leased assets are beneficially owned.	12		Yes/No		
3	To verify that all property, plant & equipment and leased assets are recorded at cost or valuation and that the basis is acceptable.	13, 14, 15, 16, 17, 18, 19, 20, 23		Yes/No		
4	To confirm that impairment and depreciation are adequately provided for the property, plant, equipment and leased assets.	21, 22		Yes/No		
5	To confirm that all necessary disclosures concerning fixed assets have been made and that the information is appropriately presented and described.	24, 25, 26, 27		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.



- in my opinion (subject to matters highlighted on **B5** or **B8**)\* property, plant, equipment and leased assets are fairly stated/ \*not fairly stated as described below

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\*Delete as appropriate

Client:	Completed by:	Date:	Ref: <b>FA2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - PROPERTY, PLANT, EQUIPMENT AND LEASED ASSETS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. ( <b>Ref: PAF04</b> )					
9 Review capitalisation policy which is in accordance with the definition of relevant accounting standards (such as IAS 16.6 and IAS 17.4) and satisfy recognition criteria (IAS 16.7-10) and lease classification (IAS 17.7-14) where applicable.					
<b>Existence/Completeness</b>					
10 Carry out physical inspection of assets including both current year additions					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>and assets purchased in previous years.</p> <p>(a) Test for existence by selecting items from the asset register and checking back to the physical assets.</p> <p>(b) Test for completeness by selecting physical assets and checking the quantity counted with the asset register.</p> <p>(c) Where physical verification has not been undertaken, detail the steps carried out to establish that all assets exist.</p>					
<p>11 Ensure the completeness of PPE and leased assets by :</p> <p>(a) examining board minutes (Ref. Section O)</p> <p>(b) identifying unrecorded liabilities (Ref. Section T)</p>					
<p><b>Ownership</b></p> <p>12 (a) Confirm or inspect title deeds to all properties.</p> <p>(b) Perform land search for properties situated both locally or overseas.</p> <p>(c) Inspect lease agreement or obtain direct confirmation from bank or other custodian of PPE.</p> <p>(d) Inspect the motor vehicle registration documents for motor vehicles owned by the Company.</p> <p>(e) if an asset is acquired under a finance lease, ensure that substantially all the risks and rewards of that asset are incidental to its ownership.</p>					
<p><b>Cost and valuation</b></p> <p>13 Ensure the entity has accounted for its PPE by adopting the cost model (IAS 16.30) or the revaluation model (IAS 16.30).</p>					
<p>14 Vouch additions to supporting documentation. Ensure that:</p> <p>(a) the cost is correctly recorded;</p> <p>(b) they have been properly authorised;</p> <p>(c) they are correctly classified;</p> <p>(d) they are of a capital, not revenue nature;</p> <p>(e) the value has been correctly</p>					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>computed where they represent the capitalisation of items made internally;</p> <p>(f) assets acquired were delivered prior to the balance sheet date;</p> <p>(g) assets acquired under finance leases are treated correctly in accordance with provision of IAS 17.</p>					
15 Ensure cost has been correctly determined under IAS 16.16-22 & IAS 17.38.					
<p>16 For leases concerning land and buildings consider whether:</p> <p>(a) it is necessary to measure the land and buildings elements separately in accordance with the requirements of IAS 17.15;</p> <p>(b) any of the exceptions from the need to follow this treatment as set out in IAS 17.16 - 18 apply.</p> <p>(c) proper distinction has been drawn as follows:</p> <ul style="list-style-type: none"> <li>• land in Sri Lanka and held on long, medium-term and long leases</li> <li>• land outside Sri Lanka, freehold and held on long, medium-term and long leases</li> </ul>					
<p>17 Vouch disposals to available evidence. Ensure that:</p> <p>(a) sales proceeds have been correctly accounted for;</p> <p>(b) profit /loss on disposal has been correctly calculated;</p> <p>(c) They have been properly authorised;</p> <p>(d) they have been removed from the fixed asset register/listing.</p>					
18 Where there is a policy of revaluation for a class of assets is that policy applied consistently to all assets in that class?					
<p>19 Where property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary asset, ensure that the cost of property, plant and equipment is measured at fair value unless:</p> <p>(a) the exchange transaction lacks</p>					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>commercial substance; or</p> <p>(b) the fair value of neither the asset received nor the asset given up is reliably measurable.</p> <p>(c) If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.</p>					
<p>20 Where the valuation model is being applied confirm that:</p> <p>(a) supporting documentations exists for the valuations such as an appraisal report or an estimate of fair value using an income or depreciated replacement cost approach;</p> <p>(b) any revaluation increase is credited to equity;</p> <p>(c) any revaluation decrease is debited first against any previous revaluation surplus and secondly to in the income statement.</p> <p>(d) where a revalued asset was disposed of; any revaluation surplus was transferred to equity and not recycled through the income statement.</p>					
<p><b>Impairment</b></p> <p>21 Consider whether there are any indicators of impairment, which might adversely affect the value of the assets, and ensure that these have been dealt with in accordance with applicable accounting standards (such as IAS 36).</p> <p>(a) Where any such indication exists, enquire if the entity has estimated the recoverable amount of assets (i.e. the higher of an asset's fair value less cost to sell and its value in use).</p> <p>(b) Where an increase in carrying value is attributable to a reversal of previous impairment loss; confirm that the carrying value (net of depreciation and amortisation) does not exceed the value at which the asset would have been stated had no previous impairment loss been recognised.</p>					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>Depreciation</b>					
22 In respect of the charge to depreciation:					
(a) Compare bases and rates of depreciation with accounting policy note and ensure consistency.					
(b) Have rates been considered for each significant part of PPE based on different useful life, rate of consumption and separability etc.					
(c) Review the methods applied and consider whether they are appropriate to the pattern of consumption of the assets.					
(d) Confirm that all assets are being depreciated in accordance with the company's accounting policy.					
(e) Test check calculations or check reasonableness of depreciation charge for the year/period.					
(f) Ensure that no assets have been depreciated by more than the lower of cost or residual value.					
(g) Where leasehold land is treated as a finance lease because lease payments cannot be allocated reliably between land and buildings: ensure that it is amortised / depreciated over its useful life or a lease term.					
<b>Foreign Currencies</b>					
23 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					
<b>Presentation and disclosure</b>					
24 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
25 Ensure that there is sufficient appropriate evidence on the file to support the disclosures made such as property valuations, the book value of leased assets and assets pledged as security for liabilities.					
26 Ensure that where assets have been revalued during the year:					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(a) the revaluation is accounted for correctly through the income statement or statement of changes in equity as appropriate; and (b) any necessary historical cost information is available for disclosure purposes.					
27 Accumulate information regarding long-term lease commitments including finance leases (as lessees) and operating leases (as lessors), such as lease term, monthly rental, expiry date, outstanding principal balances and finance charges etc. for disclosure requirements under IAS 17.20, 17.27, 17.31, 17.56.					
<b>Bespoke tests</b>					
28 Perform any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.					
<b>Conclusion</b>					
29 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on <b>A5</b> or <b>A6</b> as appropriate.					





*Tables of maximum sample sizes*

		<i>Specific risk</i>		
		L	M	H
General risk	L	20	25	30
	M	25	30	35
	H	30	35	40

Table 1 – for tests of detail only

		<i>Specific risk</i>		
		L	M	H
General risk	L	13	17	20
	M	17	20	23
	H	20	23	26

Table 2 – for tests of detail and (analytical review\* or tests of control\*)

		<i>Specific risk</i>		
		L	M	H
General risk	L	10	13	15
	M	13	15	18
	H	15	18	20

Table 3 – for tests of detail and analytical review and tests of control

Client:	<b>Ref: FB</b>
Year end:	
File no:	

**SUMMARY SHEET– INVESTMENT PROPERTY**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b><i>Audit objectives</i></b>						
1	To establish that investment properties exist and the register/ listing is complete.	10, 11, 12		Yes/No		
2	To establish that investment property are beneficially owned.	13		Yes/No		
3	To verify that all investment properties are recorded at cost or valuation and that the basis is acceptable.	14, 15, 16, 17, 18, 19, 22		Yes/No		
4	To confirm that impairment and depreciation is adequately provided for properties where applicable.	20, 21		Yes/No		
5	To confirm that all necessary disclosures concerning investment property have been made and that the information is appropriately presented and described.	23, 24		Yes/No		

***Planning conclusion***

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* investment property are fairly stated/  
\*not  
fairly stated as described below.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>FB2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – INVESTMENT PROPERTY**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on B5 or B8. Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. (Ref: PAF04)					
9 Review capitalisation policy which is in accordance with the definition (IAS 40.6-7) and satisfy recognition criteria (IAS 40.16).					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>Existence/Completeness</b>					
10					
11					
12					
<b>Ownership</b>					
13					
<b>Cost and Valuation</b>					
14					
15					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(f) assets acquired were delivered prior to the balance sheet date;					
16 Ensure cost been correctly determined under IAS 40.20-29.					
17 Ensure the transfers to and from investment property have been properly accounted for under applicable accounting standards such as IAS 16, IAS 2, etc.					
18 Vouch disposals to available evidence. Ensure that:					
(a) sales proceeds have been correctly accounted for;					
(b) profit /loss on disposal has been correctly calculated;					
(c) they have been properly authorised;					
(d) they have been removed from the asset register/listing.					
19 Where the fair value model is being applied confirm that:					
(a) the entity measures all of investment property at fair value;					
(b) supporting documentation exists for the valuation such as an appraisal report or an estimate of fair value using an income or depreciated replacement cost approach;					
(c) any gain or loss arising from a change in fair value of investment property is recognised in profit & loss in the period in which it arises.					
<b><i>Impairment (Cost model)</i></b>					
20 Consider whether there are any indicators of impairment, which might adversely affect the value of the assets, and ensure that these have been dealt with in accordance with applicable accounting standards (such as IAS 36).					
(a) Where any such indication exists, enquire if the entity has estimated					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>the recoverable amount of assets (i.e. the higher of an asset's fair value less cost to sell and its value in use).</p> <p>(b) Where an increase in carrying value is attributable to the reversal of a previous impairment loss; confirm that the carrying value (net of depreciation and amortisation) does not exceed the value at which the asset would have been stated had no previous impairment loss been recognised.</p>					
<p><b>Depreciation (Cost model)</b></p> <p>21 In respect of the charge to depreciation (refer to IAS 16):</p> <p>(a) Compare bases and rates of depreciation with accounting policy note and ensure consistency.</p> <p>(b) Have rates been considered for each significant part of asset based on different useful life, rate of consumption and separability etc.</p> <p>(c) Review the methods applied and consider whether they are appropriate to the pattern of consumption of the assets.</p> <p>(d) Confirm that all assets are being depreciated in accordance with the company's accounting policy.</p> <p>(e) Test check calculations or check reasonableness of depreciation charge for the year/period.</p> <p>(f) Ensure that no assets have been depreciated by more than the lower of cost or residual value.</p>					
<p><b>Foreign Currencies</b></p> <p>22 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.</p>					

***Presentation and disclosure***

23 Confirm that a disclosure checklist will be completed for this year. Where that is not the case, explain how the objectives relating to disclosure will be achieved.

24 Ensure that there is sufficient appropriate evidence on the file to support the disclosures made.

***Bespoke tests***

25 Perform any necessary additional tests such as those required by **C6.3** and cross reference with the objectives on the summary sheet.

