

AUDIT AND ASSURANCE

Suggested Answers
March-April, 2024

Answer to the Question# 1(a):

Termination of contract with MM Ahmed & Co. Chartered Accountants:

There are professional ethics that should be followed in the removal of office of the auditors. The removal of MM Ahmed & Co. Chartered Accountants by Smart Chemical Ltd. did not comply with the ethical guidance in the following way:

- 1) The removal of MM Ahmed & Co. Chartered Accountants was initiated and made by the Board of Directors (BOD). The removal of auditors should be by special resolution of members at the Annual General Meeting (AGM) or Extra-Ordinary General Meeting (EGM) convened for this purpose.
- 2) The company should have informed the Registrar of Joint Stock Registrar of Companies (RJSC) of the removal of auditors within 14 days of the event. There is no indication that Smart Chemical Ltd. has informed the RJSC except to note that the company is in a hurry to appoint new auditors.
- 3) It is not correct to suggest that Smart Chemical Ltd. does not owe any money to MM Ahmed & Co. Chartered Accountants. The firm is entitled to compensation for termination of contract before the expiry date.
- 4) Smart Chemical Ltd. will be required to send notice of the meeting at which the term of office of MM Ahmed & Co. Chartered Accountants should have ended.

Answer to the Question# 1(b):

Matters to consider before submitting bid:

- 1) Rex & Partners should find out if Smart Chemical Ltd. will be seeking its first auditors or they are replacing the current auditors.
- 2) Enquire whether there are reasons/circumstances behind the change which the new auditors ought to know, also as a matter of courtesy.
- 3) The firm should consider whether it has the resources in terms of manpower and financial resources to undertake a clearly bigger audit.
- 4) Consideration should be made on whether it will be able to conduct an efficient audit of a client in an industry that it has no experience.
- 5) In view of the other clients with the same year end as that of Smart Chemical Ltd. consideration of whether the audit can be completed within the timeframe of the deadlines set by Smart Chemical Ltd.
- 6) The firm may wish to know the directors of Smart Chemical Ltd. if they are currently not known.

Answer to the Question# 1(c):

Matters and action after appointment:

- 1) Consider whether the firm is able to conduct the audit of financial statements for a company in the manufacturing industry.
- 2) Rex & Partners must undertake to ensure that their appointment is valid and they are clear to act.
- 2) Consider the availability of resources in terms of financial, time and human resources to undertake the audit.
- 3) Consider whether the pre-condition for an audit exist if not, then the firm should not accept the appointment.
- 4) Consider the integrity of the management of Smart Chemical Ltd. in view of the termination of the contract with MM Ahmed & Co. Chartered Accountants on account of a disagreement.
- 5) Seek the permission of the management of Smart Chemical Ltd. to communicate with MM Ahmed & Co. Chartered Accountants to find out if there are any reasons to prevent the firm from accepting appointment. If permission is not given, then the appointment should be declined.

- 6) If Smart Chemical Ltd. gives a go ahead to communicate with the outgoing auditors, a letter will be written to MM Ahmed & Co. Chartered Accountants. If Smart Chemical Ltd. does not permit MM Ahmed & Co. Chartered Accountants to respond to the letter, appointment should be declined.
- 7) If clearance is obtained from MM Ahmed & Co. Chartered Accountants, the firm should accept appointment and request a copy of the resolution. Management of Smart Chemical Ltd. could call for an Extra Ordinary General Meeting (EGM) if the appointment cannot wait until the time of the Annual General Meeting (AGM).
- 8) Once formally appointed the firms should write a letter of engagement to be signed by both parties.

Answer to the Question# 2(a):

Review of work

- Work properly conducted in accordance with plan/programs
- Working papers to be a standard/evidence recorded
- Conclusions are valid
- Matters identified for further consideration
- Working papers are headed, initialed and dated

Answer to the Question# 2(b):

The Companies Act 1994 has offered several rights for the auditors should there be a situation like the one under discussion. Those are:

1. To receive notice of the resolution to appoint another auditor.
2. To have written representations circulated to all members or read out at the meeting.
3. To attend the meeting.
4. To be heard at the meeting.

