

AUSTRALIAN GAAS 2007 'AUDITING STANDARDS CHECKLISTS'

COLIN PARKER B.Bus FCA MAICD
Principal, GAAP Consulting

www.gaap.com.au

AUSTRALIAN GAAS* 2007 'AUDITING STANDARDS CHECKLISTS'

AS AT 1 JANUARY 2007

COLIN PARKER B.Bus FCA MAICD
Principal, GAAP Consulting

www.gaap.com.au

* Generally Accepted Auditing Standards

Disclaimer

The author and publisher are not responsible for the results of any actions taken on the basis of the information in checklist, nor for any errors or omissions. The publishers are not engaged in the rendering of legal, accounting, auditing, or other professional services. The author and publisher expressly disclaim all and any liability to any person, whether the purchasers of these checklists or not, in respect of anything and of consequences of anything done or omitted to be done by any such person in reliance, in whole or in part, of any of the contents of these checklists.

For interpretation purposes, specific references should be made to the official versions of the Australian Standards of Auditing and other pronouncements described.

Copyright

© Accountnet Pty Ltd

All rights reserved. Without limiting the rights under the copyright above, no part of this publication shall be produced or reproduced into a retrieval system, or transmitted in any form or by any other means (electronic, mechanical, photocopying, recording or otherwise) without the prior written permission of the copyright owner.

First Edition, January 2007

Published by Parker Publishing, a Division of Accountnet Pty Ltd.

Contact

Enquires regarding this publication should be directed to:

Mr Colin Parker
Accountnet Pty Ltd
GPO Box 1497
Melbourne 3001

Telephone: (03) 9399 8666
Facsimile: (03) 9399 8224
Mobile: 0421 088 611
Web site: www.gaap.com.au
Email: colin@gaap.com.au

PREFACE

PURPOSE OF THIS CHECKLIST

Australian GAAS 2007 'Auditing Standards Checklists' provides 22 checklists of all mandatory requirements of auditing standards, over 400, in the Australian Auditing Standards as at 1 January 2007 and apply to 30 June 2007 financial reports for the first time. The ASAs also apply to audits of other financial information.

Australian generally accepted auditing standards (GAAS) have changed fundamentally with the revision and reissue of over 35 Australian Auditing Standards (ASAs) that have legal backing for audits and reviews conducted under the Corporations Act. These ASAs also apply to non-corporate audits conducted in the private and public sectors, and are enforced through the professional requirements of the accounting bodies in APES 410 'Conformity with Auditing and Assurance Standards' (effective from 1 July 2006).

Australian GAAS 2007 'Auditing Standards Checklists' is primarily designed for audit firms, auditors and their engagement teams. It may also be of interest to other professional staff, preparers of financial statements, those charged with governance, new entrants into the accounting profession, auditing academics, and students.

Australian GAAS 2007 'Auditing Standards Checklist' accompanies *Australian GAAS 2007 'Auditing Standards Mandatory Requirements'* that been designed to be a ready reference to GAAS mandatory requirements and related developments.

USE OF AUSTRALIAN GAAS 2007 'AUDITING STANDARDS CHECKLISTS'

There are several methods of complying with these new and revised mandatory auditing requirements. *Australian GAAS 2007 'Auditing Standards Checklists'* is one such method. For the purposes of the 22 checklists, the ASAs have been integrated and re-ordered to closely follow the flow of an audit, rather than presented as standalone checklist for each Australian Auditing Standard. The mandatory requirements have been re-expressed for the purposes of brevity and simplicity with a number of the requirements split into further separate questions. Each checklist requirement is referenced to the mandatory auditing requirement in each of the Australian Auditing Standards (see *Australian GAAS 2007 'Auditing Standards Mandatory Requirements'* for the full text of the mandatory requirements).