***Conclusion***

26 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date



Client:	Ref:
Year end:	
File no:	

**SAMPLE SELECTION PLANNING – BALANCE SHEET**

*Objective : To record the sources from which audit assurance has been obtained, and to assist in calculating sample sizes for tests of detail.*

<b>Audit area: Property, plant, equipment and leased assets</b>																																				
Approximate number of items in year/at year-end																																				
Sampling risk factor																																				
Test of detail only = Inherent risk factor (table figure)																																				
OR																																				
Test of detail and (analytical review*† or compliance*†) = Inherent risk factor (table figure) x 2/3																																				
OR																																				
Test of detail and analytical review† and compliance† = Inherent risk factor (table figure) x 1/2																																				
<p>Tolerable error = <math>\frac{\text{Materiality}}{\text{Inherent risk factor (table figure)}}</math> =</p> <table> <tr> <td>Monetary value of population</td> <td>( 100%)</td> <td>SLR</td> <td></td> </tr> <tr> <td>Value of items above the tolerable error</td> <td>( %)</td> <td>SLR</td> <td>( )</td> </tr> <tr> <td>Value of scheduled other “key” items</td> <td>( %)</td> <td>SLR</td> <td>( )</td> </tr> <tr> <td>Value of residual population</td> <td>( %)</td> <td>SLR</td> <td><u>          </u></td> </tr> </table>		Monetary value of population	( 100%)	SLR		Value of items above the tolerable error	( %)	SLR	( )	Value of scheduled other “key” items	( %)	SLR	( )	Value of residual population	( %)	SLR	<u>          </u>																			
Monetary value of population	( 100%)	SLR																																		
Value of items above the tolerable error	( %)	SLR	( )																																	
Value of scheduled other “key” items	( %)	SLR	( )																																	
Value of residual population	( %)	SLR	<u>          </u>																																	
<p>Sample size =</p> <table> <tr> <td>Residual population</td> <td>x</td> <td>Sampling risk factor</td> <td>SLR <u>          </u></td> <td>x</td> <td>=</td> <td>(See maximum below)</td> </tr> <tr> <td>Materiality</td> <td></td> <td></td> <td>SLR</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Plus: Number of items above the tolerable error</td> <td></td> <td></td> <td></td> <td></td> <td>=</td> <td></td> </tr> <tr> <td>Number of other “key” items</td> <td></td> <td></td> <td></td> <td></td> <td>=</td> <td><u>          </u></td> </tr> <tr> <td>Actual sample size</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td><u>          </u></td> </tr> </table>		Residual population	x	Sampling risk factor	SLR <u>          </u>	x	=	(See maximum below)	Materiality			SLR				Plus: Number of items above the tolerable error					=		Number of other “key” items					=	<u>          </u>	Actual sample size						<u>          </u>
Residual population	x	Sampling risk factor	SLR <u>          </u>	x	=	(See maximum below)																														
Materiality			SLR																																	
Plus: Number of items above the tolerable error					=																															
Number of other “key” items					=	<u>          </u>																														
Actual sample size						<u>          </u>																														
<b>Conclusion</b>																																				
I am satisfied that the actual sample size will fairly test the population.																																				
Prepared by _____	Date _____																																			
Reviewed by _____	Date _____																																			

\* Delete as appropriate.  
† Refer to working papers in D section and C7-1.

**Tables of maximum sample sizes**

		<i>Specific risk</i>		
		L	M	H
General risk	L	20	25	30
	M	25	30	35
	H	30	35	40

Table 1 – for tests of detail only

		<i>Specific risk</i>		
		L	M	H
General risk	L	13	17	20
	M	17	20	23
	H	20	23	26

Table 2 – for tests of detail and (analytical review\* or tests of control\*)

		<i>Specific risk</i>		
		L	M	H
General risk	L	10	13	15
	M	13	15	18
	H	15	18	20

Table 3 – for tests of detail and analytical review and tests of control

Client:	Ref: <b>G</b>
Year end:	
File no:	

**G INVESTMENTS IN GROUP COMPANIES AND ASSOCIATED UNDERTAKINGS (INCLUDING ASSOCIATES AND JOINT VENTURES)**

- |   |                              |  |
|---|------------------------------|--|
| 1 | Lead schedule                |  |
| 2 | Audit programme              |  |
| 3 | Current/loan accounts        |  |
| 4 | Copy of financial statements |  |
| 5 |                              |  |
| 6 |                              |  |

Client:	Ref: <b>G</b>
Year end:	
File no:	

**SUMMARY SHEET – INVESTMENTS IN GROUP COMPANIES AND ASSOCIATED UNDERTAKINGS (INCLUDING ASSOCIATES AND JOINT VENTURES)**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that the company has good title to all investments in group companies and associated undertakings.	9		Yes/No		
2	To ensure that investments in group and associated undertakings are valued correctly, with provision being made for any permanent diminution in value.	10, 11, 12		Yes/No		
3	To ensure that inter-company balances are correctly recorded and adequate allowance for impairment and or uncollectibility has been made for any irrecoverable balances.	12		Yes/No		
4	To ensure that investments in group companies and associated undertakings are accounted for correctly.	14, 15, 16		Yes/No		
5	To confirm that all necessary disclosures concerning investments in group companies and associated undertakings have been made and that the information is appropriately presented and described.	17, 18		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* investments in group companies and associated undertakings are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>G2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – INVESTMENTS IN GROUP COMPANIES AND ASSOCIATED UNDERTAKINGS (INCLUDING ASSOCIATES AND JOINT VENTURES)**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. (Ref: <b>PAF04</b> )					
<b>Ownership/existence</b>					
9 Inspect share certificates, or obtain confirmation of ownership from third party.					
<b>Cost/valuation</b>					
10 Vouch all current period/ year additions to supporting documentation.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
11 (a) Obtain a copy of the latest management/audited accounts and assess the value of the investment in their light.					
(b) Obtain the market value at the reporting date where the investee companies are listed.					
12 Where an investment in a subsidiary is held for resale have the provisions of IFRS 5 been applied?					
<b>Inter-company balances</b>					
13 (a) Ensure that all inter-company balances agree to the respective accounts of those companies at the year end.					
(b) Obtain confirmation where there any group companies or associated undertakings are not audited by the Firm.					
(c) Consider the recoverability of amounts owed by group companies and associated undertakings at the reporting date, and assess if adequate allowance for impairment and/ or uncollectibility has been made.					
<b>Accounting treatment</b>					
14 Review the accounting treatment of all subsidiaries, associates and joint ventures and ensure that this is in accordance with IASs 27, 28, 31, 39 and IFRS 5.					
<b>Foreign currencies</b>					
15 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					
16 Confirm that all monetary assets/ liabilities have been translated at the closing rate.					
<b>Presentation and disclosure</b>					
17 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
18 Ensure that there is sufficient appropriate evidence on the file to support the disclosures made in respect of investments in group companies and associated undertakings.					

***Bespoke tests***

- 19 Perform any necessary additional tests such as those required by **C6.3** and cross reference with the objectives on the summary sheet.

***Conclusion***

- 20 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date



Client:	Ref: <b>H</b>
Year end:	
File no:	

**H OTHER INVESTMENTS**

- |   |                            |                      |
|---|----------------------------|----------------------|
| 1 | Lead schedule              | <input type="text"/> |
| 2 | Audit programme            | <input type="text"/> |
| 3 | Valuation and verification | <input type="text"/> |
| 4 |                            | <input type="text"/> |
| 5 |                            | <input type="text"/> |

Client:	Ref: <b>HA</b>
Year end:	
File no:	

**SUMMARY SHEET – OTHER INVESTMENTS**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that the company has good title to all investments.	8, 9		Yes/No		
2	To ensure that investments are valued correctly, with provision being made for any permanent diminution in value.	10, 11, 12, 13, 14		Yes/No		
3	To ensure that all income from investments has been accounted for.	15		Yes/No		
4	To ensure that investments and other instruments are properly classified as either fixed or current assets and treatment is consistent.	16		Yes/No		
5	To confirm that all necessary disclosures concerning investments have been made and that the information is appropriately presented and described.	17, 18		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* other investments are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>HA2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - OTHER INVESTMENTS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
<b>Ownership</b>					
8 Inspect documents of title such as share certificates. Ensure that: (a) details are correctly recorded including name, number of shares, type of shares (or equivalent information if not share based);					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(b) the instrument is in the company name;					
(c) where the company is not the registered owner such as where employees of the company hold a nominee interest confirm: - the company has a signed declaration from the said person stating that he/she does not beneficially own the interest; - a blank signed share transfer form or equivalent exists;					
(d) all documents of title are held in a secure place;					
(e) examine stamped bought and sold notes, stamped instruments of transfer or other data supporting transactions such as brokers advices;					
9 Consider obtaining written confirmation where documents of title are held by a third party.					
<b>Cost/valuation</b>					
10 Vouch additions to supporting documentation. Ensure that the: (a) cost; (b) company name; and (c) number of shares have been correctly accounted for.					
11 Vouch disposals to supporting documentation: Ensure that: (a) sales proceeds have been correctly accounted for; (b) profit/loss on disposal has been correctly computed; (c) transactions have been properly authorised.					
12 For listed investments: (a) check the market values; (b) consider whether any provision for diminution in value is necessary.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
13 For unlisted investments: (a) obtain a copy of the latest accounts or other means of considering valuation; (b) consider whether any provision for diminution in value is necessary.					
14 Check that we have sufficient evidence regarding the valuation of any long term investments.					
<b>Income</b>					
15 Refer to the available evidence (e.g., dividend slips) and check that income and approved income have been correctly accounted for ( <i>NB dates of disposal and acquisition</i> ).					
<b>Presentation and disclosure</b>					
16 Consider the nature of investments held and whether they have been correctly classified and their treatment consistent.					
17 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
18 Check that we have sufficient evidence regarding the disclosure of any complex financial instruments					
<b>Bespoke tests</b>					
19 Draft any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.					
<b>Conclusion</b>					
20 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on <b>A5</b> or <b>A6</b> as appropriate.					

Client:	Ref: <b>I</b>
Year end:	
File no:	

**IA INVENTORIES**

- |   |   |                      |
|---|---|----------------------|
| 1 | Lead schedule   | <input type="text"/> |
| 2 | Audit programme - inventories                                       | <input type="text"/> |
| 3 | Inventories held by third parties                                   | <input type="text"/> |
| 4 | Audit programme – physical inventory counting and attendance report | <input type="text"/> |
| 5 |   | <input type="text"/> |
| 6 |   | <input type="text"/> |
| 7 |   | <input type="text"/> |

**IB CONSTRUCTION CONTRACTS**

- |   |  |                      |
|---|--|----------------------|
| 1 | Lead schedule                            | <input type="text"/> |
| 2 | Audit programme – construction contracts | <input type="text"/> |
| 3 |  | <input type="text"/> |
| 4 |  | <input type="text"/> |
| 5 |  | <input type="text"/> |

Client:	Ref: <b>IA</b>
Year end:	
File no:	

**SUMMARY SHEET – INVENTORIES**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that the company has good title to inventories.	8, 9, 10		Yes/No		
2	To ensure that all inventories exist.	11, 12, 13		Yes/No		
3	To ensure that inventories have been valued correctly, consistently and in accordance with applicable legislation and accounting standards.	14, 15, 22		Yes/No		
4	To ensure that full provision has been made for all damaged, obsolete or slow moving inventories.	16, 17, 18, 19, 20		Yes/No		
5	To ensure that cut-off has been strictly applied.	21		Yes/No		
6	To confirm that all necessary disclosures concerning inventories have been made and that the information is appropriately presented and described.	23, 24		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_



**conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* inventories are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>IA2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - INVENTORIES**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
<b>Ownership</b>					
8 Enquire if any of the inventories are held on behalf of third parties and ensure that such items are excluded from the accounts. Where material, obtain confirmation from the third party.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
9					
Where inventories are held by third parties on behalf of the company:					
(a) obtain certificates where amounts are material; and					
(b) consider matters as required by SLAuS 501.18					
10					
Consider whether any inventories held on consignment have been accounted for.					
<b>Existence</b>					
11					
Complete the physical inventory counting programme, <b>14</b> . Trace all items selected at the count to the final inventory listings, and, where appropriate, internal inventory records. Obtain explanations for any differences.					
12					
Select a sample of items from the final inventory listings and trace to the copies of the rough inventory listings taken during the physical inventory counting.					
13					
Where there are material inventories that have not been physically verified at the year-end physical inventory counting:					
(a) take or observe some physical counts on an alternative date and, where necessary, perform audit procedures on intervening transactions.					
(b) specify below any other audit work required to verify existence.					
<b>Valuation</b>					
14					
Test the additions and extensions of the final inventory listings.					
15					
Ascertain the method used for valuing inventories and consider whether:					
(a) It has been correctly applied.					
(b) It is an acceptable basis of valuation under applicable legislation and accounting standards.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(c) It is consistent with previous years and with the company's accounting policy.					
<b>Provisions</b>					
16 Obtain details of the basis for making provisions and determine if it is both adequate and consistent.					
17 Where the client determines the provision on the basis of a formula consider whether:					
(a) it is appropriate for the nature of business;					
(b) it is consistent;					
(c) it has been accurately applied;					
(d) where the formula relies on the age of the inventories, check to ensure that the ageing is accurate.					
18 Review the inventory listings and ensure that any items identified as damaged, slow moving or obsolete have been correctly written down.					
19 Review all inventories and consider whether any further provision is necessary:					
(a) whether production levels are falling;					
(b) whether inventory levels are high in comparison to orders received and anticipated demand;					
(c) any fluctuations in cost or selling price;					
(d) any likely change in technology or market demands.					
20 Select a sample of inventories and compare costs to the selling price less expenditure necessary for realisation.					
(a) Lines need to be examined individually. Losses on one line cannot be set off against profits on another.					
(b) Where a provision is made on a finished product consider whether any provision should be					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
made against unfinished units and materials used in the process.					
<i>NB Expenditure necessary for realizing inventories should include a proportion of marketing, selling and distribution expenses as well as an allowance for scrap and reworking costs.</i>					
<b><i>Cut-off</i></b>					
21 Review the results of the tests on cut-off carried out on trade receivables and payables (see Section R) and ensure they provide adequate assurance as to the accuracy of the year end cut-off.					
<b><i>Foreign currencies</i></b>					
22 Ensure that the entity accounted for foreign currency transactions in accordance with IAS 21.					
<b><i>Presentation and disclosure</i></b>					
23 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
24 Ensure that there is sufficient appropriate evidence on the file to support the disclosures made such as replacement value or payments on account.					
<b><i>Bespoke tests</i></b>					
25 Perform any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.					
<b><i>Conclusion</i></b>					
26 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on <b>A5</b> or <b>A6</b> as appropriate.					

Client:	Ref:
Year end:	
File no:	

**SAMPLE SELECTION PLANNING – BALANCE SHEET**

*Objective : To record the sources from which audit assurance has been obtained, and to assist in calculating sample sizes for tests of detail.*

<b>Audit area: Inventories</b>			
Approximate number of items in year/at year-end			
Sampling risk factor			
Test of detail only = Inherent risk factor (table figure)			
OR			
Test of detail and (analytical review*† or compliance*†) = Inherent risk factor (table figure) x 2/3			
OR			
Test of detail and analytical review† and compliance† = Inherent risk factor (table figure) x 1/2			
Tolerable error = $\frac{\text{Materiality}}{\text{Inherent risk factor (table figure)}}$ =			
Monetary value of population	( 100%)	SLR	
Value of items above the tolerable error	( %)	SLR ( )	
Value of scheduled other “key” items	( %)	SLR ( )	
Value of residual population	( %)	SLR	<u><u>          </u></u>
Sample size =			
Residual population	x	Sampling risk factor	SLR <u>          </u> x = (See maximum below)
Materiality		SLR	
Plus: Number of items above the tolerable error =			
Number of other “key” items =			
Actual sample size <u><u>          </u></u>			
<b>Conclusion</b>			
I am satisfied that the actual sample size will fairly test the population.			
Prepared by	_____	Date	_____
Reviewed by	_____	Date	_____

\* Delete as appropriate.  
† Refer to working papers in D section and C7-1.

**Tables of maximum sample sizes**

		<i>Specific risk</i>		
		L	M	H
General risk	L	20	25	30
	M	25	30	35
	H	30	35	40

Table 1 – for tests of detail only

		<i>Specific risk</i>		
		L	M	H
General risk	L	13	17	20
	M	17	20	23
	H	20	23	26

Table 2 – for tests of detail and (analytical review\* or tests of control\*)

		<i>Specific risk</i>		
		L	M	H
General risk	L	10	13	15
	M	13	15	18
	H	15	18	20

Table 3 – for tests of detail and analytical review and tests of control

Client:	Completed by:	Date:	Ref: <b>I4</b>
Year end:	Reviewed by:	Date:	
File no:			

## AUDIT PROGRAMME - PHYSICAL INVENTORY COUNTING

**Nature of test:**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p><b>General</b></p> <p>1 Record the following details for each location visited:</p> <ul style="list-style-type: none"> <li>(a) location(s) being counted;</li> <li>(b) date(s) of count and attendance;</li> <li>(c) types of inventories held at location;</li> <li>(d) approximate value of inventories by category at location;</li> <li>(e) details of any inventories at locations not covered by the count and any alternative method used to verify their existence;</li> <li>(f) brief description of the procedures adopted;</li> <li>(g) names of client staff counting;</li> <li>(h) names of audit staff taking part.</li> </ul>					
<p>2 Ascertain and note whether:</p> <ul style="list-style-type: none"> <li>(a) the teams were properly briefed prior to commencing the count;</li> <li>(b) the teams only include people who are not responsible for the storing and recording of inventories;</li> <li>(c) inventories were counted by teams of two (one counting and one checking and recording);</li> <li>(d) the teams were asked to identify damaged, slow moving or obsolete inventories;</li> <li>(e) the teams were made aware of any inventories held on behalf of third parties and these were excluded from the count.</li> </ul>					
<p><b>Inventory Counting</b></p> <p>3 Determine whether:</p>					



**Nature of test:**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>(a) the teams were counting and recording accurately;</p> <p>(b) the counts were being controlled to ensure that all inventories were counted and only once;</p> <p>(c) there was adequate control over inventory listings to ensure that they are all accounted for (e.g., pre-numbered).</p>					
<p>4 Where serially numbered sheets are used, record the numbers of all sheets used at the end of the count.</p>					
<p>5 Select a sample of items from completed inventories sheets and check to ensure that the number has been recorded properly. (These should be followed through to final inventory listings at the final audit - see I2, test 8).</p>					
<p>6 Count a sample of inventories and ensure that they have been recorded properly on the final inventory listings.</p>					
<p>7 Where possible, copy or extract details of a sample of rough inventory listings for checking at the final audit.</p>					
<p>8 Where inventories are valued at selling price less mark-up, record the shelf price of a number of inventories.</p>					
<p>9 Ascertain whether any inventories are held on behalf of a third party. Where applicable ensure that they have been separately identified and excluded from the count.</p>					
<p>10 Ascertain whether any inventories are held on consignment. Ensure, where appropriate, a full record is made.</p>					
<p>11 Note any old or damaged inventories during the count. Ensure that they are marked as such on the final inventory listings.</p>					
<p><b><i>Cut-off</i></b></p>					
<p>12 Ensure that no movements in or out took place during the physical</p>					

**Nature of test:**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
inventory counting.					
13 Record details of the last goods dispatch number and the last goods received note number to follow up at the final audit.					
<b>Other work</b>					
14 Note any instances of the client's procedures not being satisfactorily carried out or any other weaknesses that should be brought to the attention of management.					
15 Perform any other procedures that would normally be carried out at the physical inventory counting;  (a) Select a sample of assets for verification from the fixed asset register.  (b) Undertake a cash count.  (c) Other (specify):  - -					
<b>Conclusion</b>					
16 Write a report on the physical inventory counting concluding on its accuracy and our ability to rely on it.					

Client:	Ref: <b>J</b>
Year end:	
File no:	

**J      TRADE & OTHER RECEIVABLES**

1	Lead schedule	<input type="text"/>
2	Audit programme	<input type="text"/>
3	List of trade & other receivables	<input type="text"/>
4	Allowance for impairment / uncollectibility	<input type="text"/>
5	Other receivables	<input type="text"/>
6	Summary of circularisation results	<input type="text"/>
7	Certificate/confirmation replies	<input type="text"/>
8		<input type="text"/>
9		<input type="text"/>
10		<input type="text"/>

Client:	Ref: <b>J</b>
Year end:	
File no:	

**SUMMARY SHEET – TRADE & OTHER RECEIVABLES**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that trade receivables are due at the value recorded.	9, 10, 11, 12, 13, 14, 15, 16, 17, 28, 29		Yes/No		
2	To ensure that adequate allowance for impairment and /or uncollectibility has been made for all receivables.	18, 19		Yes/No		
3	To ensure that proper cut-offs has been made.	20		Yes/No		
4	To ensure that prepayments and loan receivables (including staff and directors) are properly valued, classified, and verified.	21, 22, 23, 24, 25, 26, 27		Yes/No		
5	To confirm that all necessary disclosures concerning receivables have been made and that the information is appropriately presented and described.	30, 31, 32, 33		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* trade and other receivables are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>J2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - TRADE & OTHER RECEIVABLES**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1					
1				Agree opening balances to last year's accounts.	
2				Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.	
3				Examine any material journal entries or other adjustments made during the course of preparing the financial statements.	
4				Carry out analytical procedures such as:	
(a)				comparison of the current figures with those of prior periods;	
(b)				review and comparison of key ratios or other performance indicators.	
5				Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.	
6				Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.	
7				Review for large and/or unusual items and verify.	
8				Review of appropriateness and consistency of accounting policies used by the entity. (Ref: <b>PAF04</b> )	
<b>Cost/existence</b>					
9				Obtain or prepare an aged list of balances and test the casts.	
10				Agree the aged list of balances to the	

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
control account. Obtain explanations for all material adjustments to the control account.					
11 Perform a circularisation of trade receivables.					
(a) Select a sample of accounts for confirmation from a complete list of balances (include nil and credit balances where applicable). Record the details on the standard working paper. (b) Confirm with client the receivables you wish to circularise. (c) Obtain explanations where the client does not want you to circularize particular balances and consider alternative procedures that can be applied. (d) Consider whether the refusal to allow circularisation of particular balances will impose a limitation of scope on the audit? (e) Send the confirmation requests. Enclose a prepaid envelope for return to the firm. Ensure the reply part of the letter is properly referenced. (f) Record replies on the control sheet. (g) Where replies are not received within a reasonable period send a follow-up letter. (h) Follow the alternative procedures for any unfavourable responses or where no response obtained. (i) Summarise the results and consider whether adequate audit comfort has been obtained for trade debtors.					
12 Where circularisation has not been carried out select a sample of trade receivables or where unsatisfactory results are obtained carry out alternative procedures.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(a) Examine the ledger for cash after date.					
(b) For unpaid items inspect proof of delivery or despatch. If no such documentation is available, inspect the sales invoice supporting them.					
(c) Review correspondence files for items in (b) to determine whether any disputes exist.					
13 List all credit balances over SLR_____ and obtain explanations.					
14 If the entity has retained substantially all the risks and rewards of ownership of any transferred assets (e.g. discounted bills, factored trade receivables), ensure the entity continues recognising such assets as receivables and that a financial liability is recognised for the consideration received. (IAS 39.20)					
15 Trade receivables are normally treated as 'loans and receivables' under IAS 39 and carried at amortised cost using the effective interest rate method. Where this is not the case ensure that the presentation is in accordance with IAS 39.					
16 If trade receivable are classified as "loans and receivables":					
(a) Ensure that they are carried at amortised cost in the balance sheet.					
(b) Identify if there is objective evidence that a trade receivable or group of trade receivables is impaired after individual assessment of trade receivables that are individually significant and collective assessment of trade receivables that are not individually significant.					
(c) Consider the estimates of "Present value of estimated future cash flow" in determining the amortised cost by reference to					



	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
SLAuS 540 "Audit of Accounting Estimates" and SLAuS 545 "Auditing Fair Value Measurements and Disclosures".					
17 Check whether any gain or loss arising from a change in fair value is recognised in the income statements for the period in which it arises.					
18 Review ledger accounts and obtain a list of any debts with balances:					
(a) not paid within ... .. months of the period end;					
(b) in excess of their credit limit;					
(c) in the hands of liquidators or receivers;					
(d) in the hands of lawyers for collection.					
19 Compare the client's allowance for uncollectibility for trade receivables with the list completed under 10 above and consider its adequacy. Obtain explanations for and justify any material accounts omitted from the client's list.					
<b><i>Cut-off</i></b>					
20 Cut-off testing is covered in <b>Section R</b> .					
<b><i>Prepayments</i></b>					
21 Obtain a list of items included as prepayments:					
(a) Test mathematical accuracy.					
(b) Vouch all items over SLR by reference to the cash book and invoices.					
(c) Compare the list in detail to last year's and enquire into any major differences.					
(d) Review the cash book, general ledger and profit and loss account and ensure that all likely prepayments are included.					
(e) Review for reasonableness and verify significant/unusual items,					





	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
- received on the due dates; and - correctly accrued at the year end					
(f) Consider whether any allowance for impairment and / or uncollectibility is necessary (see part 14).					
<b>Long-term receivables/retentions</b>					
27 Where a receivable, or portion thereof is recoverable after more than one year, consider:					
(a) whether any allowance for impairment and / or uncollectibility is necessary;					
(b) whether adequate disclosure has been made.					
(c) whether the receivable is properly accounted for under IAS 39 unless the fair value effect is immaterial.					
(d) whether a gain or loss arising from a change in the fair value is recognised in the income statements for the period in which it arise.					
<b>Foreign Currencies</b>					
28 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					
29 Confirm that all monetary assets have been translated at the closing rate.					
<b>Presentation and disclosure</b>					
30 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
31 Ensure that there is sufficient appropriate evidence on the file to support the disclosures made.					
32 Review transactions and balances with directors and ensure they are properly presented as related party transactions.					
33 Ensure that any factored debts have been accounted for in accordance with					

the substance of the agreement.