Answer to the Question# 2(c):

- This constitutes insider dealing which is a criminal offence, as the financial director is benefiting financially from an inside knowledge of the business.
- All chartered accountants and trainees, whether in business or practice, are required to comply with the Code of Ethics. This states that members should act with integrity at all times and not act to bring the profession into disrepute.

Action

- Inform the audit partner but do not approach the finance director directly yourself.

Answer to the Question# 3(a):

The actions underlying acceptance of an audit engagements can be described in three segments with necessary sub-actions as follows:

How do assurance firms obtain clients?

Usually, firms get awarded an engagement through a competitive tendering process. However, to deal with such tendering processes certain issues might be pertinent to consider are:

- While quoting fees necessary care must be taken to ensure that undercutting or lowballing marks does not arise.
- Care must be taken to ensure that firm has appropriate experience to deal with the work under proposal.
- Proposed work must be commensurate to the firm's reputation.
- Alongside firm's experience, the firm must have adequate experienced personnel to properly perform the require work.

How do assurance firms determine whether to accept clients?

Necessary ethical, legal, and related risk indicators must be considered while determining whether the proposed engagement can be accepted. The following actions might be useful to consider:

- To do a simple test, if the firm is independent of the proposed client and its management and staff.
- Necessary communication must be established with previous auditors.
- To check if the previous audit firm had proper removal/resignation.
- A critical and careful thought might be necessary to assess if there is any apparent threat that might prevent issuing appropriate opinion.
- Do an initial assessment of directors' integrity, financial records, internal control practices etc.

How do assurance firms confirm the scope of the engagement?

An engagement letter must be contemplated with following:

- Scope and responsibilities to be carefully sorted.
- Consider the appropriateness of changing the level of assurance provided, if requested.
- Consider disclosure terms.

Answer to the Question# 3(b)(i):

Basic factors to consider when screening Coppertech Industries Ltd.

- Management integrity – This will be very important given that Coppertech Industries Ltd is a family company. It is possible that key family members dominate decision making in Coppertech Industries Ltd. The control environment may be poor.
- Risk – Coppertech Industries Ltd. may be a high risk client given that the Finance Director left and is yet to be replaced. In addition, performance in the last three (3) years has been bad.
- Relationship with Coppertech Industries Ltd. – It will be important to establish whether the relationship will be long-term or not. A long-term relationship could be favored since Ahmed & Partners will be assured of income and this will also allow the audit work to be enhanced by better knowledge of Coppertech Industries Ltd and thereby offer a better service.
- Ability to perform the work – Ahmed & Partners must have the resources to perform the work properly, as well as any specialist knowledge or skills. It will be important to assess the impact on existing engagements in terms of staff time and the timing of the audit.
- Engagement economics – Expected fees from Coppertech Industries Ltd. should reflect the level of risk expected. However, Ahmed & Partners may also want to gain entry into this industry.
- Contacting the previous auditors – Ahmed & Partners must establish the reasons/circumstances behind the resignation. This will enable the firm to make an informed decision.

Answer to the Question# 3(b)(ii):

Importance of an engagement letter

ISA 210 Agreeing the Terms of Audit Engagements gives detailed guidance in this area. The engagement letter is the written terms of an engagement in the form of a letter. The letter of engagement is important for both auditor and client mainly because:

- It is a professional requirement
- It sets out the respective responsibilities and thus reduces the likelihood of misunderstandings arising at a future date
- It also ensures that the client understands what an audit is and how it differs from other services provided by the auditor
- Allows the auditor to detail any other services he can offer
- It explains the basis on which fees are calculated and when they become payable.

Answer to the Question# 3(b)(iii):

Suggested action(s) to be taken if Coppertech Industries Ltd does not sign the engagement letter:

- Send another engagement letter
- Contact the acting Finance Director
- If issue remains unresolved, contact those charged with governance
- If issue still remains unresolved, withdraw from the engagement.

Answer to the Question# 4(a):

- Review and obtain photocopies of documents which have aroused her suspicions
- Enquire into reasons for altered pages in books/documents etc.
- Investigate any apparent override/circumvention of company procedure, e.g. cancelling a sales invoice instead of raising a credit note
- Review previous management letters for any weaknesses facilitating misappropriations
- Consider credit controller's motives for putting chief accountant under suspicion, e.g. working relationship/job threat
- Take note of chief accountant's standard of living; appropriate to his status?
- Consider whether past dealings with chief accountant have ever cast doubt on his integrity
- Increase analytical procedures on revenue and receivables, e.g. monthly revenue/receipts of major customers/extend circularisation if trade receivables collection period has increased
- Discuss with engagement partner, who may wish to discuss with client (e.g. board of directors)

Answer to the Question# 4(b):

Briefing notes to: Audit Staff
From: Audit Partner

Subject: Key Audit Matter

Introduction

This briefing notes will address the meaning of key audit matter and scope of entities in which ISA 701 is applicable as adopted by the ICAB.