A number of the mandatory requirements of ASAs apply to all audits, for example, planning, conduct, reporting, engagement conclusion and quality control. Whereas a number of other standards, for example, opening balances and inventories are only relevant in specific engagements circumstances. With this in mind *Australian GAAS 2007 'Auditing Standards Checklists'* is structured into eight parts: Part 1 'Planning – Checklist'; Part 2 'Conduct of Audit Procedures – Checklist'; Part 3 'Specific Financial Reporting Assertions – Checklists'; Part 4 'Using Work of Others – Checklists', Part 5 'Audit Reporting – Checklists'; Part 6 'Engagement Conclusion and Quality Control – Checklist'. Select the checklists that are relevant to particular engagement.

The checklists can be used throughout the audit to assist with ASAs compliance on a timely basis, rather than solely at the conclusion of the audit. The checklists can also be used to assist with determining which mandatory requirements should be embedded into the firm's overall policies and procedures, and those that apply to the individual engagement.

The 22 checklists can be:

- Included in the audit file as evidence that the mandatory requirements of ASAs have been considered
- Embedded into audit software (subject to an annual licensing arrangement with Accountnet Pty Ltd)
- Used as a platform from which to develop further audit principles as specified in the audit firm's audit manual
- A reference, or
- A training tool.

MANDATORY REQUIREMENTS

ASAs consist of paragraphs that are either mandatory requirements, identified in bold-type (black lettering), or explanatory guidance, identified in normal-type (grey lettering). The paragraphs in AUASB Standards do not have equal authority. *Australian GAAS 2007 'Auditing Standards Checklist'* are based on the mandatory requirements.

The mandatory requirements consist of basic principles and essential procedures. An auditor is required to comply with all mandatory requirements except when:

- Application of the mandatory requirement(s) would relate to classes of transactions, account balances or disclosures that are immaterial
- An auditor, using professional judgement, has chosen not to adopt a particular approach or procedure where the AUASB Standard permits or requires the auditor to choose from alternative approaches or procedures,
- A mandatory requirement(s) is conditional and the condition is not present.

When one or more of the exceptions described above exist, a mandatory requirement is not relevant and the auditor is not required to document the circumstances giving rise to the exception.

In the case of a review engagement, the auditor is required to apply the mandatory requirements contained only in the specified standard applicable to that review engagement, in conjunction with the Preamble. There is no requirement to apply the mandatory requirements of other AUASB Standards.

Where, in rare and exceptional circumstances, factors outside the auditor's control prevent the auditor from complying with an essential procedure contained in a relevant mandatory requirement, the auditor is required to:

- Perform appropriate alternative audit procedures, if possible, and where these cannot be performed consider the implications for the audit report, and
- Document in the audit working papers in accordance with ASA 230 'Documentation' the following: the circumstances surrounding the inability to comply; the reasons for the inability to comply; and a justification of how alternative audit procedures achieve the objectives(s) of the mandatory requirements.

The following ASA have legal backing for Corporations Act audits. They apply to 30 June 2007 financial reports for the first time, and to the audit of other financial information. The mandatory requirements of these ASA that are contained *Australian GAAS 2007 'Auditing Standards Checklist'*.

No.	Topic	AUS Equiv.	ISA Equiv.
ASA 100	Preamble to AUASB Standards	NA	NA
ASA 200	Objective and General Principles Governing an Audit of a Financial Report	AUS 202	ISA 200
ASA 210	Terms of Audit Engagements	AUS 204	ISA 210
ASA 220	Quality Control for Audits of Historical Financial Information	AUS 206	ISA 220
ASA 230	Audit Documentation	AUS 208	ISA 230
ASA 240	The Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report	AUS 210	ISA 240
ASA 250	Consideration of Laws and Regulations in an Audit of a Financial Report	AUS 218	ISA 250
ASA 260	Communication of Audit Matters with Those Charged With Governance	AUS 710	ISA 260
ASA 300	Planning an Audit of a Financial Report	AUS 302	ISA 300
ASA 315	Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement	AUS 402	ISA 315
ASA 320	Materiality and Audit Adjustments	AUS 306	ISA 320
ASA 330	The Auditor's Procedures in Response to Assessed Risks	AUS 406	ISA 330
ASA 402	Audit Considerations Relating to Entities Using Service Organisations	AUS 404	ISA 402
ASA 500	Audit Evidence	AUS 502	ISA 500
ASA 501	Existence and Valuation of Inventory	AUS 506	ISA 501
ASA 505	External Confirmations	AUS 504	ISA 505
ASA 508	Enquiry Regarding Litigation and Claims	AUS 508	ISA 501
ASA 510	Initial Engagements – Opening Balances	AUS 510	ISA 510