***Bespoke tests***

- 34 Perform any necessary additional tests such as those required by **C6.3** and cross reference with the objectives on the summary sheet.

***Conclusion***

- 35 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6**, as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Completed by:	Date:	Ref: <b>J6</b>
Year end:	Reviewed by:	Date:	
File no:			

**SUMMARY OF RECEIVABLES' CIRCULARISATION RESULTS**

As at \_\_\_\_\_

	<b>No.</b>	<b>Value</b>	<b>% Value</b>
Total trade receivables	_____	_____	_____
Total balances circularised (A)	_____	_____	_____

**Results of test:**

Balances confirmed by circularisation (B)			
Balances confirmed by cash after date (D)			
Balances confirmed by alternative procedures (F)			
Total (G)			

Unconfirmed balances i.e., audit error (A-G)

_____	_____	_____
-------	-------	-------

**Conclusion**

Client:				Prepared by:			Date:		Ref: <b>J</b>
Year end:				Reviewed by:			Date		
File no:									
<b>Receivables' circularisation sheet</b>									
Customer	A Balance SLR	B Balance accepted SLR	C Disputed balance (A-B) SLR	D Balance confirmed by cash after date SLR	E Remaining unaudited balance (C-D) SLR	Alternative procedures undertaken on column E items e.g. sample check on proof of sale	F Balances confirmed by alternative procedures SLR	Unconfirmed balances SLR	





**Tables of maximum sample sizes**

		<i>Specific risk</i>		
		L	M	H
General risk	L	20	25	30
	M	25	30	35
	H	30	35	40

Table 1 – for tests of detail only

		<i>Specific risk</i>		
		L	M	H
General risk	L	13	17	20
	M	17	20	23
	H	20	23	26

Table 2 – for tests of detail and (analytical review\* or tests of control\*)

		<i>Specific risk</i>		
		L	M	H
General risk	L	10	13	15
	M	13	15	18
	H	15	18	20

Table 3 – for tests of detail and analytical review and tests of control

Client:	Ref: <b>K</b>
Year end:	
File no:	

**K      BANK BALANCES AND CASH**

1	Lead schedule	<input type="text"/>
2	Audit programme	<input type="text"/>
3	Bank reconciliations	<input type="text"/>
4	Bank confirmations	<input type="text"/>
5	Cash counts	<input type="text"/>
6		<input type="text"/>
7		<input type="text"/>
8		<input type="text"/>

Client:	Ref: <b>K</b>
Year end:	
File no:	

**SUMMARY SHEET – BANK BALANCES AND CASH**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To establish that all bank balances and overdrafts have been included at the correct amount.	9, 10, 17, 18		Yes/No		
2	To ensure that bank balances and overdrafts are correctly disclosed.	11, 12, 13		Yes/No		
3	To ensure that cash balances are genuine and have been included at the correct amount.	14, 15, 16, 17, 18		Yes/No		
4	To confirm that all necessary disclosures concerning bank and cash balances have been made and that the information is appropriately presented and described.	19, 20, 21		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* bank and cash are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>K2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - BANK BALANCES AND CASH**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as:					
(a) comparison of the current figures with those of prior periods;					
(b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. (Ref: PAF04)					
<b>Valuation and existence</b>					
9 Obtain bank confirmations for all bank accounts open at any time during the year in accordance with the guidance contained in SLAuS 505.39 to 505.49.					
10 Obtain or prepare bank reconciliations for all accounts and verify.					
(a) Check bank balances to bank statement and bank confirmation.					
(b) Check cash book balance to general ledger.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(c) Check casting of the reconciliations.					
(d) Check a sample of uncleared items through to the new period (noting dates). Obtain reason where any item has taken longer than expected to clear.					
(e) Obtain explanations and substantiate all adjustments on the bank reconciliations.					
11 Ensure that all matters dealt with in the bank confirmations have been referenced to the relevant schedule/sections.					
12 Ensure that bank balances and overdrafts are only netted off where a formal right of set-off exists.					
13 Ensure that the company has not exceeded any restrictions on borrowing powers imposed in the Articles of Association or any loan agreement.					
<b>Cash</b>					
14 For businesses receiving cash income, ensure unbanked takings before and after the year end have been accounted for in the correct period.					
15 For businesses receiving cash income, ensure that all unbanked takings at the year end have been timeously banked in the new period.					
16 Obtain certificates for all cash balances not counted.					
<b>Foreign Currencies</b>					
17 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					
18 Confirm that all monetary assets have been translated at the closing rate.					
<b>Presentation and disclosure</b>					
19 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
20 Ensure that there is evidence on the file to support all disclosures made.					
21 Review the bank confirmations and correspondence and ensure that all					

necessary disclosures have been made.

***Bespoke tests***

- 22 Perform any necessary additional tests such as those required by **C6.3** and cross reference with the objectives on the summary sheet.

***Conclusion***

- 23 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Ref: <b>L</b>
Year end:	
File no:	

**L      TRADE & OTHER PAYABLES**

1	Lead schedule	<input type="text"/>
2	Audit programme	<input type="text"/>
3	List of payable balances	<input type="text"/>
4	Accruals and provisions	<input type="text"/>
5	Directors' accounts: summary	<input type="text"/>
6	Hire purchase/finance leases	<input type="text"/>
7	Summary of payables' circularisation results	<input type="text"/>
8	Certificates/confirmation replies	<input type="text"/>
9		<input type="text"/>
10		<input type="text"/>
11		<input type="text"/>

Client:	Ref: <b>L</b>
Year end:	
File no:	

**SUMMARY SHEET – TRADE & OTHER PAYABLES**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that liabilities exist and are supported by satisfactory independent evidence.	9, 10		Yes/No		
2	To ensure that trade payables have been fully and accurately recorded.	11, 12, 13, 14, 15, 16, 28, 29		Yes/No		
3	To ensure that proper cut-off has been applied.	17		Yes/No		
4	To ensure that all hire purchase and finance leases have been accounted for in accordance with applicable accounting standards.	18, 19, 20, 21, 22, 28, 29		Yes/No		
5	To ensure that all material accruals, loans and other payables have been properly accounted for.	23, 24, 25, 26, 27, 28, 29		Yes/No		
6	To confirm that all necessary disclosures concerning payables have been made and that the information is appropriately presented and described.	30, 31		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_



***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* trade and other payables are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>L2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - TRADE & OTHER PAYABLES**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. ( <b>Ref: PAF04</b> )					
<b>Existence</b>					
9 Obtain or prepare a list of trade payables. Agree the list to the control account. Obtain explanations for all material adjustments to the control account.					
10 Test the casts of the list.					
<b>Completeness</b>					
11 List all debit balances over SLR_____ and obtain explanations. Ensure they are correctly treated in the					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
accounts.					
12 Perform a trade payables' circularisation.					
(a) Select a sample of accounts from a complete list of balances for example an activity report (include nil and debit balances where applicable). Record the details on the standard working paper.					
(b) Confirm with client the trade payables you wish to circularise.					
(c) Obtain explanations where the client does want you to circularise particular balances and consider alternative procedures that can be applied.					
(d) Consider whether the refusal to allow circularisation of particular balances will impose a limitation of scope on the audit?					
(e) Send the confirmation requests. Enclose a prepaid envelope for return to the firm. Ensure the reply part of the letter is properly referenced.					
(f) Record replies on the control sheet.					
(g) Where replies are not received within a reasonable period send a follow-up letter.					
(h) Follow the alternative procedures for any unfavourable responses or where no response is obtained.					
(i) Summarise the results and consider whether adequate audit comfort has been obtained for trade payables.					
13 Where a circularisation is not carried out, or the results are unsatisfactory, test trade payables for completeness as follows:					
(a) obtain the year end trade payables listing;					
(b) compare to prior year to identify obvious omissions;					
(c) review purchase day book during the year and payments after the end to identify main suppliers;					
(d) review purchase YTD information where available to					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>identify major suppliers;</p> <p>(e) enquire to major suppliers not on the list. Ensure the list is in fact complete;</p> <p>(f) enquire into low balances with major suppliers to ensure they are complete;</p> <p>(g) obtain the file for year end supplier statements. Check a sample and agree/reconcile to the list of balances;</p> <p>(h) for major suppliers (regardless of recorded balance outstanding) and for all material recorded balances, identify the related statement and agree/reconcile to the creditors' listing;</p> <p>(i) where a statement is not available for any major supplier(s) consider faxing a request for a copy statement;</p> <p>(j) review after-date payments. Ensure those paying off pre-year end items are included in creditors;</p> <p>(k) extend the scope of (i) above if statements are not retained for all suppliers.</p>					
14 Review invoices in the new period to ensure all material amounts have been provided for.					
<b>Valuation</b>					
15 Where trade payables are valued on a basis other than amortised cost using the effective interest method, ensure that the treatment complies with the requirements of IAS 39.					
16 Where trade payables are carried at amortised cost, consider the present value of estimated future cash flow in determining the amortised cost by reference to SLAuS 540 Audit of Accounting Estimates and SLAuS 545 Auditing Fair Value Measurement.					
<b>Cut-off</b>					
17 Cut-off test is covered in <b>Section R</b> .					
<b>Leasing</b>					
18 Review the treatment of all operating and finance leases. leases has been properly applied.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(a) Confirm that the distinction between operating and finance leases has been properly applied.					
(b) Consider any new agreements and ensure that the accounting treatment is in accordance with IAS 17.					
(c) Confirm that any assets, liabilities or finance charges are in accordance with IAS 17.					
19 Have any sale and lease back transactions in the period been identified and accounted for under IAS 17 as an operating or finance lease as appropriate?					
20 Obtain direct confirmation of relevant details of loans payable.					
21 Physically inspect the asset, if possible, or determine that the asset exists and is in use by the client.					
<b>Bills payable</b>					
22 Perform the following procedures:					
(a) Obtain banking facilities letter to see if such facilities have been granted by bank.					
(b) Obtain a list of bills payable balances.					
(c) Check details of bills payable balances to bills statements.					
(d) Check the bills payable balances to bank confirmation.					
<b>Accruals</b>					
23 Review accruals for completeness comparing to:					
(a) last year's list;					
(b) expectations.					
<b>Income Taxes</b>					
24 Agree the current tax liability to <b>Section P.</b>					
<b>Provisions</b>					
25 Carry out audit tests as detailed in <b>Section N.</b>					
<b>Other payables</b>					
26 Vouch any material other payables to supporting documentation and ensure that other payables are carried at amortised cost.					
<b>Foreign Currencies</b>					
27 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					

28 Confirm that all monetary liabilities have been translated at the closing rate.

**Presentation and disclosure**

29 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.