Also, factors to be considered in determining key audit matters shall also be considered.

Finally, the interaction between KAMs, ISA 570 Going Concern and ISA 705 Emphasis of matter paragraph and other matter paragraph will be duly considered too.

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance.

i) Key audit matters (KAMs) must be communicated:

- In the auditor's report of all Public Interest Entities (PIEs); and
- When the auditor is required by law or regulation to communicate key audit matters in the auditor's report.

Entities in which ISA 701 is applicable

In Bangladesh, the following entities meet the definition of Public Interest Entities for the purpose of complying with the communication of KAMs:

- Companies that have made invitations to the public for shares, whether listed or unlisted;
- Mutual Funds licensed by the Securities and Exchange Commission (SEC);
- Investment Advisors licensed by SEC who are also Fund Managers;
- Unit Trusts licensed by SEC;
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- Deposit-taking institutions regulated by the Bank of Bangladesh such as:
 - o Banks,
 - o Savings and Loans Companies,
 - o Finance Houses,
 - o Rural and Community Banks, and
 - o Deposit-taking Microfinance Institutions;
 - o Life Insurance Companies;
 - o Non-Life Insurance Companies;
 - o ~~Re-insurance Companies; and~~
 - o ~~State-owned enterprises regulated by State Enterprises Commission~~

ii) Factors to be considered in determining key audit matters

ISA 701 explains that in determining KAMs, the auditor shall take into account:

- Areas of higher assessed risk of material misstatement, or significant risks;
- Significant auditor judgments relating to areas in the financial statements that involved significant management judgment, including accounting estimates that have been identified as having high estimation uncertainty; and
- The effect of significant events or transactions that occurred during the period.
- The auditor determines which of the above matters were most significant in the audit, and hence are the key audit matters.

iii)

Answer to the Question# 4(c):

An amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole or, if applicable, for a particular class of transaction, account balance or disclosure.

Performance materiality should be set so that misstatements which are in themselves immaterial, but which in aggregate could cause the financial statements to be materially misstated, are unlikely to remain undetected. In other words, the probability of such misstatements remaining undetected should be reduced to an acceptably low level. Performance materiality can be one or more amounts, and it should be revised as the audit progresses if the auditor becomes aware during the audit of information that would have caused a different amount to be set in the first place.

Answer to the Question# 5(a)(i):

Matters that must be considered in the audit of group accounts:

- 1) One of the subsidiaries has a different year-end. The provisions of IFRS 10 will need to be taken into account.
- 2) The fact that the country in which one (1) subsidiary is based has not adopted the International Financial Reporting Standards. The financial statements of this subsidiary will require adjustments to take into account provisions of International Financial Reporting Standards (IFRSs).
- 3) The fact that the subsidiaries maintain financial statements in their local currencies and yet the consolidated financial statements are prepared in the currency of the parent company. Issues relating to translation of the local currency financial statements into the currency of the parent company will be considered.
- 4) The fact that each of the subsidiaries has different auditors from the parent company auditors is a matter that should be considered in the audit of the consolidated financial statements. The financial statements audited by the different auditors will be consolidated together with the parent company financial statements and so the competence of the subsidiary auditors will be a matter of consideration by Ahmed & Associates Chartered Accountants.

Answer to the Question# 5(a)(ii):**Responsibilities for the opinion:**

The parent company auditors are responsible for the opinion of the individual financial statements of the parent company. Each of the auditors of the subsidiary companies is responsible for the opinion of the audits performed by them.

The group auditors will be responsible for the consolidated accounts opinion. This is notwithstanding the fact that the consolidated accounts include figures not audited by them.