ASA 520	Analytical Procedures	AUS 512	ISA 520
ASA 530	Audit Sampling and Other Means of Testing	AUS 514	ISA 530
ASA 540	Audit of Accounting Estimates	AUS 516	ISA 540
ASA 545	Auditing Fair Value Measurements and Disclosures	AUS 526	ISA 545
ASA 550	Related Parties	AUS 518	ISA 550
ASA 560	Subsequent Events	AUS 706	ISA 560
ASA 570	Going Concern	AUS 708	ISA 570
ASA 580	Management Representations	AUS 520	ISA 580
ASA 600	Using the Work of Another Auditor	AUS 602	ISA 600
ASA 610	Considering the Work of Internal Audit	AUS 604	ISA 610
ASA 620	Using the Work of an Expert	AUS 606	ISA 620
ASA 700	The Auditor's Report on a General Purpose Financial Report	AUS 702	ISA 700
ASA 701	Modifications to the Auditor's Report	AUS 702	ISA 701
ASA 710	Comparatives	AUS 704	ISA 710
ASA 720	Other Information in Documents Containing Audited Financial Reports	AUS 212	ISA 720
ASA 800	The Auditor's Report on Special Purpose Audit Engagements	AUS 802	ISA 800
ASRE 2410	Review of an Interim Financial Report Performed by the Independent Auditor of the Entity	NA	ISRE 2410

The checklists for the ethical requirements APES 110 'Code of Ethics for Professional Accounting Accountants', APES 320 'Quality Control for Audit Firms', and APES 410 'Conformity with Assurance and Auditing Standards' do not form part of this publication.

The following Statements of Auditing Standards (AUS) are not subject to legal backing and remain unchanged. These AUS are not contained in *Australian GAAS 2007 'Auditing Standards Checklist'*.

No.	Topic	ISA Equiv.
AUS 108	Framework for Assurance Engagements	Framework
AUS 110	Assurance Engagements Other than Audits or Review of Historical Financial Information	ISAE 3000
AUS 522	Audit Evidence Implications of Externally Managed Assets of Superannuation, Provident or Similar Funds	NA
AUS 524	The Auditor's Use of the Work of the Actuary and the Actuary's Use of the Work of the Auditor in Connection with the Preparation and Audit of a Financial Report	NA
AUS 804	The Audit of Prospective Financial Information	ISA 810
AUS 806	Performance Auditing	NA
AUS 808	Planning Performance Audits	NA
AUS 810	Special Purpose Reports on the Effectiveness of Control Procedures	NA
AUS 902	Review of Financial Reports	ISA 910
AUS 904	Engagements to Perform Agreed-upon Procedures	ISA 920

ABOUT THE AUTHOR



Colin Parker Bac. Bus. (Acc) is a Fellow of The Institute of Chartered Accountants in Australia (1991), and an Associate (1978), a Fellow Certified Practising Accountant with the CPA Australia (1992), and a member of The Australian Institute of Company Directors (2002). He is an acknowledged expert in financial reporting and auditing; and on 1 July 2003 formed his own consulting practice *GAAP Consulting Services* to provide independent financial reporting, auditing and corporate governance solutions.