30 Ensure that there is sufficient appropriate evidence on the file to support all disclosures made.

**Bespoke tests**

31 Perform any necessary additional tests such as those required by **C6.3** and cross reference with the objectives on the summary sheet.

**Conclusion**

32 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Completed by:	Date:	Ref: <b>L7</b>
Year end:	Reviewed by:	Date:	
File no:			

**SUMMARY OF TRADE PAYABLES' CIRCULARISATION RESULTS**

As at \_\_\_\_\_

	<b>No.</b>	<b>Value</b>	<b>% Value</b>
Total trade payable balances	_____	_____	_____
Total balances circularised (A)	_____	_____	_____

**Results of test:**

Balances confirmed by circularisation (B)			
Balances confirmed by supplier statement reconciliations (D)			
Balances confirmed by alternative procedures (F)			
Total (G)			

Unconfirmed balances i.e., audit error (A-G)

_____	_____	_____
-------	-------	-------

**Conclusion**

Client:				Prepared by:		Date:		Ref: <b>L</b>
Year end:				Reviewed by:		Date		
File no:								
<b>Trade Payables' circularisation sheet</b>								
Supplier	A Balance SLR	B Balance accepted SLR	C Disputed balance (A-B) SLR	D Balance confirmed by supplier statement reconciliation SLR	E Remaining unaudited balance (C-D) SLR	Alternative procedures undertaken on column E items	F Balances confirmed by alternative procedures SLR	Unconfirmed balances SLR





**Tables of maximum sample sizes**

		<i>Specific risk</i>		
		L	M	H
General risk	L	20	25	30
	M	25	30	35
	H	30	35	40

Table 1 – for tests of detail only

		<i>Specific risk</i>		
		L	M	H
General risk	L	13	17	20
	M	17	20	23
	H	20	23	26

Table 2 – for tests of detail and (analytical review\* or tests of control\*)

		<i>Specific risk</i>		
		L	M	H
General risk	L	10	13	15
	M	13	15	18
	H	15	18	20

Table 3 – for tests of detail and analytical review and tests of control

Client:	Ref: <b>M</b>
Year end:	
File no:	

**M      LONG-TERM LOANS AND DEFERRED INCOME**

1	Lead schedule	
2	Audit programme	
3	Confirmation certificates	
4		
5		
6		

Client:	Ref: <b>M</b>
Year end:	
File no:	

**SUMMARY SHEET – LONG-TERM LOANS AND DEFERRED INCOME**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that all material loans have been correctly accounted for.	9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20		Yes/No		
2	To ensure that deferred income has been correctly accounted for and is complete.	18, 19, 20		Yes/No		
3	To confirm that all necessary disclosures concerning long term loans and deferred income have been made and that the information is appropriately presented and described.	21, 22		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme
- the work performed and the results obtained have been adequately documented
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* long term loans and deferred income are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>M2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - LONG-TERM LOANS AND DEFERRED INCOME**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as:					
(a) comparison of the current figures with those of prior periods;					
(b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. ( <b>Ref: PAF04</b> )					
<b>Loans</b>					
9 Obtain direct confirmation from lenders and confirm that other matters such as security have been dealt with.					
10 Review loan agreements and consider the implications of any breach of covenants.					
11 Check supporting evidence for loan advance and repayment during the year.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
12 Calculate the apportionment of loan between non-current and current portion.					
13 Determine split of loans between secured/unsecured and interest bearing/non-interest bearing.					
14 Verify interest charged for the period and the adequacy of accrued interest.					
15 Confirm that loans payable more than one year are from the balance sheet date are measured in accordance with IAS 39.					
16 Ensure the completeness of loans by :					
(a) examining board minutes ( <b>Ref. Section O</b> )					
(b) reviewing bank confirmation and other correspondences ( <b>Ref. Section K</b> )					
(c) identifying unrecorded liabilities ( <b>Ref. Section T</b> )					
<b>Deferred income</b>					
17 Review the basis for deferring income					
(a) vouch to supporting documents; and					
(b) ensure that it is valid, complete and has been correctly and consistently applied with the prior year.					
<b>Foreign Currencies</b>					
18 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					
19 Confirm that all monetary liabilities have been translated at the closing rate.					
<b>Presentation and disclosure</b>					
20 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.					
21 Ensure that there is sufficient appropriate evidence on the file to support all disclosures made.					
<b>Bespoke tests</b>					
22 Perform any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.					

**Conclusion**

- 23 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Ref: N
Year end:	
File no:	

**N PROVISIONS FOR LIABILITIES AND CHARGES, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS**

1	Lead schedule	<input type="text"/>
2	Audit programme	<input type="text"/>
3	Details of contingent liabilities	<input type="text"/>
4	Capital expenditure authorised/contracts placed	<input type="text"/>
5	Operating lease commitments	<input type="text"/>
6		<input type="text"/>
7		<input type="text"/>
8		<input type="text"/>



Client:	Ref: N
Year end:	
File no:	

**SUMMARY SHEET - PROVISIONS FOR LIABILITIES AND CHARGES,  
CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b><i>Audit objectives</i></b>						
1	To ensure that full provision has been made for all liabilities or losses which are likely to be incurred, or certain to be incurred, but uncertain as to the amount or date on which they will arise.	9, 10, 11, 12, 13, 14, 15, 22, 23		Yes/No		
2	To ensure that all contingent liabilities have been identified and adequate provision made.	16, 17, 18, 19		Yes/No		
3	To ensure that capital and other commitments have been properly accounted for.	20, 21		Yes/No		
4	To confirm that all necessary disclosures concerning provisions, contingent liabilities and commitments have been made and that the information is appropriately presented and described.	24, 25, 26		Yes/No		

***Planning conclusion***

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme
- the work performed and the results obtained have been adequately documented
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* provisions for liabilities and charges, contingent liabilities and financial commitments are fairly stated/ \*not fairly stated as described below.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: N2
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME - PROVISIONS FOR LIABILITIES AND CHARGES, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<i>Provisions for liabilities and charges</i>					
<i>General</i>					
1					
2					
3					
4					
5					
6					
7					
8					
<i>Liabilities and contingent liabilities</i>					
9					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
pension scheme discuss the administration under relevant regulatory bodies, reporting and whistle-blowing obligations with the directors/ trustees to ensure its affairs are being properly administered.					
10 Obtain or prepare a list of other obligations of uncertain timing and amount existing at the balance sheet date. Ensure its completeness by reviewing: (a) the previous year's provisions and contingent liabilities; (b) items recorded on the bank confirmations and/or banking facilities letter; (c) minutes of meetings; (d) major contracts; (e) client's correspondence; and (f) documents regarding legal cases; (g) other (specify)					
11 Discuss the list with the client and ensure that it is complete and that adequate provision has been made for likely losses.					
12 Perform search for unrecorded liabilities ( <b>Ref. Section T</b> )					
13 Review the list in 9 above for contingent liabilities and discuss with the entity and ensure that it is complete and that adequate disclosure has been made for all contingent liabilities.					
<b>Recognition</b>					
14 Review the treatment of all provisions and contingent liabilities and ensure that: (a) A provision is recognised when and only when there is a present obligation in respect of a past event, it is probable that there will be an outflow of resources, and this can be estimated reliably. (b) Contingent liabilities do not satisfy the criteria in (a) above and are properly disclosed unless the possibility of an outflow of resources is remote.					
15 Consider reasonableness of assumptions and bases used to					

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>estimate the amount of provisions and obligations.</p>				
<p><b>Laws and regulations</b></p> <p>16 (a) Enquire of the directors whether they are on notice of any possible instances fraud or of other noncompliance with such laws or regulations.</p> <p>(b) Update the permanent audit file for any changes identified since the planning stage.</p> <p>(c) Review correspondence files of any relevant licensing or regulatory authorities for any indications of breaches of laws and regulations.</p> <p>(d) Confirm compliance with those laws and regulations that could have a material impact on the accounts by completing the tests set out in the audit approach column of the register of laws and regulations. (PAF05)</p> <p>(e) Draft specific representations for inclusion in the letter of representation.</p>				
<p><b>Litigations and claims</b></p> <p>17 To identify any possible claims or litigation against the entity and consider whether the matters have been adequately and properly accounted for in the financial statements:</p> <p>(a) Make appropriate inquiries of management including obtaining representations.</p> <p>(b) Review minutes of those charged with governance and correspondence with the entity's legal advisers.</p> <p>(c) Examine legal expense accounts.</p> <p>(d) Write to company's legal advisers enquiring about the status and possible outcome of any legal cases</p> <p>(e) Use any information obtained regarding the entity's business such as other third party evidence (for example, newspaper) and discussion with in-house legal counsel (where appointed) for</p>				



**Conclusion**

28 Consider whether there are any points (in addition to laws and regulations) which need to be included in a letter of representation or letter of comment and record on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Ref: <b>O</b>
Year end:	
File no:	

**O SHARE CAPITAL, RESERVES AND STATUTORY RECORDS**

1	Lead schedule	<input type="text"/>
2	Audit programme	<input type="text"/>
3	Extracts of registers and returns	<input type="text"/>
4	Extracts of current year minutes	<input type="text"/>
5	Prior period adjustments	<input type="text"/>
6		<input type="text"/>
7		<input type="text"/>
8		<input type="text"/>



Client:	Ref: <b>O</b>
Year end:	
File no:	

**SUMMARY SHEET - SHARE CAPITAL, RESERVES AND STATUTORY RECORDS**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that the statutory records have been properly maintained and are up-to-date.	9, 10, 11, 12, 13, 14, 15		Yes/No		
2	To ensure that any changes in share capital are supported by appropriate resolutions and are properly reflected in the financial statements.	20, 21, 22, 23, 29		Yes/No		
3	To ensure that capital instruments and the related interest or dividends are properly presented in accordance with the substance of the arrangements.	16, 17, 18, 19, 24, 25, 26, 27, 28, 29		Yes/No		
4	To confirm that all necessary disclosures concerning reserves and other statutory information have been made and that they are appropriately presented and described.	29, 31		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme
- the work performed and the results obtained have been adequately documented
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* share capital and reserves are fairly stated/ \* not fairly stated as described below.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.



	Test required Y/N	Results satisfactory Y/N	Sch Ref	Ref/ Comments	Initials and date
12					
13					
14					
15					
16					
17					
18					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Ref/ Comments	Initials and date
19					
Have distributions to holders of equity instruments been debited directly to equity?					
<i>Share capital</i>					
20					
Check authorised share capital with M & A or resolution for subsequent increase.					
21					
Record details of any changes in share capital in this period and ensure that these have been properly authorised and reflected in the financial statements.					
22					
Check evidence for receipt of consideration for shares issued in the period.					
23					
For capital instruments issued in the period, have these (or their components) been classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument?					
<i>Share-based payments</i>					
24					
Ensure share-based payment are verified and properly accounted for in accordance with IFRS 2. (Refer to <b>Section R</b> for details of audit procedures)					
<i>Other financial instruments</i>					
25					
Have the different components of compound financial instruments been classified separately as financial liabilities, financial assets or equity instruments in accordance with paragraph IAS 32.15?					
26					
When a derivative financial instrument gives one party a choice over how it is settled has it been treated as a financial asset or a financial liability except where all of the settlement alternatives would result in it being an equity instrument?					
<i>Reserves</i>					
27					
Review schedule of all movements in reserves.					
(a)					
Ensure that transfers between reserves are correctly treated and authorised.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Ref/ Comments	Initials and date
(b) Ensure that the treatment in the financial statements is correct.					
(c) Ensure prior-year adjustment are properly reflected in the reserve					
<b>Foreign Currencies</b>					
28 Ensure the entity accounted for foreign currency transactions in accordance with IAS 21.					
<b>Control</b>					
29 Ascertain details of the ultimate controlling party as required by IAS 24 and ensure that correct disclosure is made in the financial statements.					
<b>Bespoke tests</b>					
30 Perform any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.					
<b>Conclusion</b>					
31 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on <b>A5</b> or <b>A6</b> as appropriate.					