Answer to the Question# 5(a)(iii):

Work on significant component by group auditors:

- A full audit of the significant component financial statements requires to be done by either the component auditors or the group auditors. This audit should be based on the component materiality level.
- The group auditors should be involved in the risk assessment of the significant component.
- The group auditors will audit specified account balances related to identified risks of the component.
- The group auditors will require to discuss with the component auditors the susceptibility of the component to material misstatement of the financial statements due to fraud or error
- A review of the working papers of the component auditors relating to significant risks of material misstatement.

Answer to the Question# 5(b)(i), (ii) and (iii):**Lawsuit: Requirements for Amendments**

A key supplier is suing Omega Ltd for TK.1 million; the company has made contingent liability disclosures. However, subsequent to the year end the supplier agreed to settle at TK.0.6 million and it is likely the company will agree. Although the settlement was agreed after the year end, it provides further evidence that the company had a present obligation as at 31 December.

The financial statements should be adjusted with the contingent liability disclosures being removed and instead a provision of TK.0.6 million being recorded.

The following audit procedures should be applied to form a conclusion as to the level of the adjustment:

- The auditor should contact the company's lawyers to ask their view as to whether the settlement is probable and whether TK.0.6 million is the likely amount.
- Review the correspondence with the supplier to confirm that the amount they are willing to accept is in fact TK.0.6 million.
- Discuss with management as to whether it is probable that they will pay this sum and obtain a written representation confirming this.

Impact on Audit Report

The sum being claimed is TK.1 million but the probable payment is TK.0.6 million, this is material as it represents 8% of profit (0.6/7.5) and hence management should provide for this amount.

If management refuse to provide then the audit report will need to be modified. As management has not complied with IAS 37: Provisions, Contingent Liabilities and Contingent Assets and the error is material but not pervasive then a qualified opinion would be necessary.

A basis for qualified opinion paragraph would be required and would need to include a paragraph explaining the material misstatement in relation to the lack of a provision and the effect on the financial statements. The opinion paragraph would be qualified 'except for'.

Warehouse: Requirements for Amendments

The warehouse has been subject to a flood in late February, the entire inventory has been disposed of and the company has insurance in place. This event occurred after the year end and the flood would not have been in existence at 31 December, and hence this event indicates a non-adjusting event. The financial statements should not be adjusted; however, if the impact of any uninsured losses are material, then a disclosure of the nature of the event and any estimates of the financial impact may be required. If the amount is not material, then it may not be necessary to include any disclosures.

The following audit procedures should be applied to form a conclusion as to the extent of any disclosures:

- Discuss the matter with the directors, checking whether the company has sufficient inventory to continue trading in the short term.
- Obtain a written representation confirming that the company's going concern status is not impacted.
- Obtain a schedule showing the inventory destroyed and compare this to the average inventory in the other two warehouses to see if the amount claimed to be damaged is reasonable.
- Review any correspondence from the insurers, confirming the amount of the insurance claim to assess the extent of any uninsured amounts.

Impact on Audit Report

The amount of damaged inventory is likely to be material; however, the company has insurance and so it is only the uninsured level of inventory which should possibly be disclosed.

If disclosures are not required, because the uninsured loss is immaterial, then there will be no reporting implications for the audit report.

If disclosure of this subsequent event is required and management refuse to make these disclosures, then the audit report will need to be modified with a qualified 'except for' opinion.

If the impact of the uninsured level of inventory is such that the company's going concern status is impacted, consideration should be given to modifying the audit report opinion. This would involve including a paragraph titled as 'Material Uncertainty related to Going Concern' drawing attention to the possible risk in relation to going concern.

Receivable: Requirement for Amendments

A customer, owing TK.0.3 million at the year end, is experiencing significant going concern difficulties. This information was received after the year end but provides further evidence of the recoverability of the receivable balance at the year end. Under IAS 10: Events after the Reporting Period, if the customer is experiencing cash flow difficulties just a few months after the year end, then it is highly unlikely that the TK.0.3million was recoverable as at 31 December.

The receivables balance is overstated and consideration should be given to adjusting this balance, if material, through the use of an allowance for receivables or by being written off.