Colin gained substantial audit experience with major accounting firms, CPA Australia, the Auditing and Assurance Standards Board of the Australian Accounting Research Foundation (AARF). He had approximately 10 years audit experience, including as a Group Audit Manager, with second tier accounting firms. Major client responsibilities included, Carlton and United Breweries Limited, Commonwealth Aircraft Corporation Limited, T&G Mutual Life Society Limited (now AXA Australia Ltd) and Elders IXL Limited. Colin was a Senior Project Manager with AARF, and was responsible for research and development of a number of Auditing Standards over a three-year period. As National Technical Director with RSM Bird Cameron, he established the firm's internal quality control procedures and undertook a number of quality assurance reviews of individual offices.

As Director Accounting & Auditing with CPA Australia, he was responsible for the policy development and implementation of the national quality assurance program for members in public practice. This entailed setting standards, development of a Quality Assurance Manual, design of an audit methodology and programs, investigation and disciplinary procedures. As Head of Accounting & Auditing Policy with Stockford Ltd, his audit responsibilities encompassed quality assurance and risk management practices, including conducting quality assurance reviews.

Colin is immediate past chairman of the ICAA Audit Advisory Committee to the Board of the ICAA. He is a member of the Australian Accounting Standards Board, and independent member of the Audit Committee of the City of Darebin. He has undertaken a number of consulting and training engagements on auditing. Colin is also author of *Australian GAAS 2007 'Auditing Standards Mandatory Requirements'*.

FUTURE EDITIONS

It is envisaged that *Australian GAAS 2007 'Auditing Standards Checklist'* will be produced annually and updated for new and revised ASAs and suggestions for improvements made by users. Suggestions are most welcome and can be directed to colin@gaap.com.au.

TABLE OF CONTENTS

Part 1 PLANNING – CHECKLIST

Planning – Checklist

- Engagements Terms (ASA 210)
- Planning (ASA 300)
- Considering Fraud (ASA 240)
- Considering Laws and Regulations (ASA 250)
- Communication With Governance (ASA 260)
- Going Concern (ASA 570)
- Understanding Entity, Environment, and Assessing Risks of Material Misstatement (ASA 315)
- Analytical Procedures (ASA 520)
- Materiality and Audit Adjustments (ASA 320)
- Procedures in Response to Assessed Risks (ASA 330)

Part 2 CONDUCT OF AUDIT PROCEDURES – CHECKLIST

Conduct of Audit Procedures – Checklist

- Procedures in Response to Assessed Risks (ASA 330)
- Audit Sampling and Other Means of Testing (ASA 530)
- Considering Fraud (ASA 240)
- Considering Laws and Regulations (ASA 250)

Part 3 SPECIFIC FINANCIAL REPORTING ASSERTIONS – CHECKLISTS

Accounting Estimates (ASA 540) – Checklist

Existence and Valuation of Inventory (ASA 501) – Checklist

External Confirmations (ASA 505) – Checklist

Fair Value Measurements and Disclosures (ASA 545) – Checklist

Enquiry Regarding Litigation and Claims (ASA 508) – Checklist

Related Parties (ASA 550) – Checklist

Initial Engagements – Opening Balances (ASA 510) – Checklist

Part 4 USING THE WORK OF OTHERS – CHECKLISTS

Using Work of Another Auditor (ASA 600) – Checklist

Considering Work of Internal Audit (ASA 610) – Checklist

Using Work of an Expert (ASA 620) – Checklist

Audit Considerations Relating to Entities Using Service Organisations (ASA 402) – Checklist

Part 5 AUDIT REPORTING – CHECKLISTS

Audit Report on a General Purpose Financial Report (ASA 700) – Checklist

Comparatives (ASA 710) – Checklist

Other Information in Documents Containing Audited Financial Reports (ASA 720) – Checklist

Going Concern: Audit Report (ASA 570) – Checklist

Modifications to Audit Report (ASA 701) – Checklist

Audit Report on Special Purpose Audit Engagements (ASA 800) – Checklist

Audit Report on Special Purpose Audit Engagement: Summarised Financial Report (ASA 800) – Checklist