Client:	Ref: <b>P</b>
Year end:	
File no:	

**P INCOME TAXES**

- |   |  |                      |
|---|--|----------------------|
| 1 | Lead schedule                                | <input type="text"/> |
| 2 | Audit programme                              | <input type="text"/> |
| 3 | Tax computations (current year & prior year) | <input type="text"/> |
| 4 | Reconciliation of tax charges                | <input type="text"/> |
| 5 | Computations for deferred taxation           | <input type="text"/> |
| 6 | Prior year assessments from tax authorities  | <input type="text"/> |
| 7 | Correspondence with tax authorities          | <input type="text"/> |
| 8 |  | <input type="text"/> |
| 9 |  | <input type="text"/> |

Client:	Ref: <b>P</b>
Year end:	
File no:	

**SUMMARY SHEET - INCOME TAXES**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that the current tax is computed and accounted for in accordance with applicable regulations and financial reporting standards respectively.	9, 10, 11, 12, 13		Yes/No		
2	To ensure that deferred taxation has been correctly accounted for.	14, 15, 16, 17		Yes/No		
3	To confirm that all necessary disclosures concerning current and deferred tax have been made and that the information is appropriately presented and described.	18, 19, 20, 21		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme
- the work performed and the results obtained have been adequately documented
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* income taxes are fairly stated/ \* not fairly stated as described below.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete if not applicable.



Client:	Completed by:	Date:	Ref: <b>P2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – INCOME TAXES**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review and comparison of key ratios or other performance indicators.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. ( <b>Ref: PAF04</b> )					
<b>Current tax</b>					
9 Obtain and check, or prepare the following: (a) draft tax computations; (b) an analysis of movement on the current tax account (including local tax and overseas tax); (c) a proof of tax/tax reconciliation in the form required by IAS 12.85.					
10 For the movement of the current tax					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>account (both local tax and overseas tax):</p> <p>(a) test for mathematical accuracy;</p> <p>(b) check the amounts paid during the current period to bank statements and copies of assessments and compare refunds received to correspondence;</p> <p>(c) review the current position on agreement of tax computations with relevant tax authorities;</p> <p>(d) obtain details of any significant matters currently outstanding with the tax authorities.</p>					
<p>11 Verify the computation of the tax charges (both local tax and overseas tax):</p> <p>(a) Obtain or prepare analyses of expense accounts which may contain items that are disallowable, restricted, or result in temporary differences, e.g.:</p> <ul style="list-style-type: none"> <li>- travel / entertainment</li> <li>- subscriptions</li> <li>- sundries</li> <li>- legal / professional fees</li> <li>- repairs / maintenance (for capital items)</li> <li>- hire charges (for expensive motor vehicles);</li> <li>- payments under finance leases</li> </ul> <p>(b) Check calculation of capital allowances;</p> <p>(c) Verify the mathematical accuracy of the computations; and</p> <p>(d) Review the allocation of the tax charge to income tax and other taxes.</p>					
<p>12 Ensure profit before tax used in the computation agrees to draft profit and loss account.</p>					
<p>13 Have current tax liabilities (assets) for the current and prior periods been measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date?</p>					



cross reference with the objectives on the summary sheet.

**Conclusion**

- 23 Consider whether there are any items which need to be included in a letter of representation or letter of comment and record this on **A5** or **A6** as appropriate.

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date

Client:	Ref: <b>Q</b>
Year end:	
File no:	

**Q INCOME**

1	Turnover	<input type="text"/>
2	Dividend and interest income	<input type="text"/>
3	Rental income	<input type="text"/>
4	Management fee income	<input type="text"/>
5	Royalty income	<input type="text"/>
6	Fair value gains on:	<input type="text"/>
	- investment property	<input type="text"/>
	- financial assets / liabilities at fair value through profit or loss	<input type="text"/>
	- trading securities	<input type="text"/>
	- biological assets	<input type="text"/>
7	Foreign exchange gains	<input type="text"/>
8	Gains on provisions or liabilities written back	<input type="text"/>
9	Gains on disposal of assets	<input type="text"/>
10	Sundry income	<input type="text"/>
11		<input type="text"/>
12		<input type="text"/>

Client:	Ref: <b>Q</b>
Year end:	
File no:	

**EXPENDITURE**

1	Directors' emoluments	<input type="text"/>
2	Interest expenses	<input type="text"/>
3	Subscriptions and donations	<input type="text"/>
4	Insurance (cover and premiums)	<input type="text"/>
5	Repairs and renewals	<input type="text"/>
6	Legal and professional fees	<input type="text"/>
7	Entertainment	<input type="text"/>
8	Auditor's remuneration	<input type="text"/>
9	Loss on disposal of assets	<input type="text"/>
10	Hire of plant & machinery	<input type="text"/>
11	Foreign exchange loss	<input type="text"/>
12	Offshore expenses	<input type="text"/>
13	Commission / Management / Service / Consultancy fee paid	<input type="text"/>
14	Subcontractors' fees	<input type="text"/>
15	Fair value losses on:	<input type="text"/>
	- investment property	<input type="text"/>
	- financial assets / liabilities at fair value through profit or loss	<input type="text"/>
	- trading securities	<input type="text"/>
	- biological assets	<input type="text"/>
16	Bad debts written off	<input type="text"/>
17	Salaries and retirement benefits	<input type="text"/>
18	Salaries and retirement benefits	<input type="text"/>
19	Exceptional gains / losses and details of any unusual transactions	<input type="text"/>
20	Sundry expenses	<input type="text"/>

Client:	Ref: <b>R</b>
Year end:	
File no:	

**R INCOME STATEMENT**

1	Lead schedule	<input type="text"/>
2	Audit programme – profit and loss	<input type="text"/>
3	Audit work summary	<input type="text"/>
4	Detailed profit and loss schedule	<input type="text"/>
5	Salaries and wages	<input type="text"/>
6		<input type="text"/>

Client:	Ref: <b>R</b>
Year end:	
File no:	

**SUMMARY SHEET - INCOME STATEMENT**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that income is fairly stated and correctly classified.	9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23		Yes/No		
2	To ensure that expenditure is fairly stated, authorised and correctly classified.	24, 25, 26, 27, 28		Yes/No		
3	To ensure that wages and salaries are correctly accounted for.	29, 30, 31, 32, 33, 34, 35, 39, 40, 41		Yes/No		
4	To ensure that items requiring specific disclosure are correctly reported.	36, 37, 38		Yes/No		
5	To ensure that any share based payments are properly accounted for.	42, 43, 44, 45		Yes/No		
6	To confirm that all necessary disclosures concerning the profit and loss account have been made and that the information is appropriately presented and described.	36, 37, 38, 46, 47		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_



***Final conclusion***

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme
- the work performed and the results obtained have been adequately documented
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* the income statement are fairly stated/ \* not fairly stated as described below.

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Delete in not applicable.

Client:	Completed by:	Date:	Ref: <b>R2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – INCOME STATEMENT**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Agree opening balances to last year's accounts.					
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the general ledger.					
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.					
4 Carry out analytical procedures such as:					
(a) comparison of the current figures with those of budgets and prior periods (e.g. monthly analysis), obtain explanations in respect of material variations from those of expectation or last period.					
(b) review and comparison of key ratios (e.g. G.P.ratio) or other performance indicators and obtain reasons for fluctuation.					
(c) scrutinise the general ledger on those accounts with material variances to see whether there are any unusual and abnormal items.					
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.					
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b> . Consider the impact on the remainder of the audit work and on any work undertaken to date.					
7 Review for large and/or unusual items and verify.					
8 Review of appropriateness and consistency of accounting policies used by the entity. (Ref: <b>PAF04</b> )					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>Income</b>					
9					
10					
11					
12					
13					
-					
-					
14					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(c) Test vouch entries in the sales day book with copies of invoices					
(d) Trace entries from the cash book to the sales ledger					
(e) Scrutinise unusual entries.					
<b>Cut-off on sales</b>					
15 Test sales cut-off as follows:					
(a) Review credit notes after the year end and consider whether these have been accounted for in the correct period.					
(b) If the company has despatch records, examine sales and despatch records before and after the year end and ensure that: - all goods despatched before the year end are excluded from inventories and included in sales and trade receivables where appropriate. - all goods despatched after the year end are included in inventories and excluded from sales and trade receivables where appropriate. (Refer to notes from physical inventory counting.)					
(c) If the company does not have dispatch records, specify the audit work to ensure that cut-off has been correctly applied.					
<b>Cash sales</b>					
16 Check to ensure that cash sales are banked regularly.					
17 Select a sample of till rolls or sales dockets, and vouch to supporting documentation.					
(a) Check the additions.					
(b) Check the numerical sequence and investigate any missing items.					
(c) Check the pricing.					
(d) For till rolls, ensure that the level of "no sales" is acceptable.					
(e) Check total cash sales to the cash book.					
<b>Sales returns</b>					
18 Review sales returns and, where material, select a sample.					
(a) Check the quantity and description on the credit note to a goods returned note or other					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
documentary proof of receipt of goods.					
(b) Ensure the details agree to the original invoice.					
(c) Review the credit notes and supporting data for evidence of approval, clerical accuracy and nominal coding.					
(d) Compare the credit note to entries in the sales ledger.					
(e) Examine paid cheques if a refund was issued to the customer.					
(f) Consider the effect that any normal delay between receipt of returned goods or customers' request for credit and the recording of the credit note may have on cut-off.					
<b>Government grants</b>					
19 In respect of government grants:					
(a) Check that, prima facie, all grants to which the client is entitled have been claimed and recognised.					
(b) Confirm that there is reasonable assurance that the entity will comply with the conditions attaching to all grants recognised.					
(c) Have grants been recognised in the income statement in accordance with IAS 20?					
<b>Other income</b>					
20 Vouch any material other income (e.g. fair value changes, written back of provision and gain on disposal of assets) to supporting documentation and ensure that it is correctly described.					
21 Test the receipts side of the cash book as follows:					
(a) Test casts and crosscasts.					
(b) Test postings to the general ledger.					
22 Check rental income to tenancy agreement.					
23 Check reasonableness of interest income.					
<b>Expenditure</b>					
24 Check numerical sequence of good received notes and investigate missing items.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
25 Select a sample of goods received note and purchase orders for the goods / services received:					
(a) Examine for supplier's name, approval, clerical accuracy, delivery terms and other information					
(b) Check the goods received note and purchase order with the supplier invoices, payments made and other supporting records					
(c) Trace the details of invoices for inventory items to posting in the perpetual inventory records (if any) and purchase day book.					
26 Select a sample of purchases from the purchases day book:					
(a) Review the supplier invoice and supporting data for evidence of approval, suppliers' name, clerical accuracy, quantities and prices in relation to the purchase order and supporting documentation, reasonableness of the expenditure; and					
(b) Check the goods received note and purchase order with the supplier invoices, payments made and other supporting records.					
(c) Consider whether there is adequate control over the issue of cheques.					
<b><i>Cut-off on purchases</i></b>					
27 Test cut-off on purchases as follows:					
(a) If the company retains goods received records, examine the goods received/purchased records immediately before and after the year end and ensure that: - all goods delivered prior to the year end are included in inventories, purchases and trade payables where appropriate; - all goods delivered after the year end are excluded from inventories, purchases and trade payables where appropriate.					
(b) If the company does not have goods received records, specify below the audit work to ensure					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
that cut-off has been correctly applied.					
<b>Accounting estimates</b>					
28 Consider the following procedures where estimates are used by management (e.g. in determining the value of inventories, accruals or provisions).					
(a) Where not already done, obtain audit evidence about the general reliability of the company's estimating procedures and methods, including relevant control activities.					
(b) Consider whether adjustments to any estimating formulae may be required.					
(c) Consider whether differences between actual results and previous estimates have been quantified and that, where necessary, appropriate adjustments or disclosures made.					
(d) If expert opinion is sought, whether assessment of the independence of the expert and basis of the underlying assumptions have been performed.					
<b>Wages and salaries</b>					
29 Reconcile a list of employees and their gross pay to the staff costs charge in the accounts. Explain and verify any material differences.					
30 Where considered necessary in view of the results of the above test:					
(a) check the casts and crosscasts;					
(b) check the postings to the nominal ledger;					
(c) check details of the gross to net pay calculation;					
(d) ensure that the payroll is authorised by a responsible official.					
31 Select a sample of employees and check to supporting documents (e.g. employment contracts, time cards, employer's returns)					
32 Enquire into unclaimed wages and verify the explanations.					
33 Where payments to casual workers are					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
significant, check the validity and authority of such payments (e.g. approved time cards, wage rate and overtime payments)					
34 Obtain details of emoluments paid and payable, including benefits-in-kind for directors and key management personnel.					
35 Verify whether the directors' emoluments and interests in contracts are properly stated in the financial statements by reference to:					
(a) Service contracts					
(b) Board minutes					
(c) Articles of Association					
<b><i>Related party transactions</i></b>					
36 Have we obtained sufficient appropriate audit evidence regarding the identification and disclosure by management of related parties in compliance with IAS 24 and the effect of related party transactions that are material to the financial statements?					
37 Where we do not have sufficient evidence or if there is any indication that a material misstatement regarding related parties may have occurred then complete the optional programme ( <b>Rop02</b> ) Related Party Transactions.					
<b><i>Other</i></b>					
38 Prepare analysis schedules for any expense categories where this is required for tax or disclosure purposes not yet shown in Q section. Specify below the accounts to be analysed:					
39 Test the payment side of the cash book:					
(a) Test casts and crosscasts.					
(b) Test postings to the general ledger.					
40 For expense other than purchases, select a sample of cash paid entries:					
(a) compare the information on the cheques to entries in the cash book and check dates, amounts, payees, signatures and endorsements					
(b) test vouch with invoices and other supporting evidence, checking accuracy of general					