The following audit procedures should be applied to form a conclusion as to the level of the adjustment:

- The correspondence with the customer should be reviewed to assess whether there is any likelihood of payment.
- Discuss with management as to why they feel an adjustment is not required and obtain a written representation
- Review the post year-end period to see if any payments have been received from the customer.
- Debtors circularization

Impact on Audit Report

The receivable of TK.0.3 million is not material as it represents 4% of profit (0.3/7.5) and 0.4% of revenue (0.3/78) and therefore, although overstated, it does not require adjustment. However, the TK.0.3m should be noted in the summary of unadjusted errors.

As the error is immaterial then no amendment is required to the audit opinion.

Answer to the Question# 5(c)(i):

The three stages of money laundering are as follows;

Placement:

This is when the criminal places illegal cash in what appears to be a legitimate business transaction. The deposit of US\$ 2,500,000 into the forex account of the company may suggest the placement of illegal proceeds into the company.

Layering: In this stage, the funds move through several transactions or 'layers'. The transactions will be complex and may move the funds between different countries to make the source of the illegal funds more difficult. The transfers on the 30 March suggests the layering of the funds.

Integration: In this final stage, the funds are moved back into the economy to convert them into a legitimate form. The purchase of goods suggests the integration of the funds back into the economy.

Answer to the Question# 5(c)(ii):

Obligations on firms regarding money laundering:

1. Appoint a money laundering reporting officer whose responsibility is to receive reports on suspected money laundering activities from other employees and report them to the appropriate authorities (BFIU, Bangladesh Bank).
2. Establish procedures with the firm for reporting any suspicion of money laundering by client companies.
3. Training and educating staff in procedures for detecting and reporting suspicions of money laundering activities.

4. Put in place systems, controls and procedures to ensure that the firm is not used for money laundering purposes.

Answer to the Question# 6(a):

The sales of cooking equipment represent TK.2.5 million of revenue for the year which is 44.6% of total revenue and therefore material to the accounts.

The conditions for recognising a provision in the financial statements in accordance with IAS 37 Provisions, contingent liabilities and contingent assets are that there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Dilli Aluminium Ltd's management should recognise a provision in the financial statements for the year ended 31 March 2023 if the conditions are met. However, the disclosure in the accounts is as a contingent liability – but it is very unlikely that the company cannot make a reliable estimate of the obligation.

If a provision is not made for the warranty, then the auditor's opinion would be qualified on the basis of a material misstatement ('except for') in respect of non-compliance with the requirements of IAS 37.

Answer to the Question# 6(b)(i):

Reporting Implication

Event 1

The release of dye occurred after the end of the reporting period, so this is indicative of conditions existing after the end of the reporting period – the event could not be foreseen at the end of the reporting period.

In this case, no adjustment to the financial statements appears to be necessary. However, the investigation by the Environmental Authority could result in a legal claim against the company for illegal pollution, so as a material event, it will need disclosure in the financial statements.

Event 2

The problem with the inventory of mattress provides additional evidence of conditions existing at the end of the reporting period as the inventory was in existence and the faulty springs were included in the inventory at this time.

The value of the inventory is overstated and should be reduced to the lower of cost and net realisable value in accordance with IAS 2 Inventories.

An adjustment for this decrease in value must be made in the financial statements. The mattresses should therefore be valued at TK100,000 being the net realisable value.

Answer to the Question# 6(b)(ii):

Auditors Responsibility

Event 1

As with event 1, the event takes place before the signing of the audit report, therefore the auditors have a duty to identify material events affecting the financial statements.

The event is after the reporting period but represent new conditions arising and therefore will qualify to be non-adjusting event. If the impact on the financial statements is material, the auditor should ensure adequate disclosure. Where disclosure is not made and the auditor considers disclosure is necessary, modify the audit opinion on the grounds that the Financial Statements did not disclose all the information required. This will be for lack of disclosure (not provision) even though the amount cannot yet be determined.

Alternatively, if the auditor considers that the release of dye and subsequent fine will affect Prominent Manufacturer Ltd's ability to continue as a going concern, draw the members' attention to this in the material uncertainty relating to going concern paragraph of the audit report.

Audit procedures will include:

- Obtain any documentation on the event, for example board minutes, copies of environmental legislation and possibly interim reports from the Environmental Authority to determine the extent of the damage.
- Inquire of the directors whether they will disclose the event in the financial statements.
- If the directors plan to make disclosure of the event, ensure that disclosure appears appropriate.
- If the directors do not plan to make any disclosure, consider whether disclosure is necessary and inform the directors accordingly.