Review of an Interim Financial Report (ASRE 2410) – Checklist

Part 6 ENGAGEMENT CONCLUSION AND QUALITY CONTROL – CHECKLISTS

Engagement Conclusion and Quality Control – Checklist

- Objective and General Principles Governing an Audit of a Financial Report (ASA 200)
- Procedures in Response to Assessed Risks (ASA 330)
- Materiality and Audit Adjustments (ASA 320)

- Audit Evidence (ASA 500)
- Going Concern (ASA 570)
- Management Representations (ASA 580)
- Analytical Procedures (ASA 520)
- Audit Documentation (ASA 230)
- Communication With Governance (ASA 260)
- Subsequent Events (ASA 560)
- Quality Control (ASA 220)

Subsequent Events: Facts Discovered after date Financial Report Issued (ASA 560) – Checklist

PART 1 PLANNING – CHECKLIST

CONTENTS

PLANNING – CHECKLIST

- **ENGAGEMENTS TERMS (ASA 210)**
- **PLANNING (ASA 300)**
- **CONSIDERING FRAUD (ASA 240)**
- **CONSIDERING LAWS AND REGULATIONS (ASA 250)**
- **COMMUNICATION WITH GOVERNANCE (ASA 260)**
- **GOING CONCERN (ASA 570)**
- **UNDERSTANDING ENTITY, ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT (ASA 315)**
- **ANALYTICAL PROCEDURES (ASA 520)**
- **MATERIALITY AND AUDIT ADJUSTMENTS (ASA 320)**
- **PROCEDURES IN RESPONSE TO ASSESSED RISKS (ASA 330)**

PLANNING – CHECKLIST

Area	Mandatory Requirement	Yes	No	NA	Comment or Work Paper Reference
ASA 210	PLANNING – ENGAGEMENT TERMS				
Engagement Terms	<p>Have the terms of the audit been agreed, recorded in writing, and forwarded to the entity?</p> <p>When the audit is undertaken under legislation, are the minimum applicable terms those contained in the legislation? (ASA 210.5)</p> <p>Have the engagement terms identified the applicable financial reporting framework? (ASA 210.17)</p>				
Special Purpose Audit Engagement	<p>Before undertaking a special purpose audit engagement, was there agreement with the client as to the exact nature of the engagement and the form and content of the report to be issued? (ASA 800.7)</p>				
Recurring Audits	<p>Have circumstances been considered that would require revision to the engagement terms? (ASA 210.18)</p> <p>Do the existing engagement terms need to re-confirm in writing? (ASA 210.18)</p>				
Change in the Level of Assurance Provided	<p>Where a change to the engagement to one that provides a lower level of assurance has been requested, before the completion of the engagement, has its appropriateness been considered? (ASA 210.20)</p> <p>Where the terms are changed, have these been agreed, and confirmed in writing? (ASA 210.25)</p> <p>Has a change in the engagement terms been agreed only where there is a reasonable justification? (ASA 210.26)</p> <p>Where change in the engagement terms were not agreed and the original engagement could not be continued (unless prohibited by law or regulation), has the firm withdrawn from the engagement, and also considered whether there is any obligation to report to other parties (e.g., those charged with governance or shareholders) on the circumstances of the withdrawal? (ASA 210.28)</p>				
ASA 300	PLANNING – GENERAL				
Audit Planning	<p>Has the audit been planned to be performed in an effective manner? (ASA 300.1)</p>				
Preliminary Engagement Activities	<p>Have the following activities been performed at the beginning of the current audit:</p> <ul style="list-style-type: none"> • Procedures regarding the 				