	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<ul style="list-style-type: none"> <li>(c) ledger analysis</li> <li>(c) investigate cheques, especially those payable to cash, banks, directors, employees, subsidiary and related companies, which appear unusual.</li> </ul>					
41 Review the general ledger for unusual adjustments and verify.					
<b><i>Employee benefits and share-based payment</i></b>					
42 Confirm that an expense and corresponding liability been recognised for all profit-sharing and bonus arrangements where a present legal or constructive obligation exists.					
43 Where post employment benefits (such as pensions) are provided confirm that the accounting treatment is in accordance with IAS 19.					
44 Confirm that an expense was recognised in the income statement as part of the profit or loss for the period where the entity entered into any share based payment transaction.					
45 Ensure that the accounting treatment of any share based payment transactions is in accordance with relevant parts of IFRS 2; in particular:					
<ul style="list-style-type: none"> <li>(a) For equity-settled share-based payment transactions, has the entity measured the goods or services received, and the corresponding increase in equity at: <ul style="list-style-type: none"> <li>- the fair value of the goods or services received; or</li> <li>- if the entity cannot estimate reliably the fair value of the goods or services received then by the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted?</li> </ul> </li> <li>(b) For cash-settled share-based payment transactions, has the entity measured the goods or services acquired and the liability incurred at the fair value of the liability?</li> <li>(c) For share-based payment</li> </ul>					

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments: has the entity accounted for that transaction, or the components of that transaction, as either:</p> <ul style="list-style-type: none"> <li>- a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets; or</li> <li>- as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred?</li> </ul>				
<b>Presentation and disclosure</b>				
46	Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.			
47	Ensure that there is sufficient appropriate evidence on the file to support all disclosures made.			
<b>Bespoke tests</b>				
48	Perform any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.			
<b>Conclusion</b>				
49	Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on <b>A5</b> or <b>A6</b> as appropriate.			



*Tables of maximum sample sizes*

		<i>Specific risk</i>		
		L	M	H
General risk	L	20	25	30
	M	25	30	35
	H	30	35	40

Table 1 – for tests of detail only

		<i>Specific risk</i>		
		L	M	H
General risk	L	13	17	20
	M	17	20	23
	H	20	23	26

Table 2 – for tests of detail and (analytical review\* or tests of control\*)

		<i>Specific risk</i>		
		L	M	H
General risk	L	10	13	15
	M	13	15	18
	H	15	18	20

Table 3 – for tests of detail and analytical review and tests of control

Client:	Completed by:	Date:	Ref: <b>R2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – RELATED PARTY TRANSACTIONS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Review information provided by those charged with governance and management identifying the names of all known related parties and perform the following procedures in respect of the completeness of this information:					
(a) Review prior year working papers for names of known related parties.					
(b) Review the company’s procedures for identification of related parties.					
(c) Enquire as to the affiliation of those charged with governance and officers with other companies.					
(d) Review shareholder records to determine the names of principal shareholders or, if appropriate, obtain a listing of principal shareholders from the share register.					
(e) Review minutes of the meetings of shareholders and those charged with governance and other relevant statutory records such as the register of directors’ interests.					
(f) Enquire of other auditors currently involved in the audit, or predecessor auditors, as to their knowledge of additional related parties.					
(g) Review the company’s tax returns and other information supplied to the tax authorities.					
(h) Review invoices and correspondence from lawyers for indications of the existence of related parties or related party transactions.					
(i) Enquire of the names of all pension and other trusts established for the benefit of employees and the names of their management.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
2 Consider the adequacy of control activities over the authorisation and recording of related party transactions.					
<b>Directors</b>					
3 Prepare a schedule of movements on the loan account for each director and other connected person.					
4 Review all month-end sales and purchase ledger balances to identify any accounts in the names of related parties.					
5 Obtain a confirmation of amount and terms of repayment from each director / connected person.					
6 Perform collectibility review (impairment test) for the amounts receivable where applicable.					
7 Enquire as to the interest of the directors in other companies.					
8 Enquire if there are any directors' interest in contracts and management contracts between the company and the directors and consider whether the fact should be disclosed in directors' report.					
<b>Transactions</b>					
9 Review the accounting records for large or unusual transactions or balances, in particular transactions recognised at or near the end of the financial period. For example:					
(a) Transactions with abnormal terms.					
(b) Transactions that appear to lack a logical business reason for their occurrence.					
(c) Transactions in which substance differs from form.					
(d) Transactions processed or approved in a non-routine manner.					
(e) High volume or significant transactions with certain customers or suppliers as compared with others.					
(f) Unrecorded transactions such as the receipt or provision of management services at no charge.					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
10					
11					
<b>Disclosure</b>					
12					
13					
<b>Management representations</b>					
14					
(a)					
(b)					
<b>Conclusion</b>					
15					

Client:	Ref: S
Year end:	
File no:	

**S OPERATIONAL EFFECTIVENESS OF CONTROLS**

- |   |                                |                      |
|---|--------------------------------|----------------------|
| 1 |                                | <input type="text"/> |
| 2 | Audit programme                | <input type="text"/> |
| 3 | Internal Control Evaluation    | <input type="text"/> |
| 4 | Internal Control Questionnaire | <input type="text"/> |
| 5 |                                | <input type="text"/> |



Client:	Ref: <b>S</b>
Year end:	
File no:	

**SUMMARY SHEET - OPERATIONAL EFFECTIVENESS OF CONTROLS**

	<i>Planning</i>		<i>Final</i>		
	Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>					
1 To test the effective operation of key controls where the risk assessment includes an expectation that they are operating effectively	1, 2, 3		Yes/No		
2 To test the effective operation of key controls where substantive tests alone do not provide sufficient evidence of operation.	1, 2, 3		Yes/No		
3 To seek to reduce the nature or extent of substantive testing where reliance on controls is more effective.	1, 2, 3		Yes/No		
4 To ensure that reliance on the testing of controls at the interim stage or in earlier years is only relied upon where it is appropriate to do so.	4, 5, 6, 7, 8		Yes/No		
5 To identify weaknesses in internal controls that should be brought to the attention of management.	9		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

***Final conclusion***

From tests of controls carried out I confirm that \*(subject to the matters described below and highlighted on **B5** or **B8**) in my opinion such procedures provide additional appropriate audit evidence as to the completeness, accuracy and validity of information in the accounts.

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>S2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – OPERATIONAL EFFECTIVENESS OF CONTROLS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Testing the operational effectiveness of internal controls should be undertaken where: (a) the risk assessment includes an expectation that controls are operating effectively; (b) substantive tests alone do not provide sufficient evidence of operation; (c) this is more effective than relying solely on substantive procedures.					
2 Where the assessed risk of material misstatement at the assertion level is a significant risk and it is intended to place reliance on the operating effectiveness of controls intended to mitigate that significant risk, confirm that the testing of the operating effectiveness of those controls is performed in the current period.					
3 Document each control to be tested on the ICE (S3) and reference each to the working papers evidencing the compliance test.					
<b>Interim testing</b>					
4 Where the operating effectiveness of controls was tested during an interim period has consideration been given to what additional audit evidence should be obtained for the remaining period?					
<b>Reliance on testing in prior years</b>					
5 Where it is planned to rely on evidence about the operating effectiveness of controls obtained in prior audits, has evidence about whether those specific controls have subsequently changed been obtained?					
6 Where it is planned to place reliance on controls that have changed since they were last tested has the operating effectiveness of those controls been tested this year?					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
7 Where it is planned to place reliance on controls that have not changed since they were last tested, confirm that those controls were last tested no more than two years ago.					
8 Where it is planned to place reliance on a number of controls that have not changed since they were last tested, confirm that some of those controls were tested this year.					
<b>Conclusion</b>					
9 Consider whether:					
(a) It is appropriate to place the planned reliance on the operational effectiveness of internal controls.					
(b) There are any points which need to be included in a letter of representation or letter of comment and record on <b>A5</b> or <b>A6</b> as appropriate.					

Client:	Prepared by:	Date:	Ref: <b>S3</b>
Year end:	Reviewed by:	Date	
File no:			

**INTERNAL CONTROL EVALUATION**

*(See C5.1)*

<i>Business area</i>	<i>Key Control</i>	<i>Compliance test</i>	<i>Ref. to detailed work</i>	<i>Results satisfactory Y/N</i>	<i>Place reliance on control? Y/N</i>

Client:	Prepared by:	Date:	Ref: <b>S4</b>
Year end:	Reviewed by:	Date:	
File no:			

## INTERNAL CONTROL QUESTIONNAIRE

*This questionnaire is intended as an aid memoire to assist in the identification of systems and controls for inclusion on the Review of Design & Implementation of Controls schedule ( C5.1). Completion of this questionnaire in isolation will not provide the evidence concerning the design and implementation of controls required by SLAuS 315.*

	<i>Relevant to audit (Y/N)</i>	<i>Ref to C5.1</i>	<i>Ref to: A6 / C6.2 C6.3</i>
<b><i>Property, plant &amp; equipment</i></b>			
1 Are minutes maintained of all board meetings and management meetings, authorising capital expenditure and also disposals?			
2 Does the company maintain fixed asset purchase order requisitions, which are pre-numbered, authorised and controlled?			
3 Is there evidence to show that the addition invoices have been checked for accuracy and that the posting code has been checked before the items are posted to the nominal ledger?			
4 Is the fixed asset register regularly reconciled to the nominal ledger account, and also to actual physical assets?			
5 Is there independent checking of calculations of profits and losses on disposal?			
6 Is there evidence to show that there have been regular inspections of the condition and use of assets?			
7 Other:			
<b><i>Inventories</i></b>			
8 Is there restricted access to inventories, and physical security over inventories?			
9 Is there an independent check on all despatches, including any made by persons other than those responsible for inventories?			
10 Are regular reconciliations of actual inventory to inventory records undertaken?			
11 Is there independent matching of goods in and out with purchase and sales documentation?			
12 Is there a system for the reporting of slow, obsolete or damaged inventory to relevant levels of management?			
13 Does the client maintain pre-numbered goods received notes (GRN) and stock requisition notes (SRN), and carry out regular checking for missing numbers?			
14 Is there a record of an authorisation of scrapped/damaged goods?			
15 Other:			
<b><i>Sales cycle</i></b>			
16 Does the business have some form of control over who they sell goods to on credit?			