Event 2

Auditor's Responsibility

These procedures should be performed as close as possible to the date of the auditor's report and in addition, representation regarding subsequent events should be sought on the date the report was signed. The auditor should ensure that management have accounted for or disclosed subsequent events properly if not the implication on the audit report should be considered.

Audit procedures will include:

- Obtain documentation from the insurers confirming their estimate of the value of the mattresses and that no further insurance claim can be made for the loss in value.
- Contact solicitors/administrators of the spring supplier to confirm that no refund will be expected for the defective springs.
- Obtain the amended financial statements and ensure that the directors have included TK100,000 as at the end of the reporting period and that the year-end value of inventory has been decreased to TK100,000.
- Review inventory lists to ensure that the defective springs were not used in any other mattresses and that further adjustments are not required to any other inventory.
- Obtain an additional management representation point confirming the accuracy of the amounts written-off and confirming that no other items of inventory are affected.
- Finally, assessing the effect on the audit opinion after the decision of the directors regarding the inventory value is known. A qualified opinion may be required where appropriate adjustments are not made to the financial statements.

Answer to the Question# 6(b)(iii):**Additional Audit Work**

The notification of a fine has taken place after the audit report has been signed. Audit procedures will include:

- Discuss the matter with the directors to determine their course of action.
- Where the directors decide to amend the disclosure in the financial statements, audit the amendment and then re-draft and re-date the audit report as appropriate.
- Where the directors decide not to amend the disclosure in the financial statements, the auditor can consider other methods of contacting the members. For example, the auditor can speak at the upcoming Annual General Meeting (AGM) to inform the members of the event.
- Other options such as resignation seem inappropriate due to the proximity of the Annual General Meeting (AGM). Resignation would allow the auditor to ask the directors to convene an Extraordinary General Meeting (EGM), but this could not take place before the AGM so the auditor should speak at the AGM instead.

Answer to the Question# 6(c):**Differences between assurance and auditor's reports:****Assurance report**

The conclusion of the assurance report on the forecast information will include a statement of negative assurance (ie limited or moderate assurance) in the form of 'nothing has come to our attention which causes us to believe that the assumptions do not provide a reasonable basis for the forecast'. It will also include an opinion on whether the forecast information is properly prepared on the basis of the assumptions and is presented in accordance with the relevant financial reporting framework.

Using negative assurance, the auditor is warning users that the cash flow forecast may be inaccurate. Less reliance can therefore be placed on the forecast than the financial statements, where the positive assurance was given.

With negative assurance, the auditor is also warning that there were limited audit procedures that could be used; the cash flow relates to the future and therefore the auditor cannot obtain all the evidence to guarantee its accuracy.

Auditor's report

The audit report on statutory financial statements provides positive or reasonable assurance; that is the financial statements do show a true and fair view.

Financial statements relate to the past, and so the auditor should be able to obtain the information to confirm they are correct; hence the use of positive assurance.

Reasons

Financial statements are mainly based on historical information whereas forecast information is based on assumptions about future events. The historical information can be verified to a greater degree than forecasts, which will always be subject to uncertainty.

Answer to the Question# 6(d):

The scope of ISA 260 (Revised) is limited to matters that come to the auditor's attention as a result of the audit; the auditors are not required to design procedures to identify matters of governance interest.

Such matters would include:

- ☐ The auditor's responsibilities in relation to the financial statement audit
- ☐ Planned scope and timing of the audit
- ☐ Significant findings from the audit
- ☐ Auditor's independence (in the case of public interest/ listed entities)

Answer to the Question# 6(e):

Reviews of financial statements may be performed for a wide range of entities that vary by type or size, or by the level of complexity in their financial reporting. In some jurisdictions, the review of financial statements of certain types of entity may also be the subject of local laws or regulations and related reporting requirements.

However, the requirements of ISRE 2400 are expressed under the following heading:

- Conduct of review engagement
- Ethical requirements
- Professional skepticisms and professional judgment
- Engagement level quality control
- Acceptance and continuance of client relationships and review engagements
- Communication with the management and those charged with governance
- Performing the engagement
- Subsequent events
- Written representation
- Evaluating evidence obtained from the procedures performed
- Forming the practitioner's conclusion on the financial statements
- The practitioner's report
- Documentation

---The End---