	<i>Relevant to audit (Y/N)</i>	<i>Ref to C5.1</i>	<i>Ref to: A6 / C6.2 C6.3</i>
17 Is there prior approval by the credit department of all sales before the goods are actually dispatched?			
18 Is there prompt billing of all sales?			
19 Is effective credit control exercised over outstanding balances?			
20 Are sales ledger control account reconciliations carried out?			
21 Does the client use pre-printed and controlled sequentially numbered invoices?			
22 Are invoices only raised when the invoicing department is given a valid order or despatch note?			
23 Is there a periodic separate check of the goods that have been despatched to ensure that they agree with the order details and the invoice details?			
24 Are despatch notes independently checked to invoices?			
25 Is invoice pricing independently checked and reviewed?			
26 Other:			
<b>Bank</b>			
27 Are the duties of the person writing/posting the cash book separated from the person responsible for the nominal ledger, making payments or handling receipts and checking the bank reconciliations?			
28 Is there adequate security over blank cheques and procedures to ensure that under no circumstances should pre-signed cheques be maintained?			
29 Are cash book balances regularly reconciled to the nominal ledger control account?			
30 Are cheques despatched immediately after signature and not returned to the person who has prepared them?			
31 Does a senior member of the client's staff independently check bank reconciliations?			
32 Are cash counts undertaken on a regular basis, without the person in charge of petty cash being aware that they are going to be undertaken?			
33 Other:			
<b>Purchases cycle</b>			
34 Are all invoices approved prior to payment?			
35 Are there controls to ensure that discounts are taken wherever possible?			
36 Are supplier statement reconciliations carried out where available?			
37 Are purchase ledger control account reconciliations carried out?			
38 Are purchase invoices checked to pre-numbered goods received notes, which in turn are checked to authorised orders?			
39 Are invoices marked when they are being paid to prevent them being entered into the system again?			
40 Other:			





Client:	Ref: <b>T</b>
Year end:	
File no:	

**T      SUBSEQUENT EVENTS**

- |   |                                     |  |
|---|-------------------------------------|--|
| 1 | Lead schedule                       | <input style="width: 80%; height: 15px;" type="text"/> |
| 2 | Audit programme - subsequent events | <input style="width: 80%; height: 15px;" type="text"/> |
| 3 | Audit programme - going concern     | <input style="width: 80%; height: 15px;" type="text"/> |
| 4 | Final programme - subsequent events | <input style="width: 80%; height: 15px;" type="text"/> |
| 5 |                                     | <input style="width: 80%; height: 15px;" type="text"/> |
| 6 |                                     | <input style="width: 80%; height: 15px;" type="text"/> |

Client:	Ref: <b>T</b>
Year end:	
File no:	

**SUMMARY SHEET - SUBSEQUENT EVENTS**

		<i>Planning</i>		<i>Final</i>		
		Number of key tests which satisfy objective*	Reference to bespoke tests to be carried out	Are you satisfied that the objectives have been met?	Comments	Initials
<b>Audit objectives</b>						
1	To ensure that all material adjusting and non-adjusting post balance sheet events are identified and correctly treated in the accounts.	2, 3, 4		Yes/No		
2	To ensure that the going concern basis of accounting is appropriate.	5, 6, 7, 8		Yes/No		
3	To confirm that all necessary disclosures concerning post balance sheet events have been made and that the information is appropriately presented and described.	9, 10		Yes/No		

**Planning conclusion**

I am satisfied that from the tests planned sufficient appropriate evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**Final conclusion**

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme
- the work performed and the results obtained have been adequately documented
- all necessary information has been collected for the presentation and disclosure in the financial statements.
- sufficient and appropriate evidence has been obtained to support the audit conclusion reached.
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* subsequent events are fairly stated/ \* not fairly stated as described below.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>T2</b>
Year end:	Reviewed by:	Date:	
File no:			

**AUDIT PROGRAMME – SUBSEQUENT EVENTS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p><b>General</b></p> <p>1 Assess whether the initial materiality, risk assessment or extent of reliance on controls should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on <b>B5</b> or <b>B8</b>. Consider the impact on the remainder of the audit work and on any work undertaken to date.</p>					
<p><b>Subsequent events</b></p> <p>2 Review the following to ensure that nothing has occurred since the year end which should be disclosed or provided for:</p> <p>(a) management accounts;  (b) cash book, invoices and bank statements;  (c) correspondence;  (d) minutes of meetings; and  (e) major contracts.</p>					
<p>3 Discuss with management and ensure that all material items have been identified. Consider the following:</p> <p>(a) The current status of items that were accounted for on the basis of preliminary or inconclusive data.  (b) Whether new commitments, borrowings or guarantees have been entered into.  (c) Whether sales or acquisition of assets have occurred or are planned.  (d) Whether the issue of new shares or debentures or an agreement to merge or liquidate has been made or is planned.  (e) Whether any assets have been appropriated by government or destroyed, for example, by fire or flood.  (f) Whether there have been any developments regarding risk areas and contingencies.</p>					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
(g) Whether any unusual accounting adjustments have been made or are contemplated.					
(h) The status of any current or pending litigation.					
(i) Whether any events have happened or are likely to occur that will bring into question the appropriateness of accounting policies used.					
4 Consider whether it is necessary to obtain an updated letter from the company's legal advisers concerning the status of any current or pending litigation. (See N2 test 17(d))					
<b>Going concern</b>					
5 Where available obtain copies of cash flow forecasts and/or budgets and consider:					
(a) the applicability of the bases and assumptions used;					
(b) whether they provide adequate evidence of the company's ability to continue as a going concern;					
(c) where a period of less than 12 months has been considered, what other evidence is available to support the company's ability to continue as a going concern.					
6 Where no cash flows or budgets are available:					
(a) describe what evidence is available to support the company's ability to continue as a going concern.					
(b) record the evidence obtained to demonstrate that the directors have considered a period of at least 12 months.					
7 Where going concern is an issue complete the checklist on <b>T3</b> and consider what effect, if any, any "yes" answers will have on the company's ability to continue trading as a going concern.					
8 Seek written representations from management regarding:					
(a) its plans for future action;					
(b) its assessment that the company					

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<p>is a going concern; (c) any relevant disclosures in the financial statements.</p>					
<p><b>Presentation and disclosure</b></p>					
<p>9 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.</p>					
<p>10 Ensure that there is evidence on the file to support all disclosures made.</p>					
<p><b>Bespoke tests</b></p>					
<p>11 Draft any necessary additional tests such as those required by <b>C6.3</b> and cross reference with the objectives on the summary sheet.</p>					
<p><b>Conclusion</b></p>					
<p>12 Consider whether</p> <ul style="list-style-type: none"> <li>(a) all events up to the date of the auditor's report that may require adjustment of, or disclosure in, the financial statements have been identified;</li> <li>(b) there are any indications that the going concern basis may not be appropriate;</li> <li>(c) matters have been properly presented and disclosed in the accounts;</li> <li>(d) there are any points which need to be included in a letter of representation or letter of comment and record this on <b>A5</b> or <b>A6</b> as appropriate.</li> </ul>					

Client:	Prepared by:	Date:	Ref: <b>T3</b>
Year end:	Reviewed by:	Date:	
File no:			

**GOING CONCERN – CHECKLIST**

		YES/NO
<b>1</b>	<b><i>Financial</i></b>	
1.01	Net liability or net current liability position.	
1.02	Necessary borrowing facilities have not been agreed.	
1.03	Fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment; or excessive reliance on short-term borrowings to finance long-term assets.	
1.04	Major debt repayment falling due where refinancing is necessary to the entity's continued existence.	
1.05	Major restructuring of debt.	
1.06	Indications of withdrawal of financial support by debtors and other creditors.	
1.07	Negative operating cash flows indicated by historical or prospective financial statements.	
1.08	Adverse key financial ratios.	
1.09	Substantial operating losses or significant deterioration in the value of assets used to generate cash flows.	
1.10	Major losses or cash flow problems which have arisen since the balance sheet date.	
1.11	Arrears or discontinuance of dividends.	
1.12	Inability to pay creditors on due dates.	
1.13	Inability to comply with the terms of loan agreements.	
1.14	Reduction in normal terms of trade credit by suppliers.	
1.15	Change from credit to cash-on-delivery transactions with suppliers.	
1.16	Inability to obtain financing for essential new product development or other essential investments.	
1.17	Substantial sales of fixed assets not intended to be replaced.	
<b>2</b>	<b><i>Operational</i></b>	
2.01	Loss of key management without replacement.	
2.02	Loss of key staff without replacement.	
2.03	Loss of a major market, franchise, license, or principal supplier.	
2.04	Labour difficulties or shortages of important supplies.	
2.05	Fundamental changes in the market or technology to which the entity is unable to adapt adequately.	
2.06	Excessive dependence on a few product lines where the market is depressed.	
2.07	Technical developments which render a key product obsolete.	
<b>3</b>	<b><i>Other</i></b>	
3.01	Non-compliance with capital or other statutory requirements.	
3.02	Pending legal or regulatory proceedings against the entity that may, if successful, result in claims that are unlikely to be satisfied.	
3.03	Changes in legislation or government policy expected to adversely affect the entity.	
3.04	Issues which involve a range of possible outcomes so wide that an unfavourable result could affect the appropriateness of the going concern basis.	
	If "Yes", specify:	
<b>4</b>	<b><i>Conclusion</i></b>	
4.10	Complete the conclusion schedule on <b>T3.1</b> .	

Client:	Prepared by:	Date:	Ref: <b>T3.1</b>
Year end:	Reviewed by:	Date:	
File no:			

**GOING CONCERN – CONCLUSION**

		YES/N/A*
1	Where going concern has been reviewed by the directors for a period of less than 12 months has this been disclosed in the accounts or in the audit report?	
2	Where you have been unable to obtain all the information and evidence necessary to adequately assess the company’s ability to continue as a going concern, has a suitably worded qualified audit report been drafted?	
3	Where the accounts have not been drawn up on a going concern basis, either: (a) are you happy that the basis of preparation of the accounts is reasonable and that there is adequate disclosure in the accounts;* or (b) has a suitably worded qualified audit report been drafted?*	
4	Where there is a significant level of concern about the company’s ability to continue as a going concern: (a) have adequate disclosures been made in the accounts: - a statement that the accounts have been prepared on the going concern basis; - a statement of the pertinent facts; - the nature of the concern; - a statement of the assumptions adopted by the directors, which should be clearly distinguishable from the pertinent facts; - (where appropriate and practicable) a statement regarding the directors’ plans for resolving the matters giving rise to the concern; and - details of any relevant actions by the directors. (b) has a suitably worded qualified audit report been drafted?	

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Delete if not applicable.

Client:	Completed by:	Date:	Ref: <b>T4</b>
Year end:	Reviewed by:	Date:	
File no:			

**FINAL PROGRAMME – SUBSEQUENT EVENTS**

	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
<b>General</b>					
1 Establish whether the management has effective procedures to ensure that subsequent events are identified.					
2 Read the management minutes held since the final audit and enquire about matters discussed at meetings for which minutes are not yet available.					
3 Review any available accounting records and identify whether anything needs to be reflected in the accounts.					
4 Enquire with management whether any subsequent events have occurred which might affect the accounts. Cover specifically: (a) the current status of items involving subjective judgement or which were accounted for on the basis of preliminary data: specify: (b) whether new commitments, borrowings or guarantees have been entered into; (c) whether sales of assets have occurred or are planned; (d) whether the issue of new shares or debentures, or an agreement to merge or to liquidate, has been made or is planned; (e) whether any assets have been destroyed; (f) whether there have been any developments regarding risk areas and contingencies; (g) whether any unusual accounting adjustments have been made or are contemplated; (h) whether any events have occurred or are likely to occur which might bring into question the appropriateness of the accounting policies.					
5 Consider, where appropriate, the validity of the going concern basis of accounting.					
6 Confirm that the directors' review of					



the future of the business still extends to a period of at least 12 months (SLAuS 570.18).

Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date