	<p>continuance of the client relationship, and the specific audit engagement;</p> <ul style="list-style-type: none"> • Evaluation of compliance with relevant ethical requirements relating to the audit, including independence; and • Established an understanding of the terms of the engagement? (ASA 300.9) 				
Overall Audit Strategy	Has an overall audit strategy been established? (ASA 300.12)				
Audit Plan	Has an audit plan been developed to reduce audit risk to an acceptably low level? (ASA 300.18)				
ASA 320	PLANNING – MATERIALITY AND AUDIT ADJUSTMENTS				
Materiality and Audit Risk	Has materiality and its relationship with audit risk been considered? (ASA 320.5)				
ASA 300	PLANNING – GENERAL				
Changes, Planning Decisions	Has the overall audit strategy and the audit plan been updated and changed as necessary during the course of the audit? (ASA 300.21)				
Direction, Supervision and Review	Has the nature, timing and extent of direction and supervision of the engagement team members and review of their work been planned? (ASA 300.23)				
Documentation	Has the overall audit strategy and the audit plan, including any significant changes made during the audit been documented? (ASA 300.27)				
ASA 240	PLANNING – CONSIDERING FRAUD				
Fraud	Has the risks of material misstatements in the financial report due to fraud been considered? (ASA 240.6)				
ASA 250	PLANNING – CONSIDERING LAWS AND REGULATIONS				
Compliance	<p>Has the audit been planned with an attitude of professional scepticism (recognising that the audit may reveal conditions or events that may lead to questioning whether an entity is complying with laws and regulations)? (ASA 250.18)</p> <p>Has the audit been planned to obtain a general understanding of:</p> <ul style="list-style-type: none"> • The legal and regulatory framework applicable to the entity; and • The industry and how the entity is complying with that framework? (ASA 250.20) 				
Non-compliance	Has non-compliance by the entity with laws and regulations that may materially affect the financial report been recognised when designing audit procedures? (ASA 250.5)				
ASA 260	PLANNING – COMMUNICATION WITH GOVERNANCE				
Relevant Persons	Have the relevant persons charged with governance and with whom audit matters of				

Identified	governance interest will be communicated been determined? (ASA 260.9)				
ASA 570	GOING CONCERN				
Consider Going Concern Basis	Has the appropriateness of management's use of the going concern basis been considered? (ASA 570.5).				
ASA 315	UNDERSTANDING ENTITY, ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT – GENERAL				
Understand Client and Its Environment	Has an understanding of the entity and its environment, including its internal control, been obtained and sufficient to: <ul style="list-style-type: none"> Identify and assess the risks of material misstatement due to fraud or error; and Design and perform further audit procedures? (ASA 315.5) 				
Risk Assessment Procedures	Have the following risk assessment procedures been performed to obtain an understanding of the entity and its environment, including its internal control: <ul style="list-style-type: none"> Enquiries of those charged with governance, management and others within the entity; Analytical procedures; and Observation and inspection? (ASA 315.11) <p>When using information about the entity and its environment obtained in prior periods, have changes been considered that may affect the relevance of such information in the current audit? (ASA 315.17)</p>				
Engagement Team, Discussion	Have members of the engagement team discussed the susceptibility of the financial report to material misstatements? (ASA 315.20)				
ASA 240	UNDERSTANDING ENTITY, ITS ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT – FRAUD				
Engagement Team, Discussion	Has the engagement team discussed the susceptibility of the entity's financial report to material misstatement due to fraud? (ASA 240.30)				
	Has the engagement partner considered which matters were to be communicated to members of the engagement team not involved in the discussion? (ASA 240.32)				
Fraud Documentation	Does the audit documentation of our understanding of the entity and its environment, and assessment of the risks of material misstatement, include: <ul style="list-style-type: none"> The significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity's financial 				

	<p>report to material misstatement due to fraud; and</p> <ul style="list-style-type: none"> The identified and assessed risks of material misstatement due to fraud at the financial report level and at the assertion level? (ASA 240.116) 				
ASA 570	UNDERSTANDING ENTITY, ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT – GOING CONCERN				
Performing Risk Assessment Procedures	Have events or conditions and related business risks that may cast significant doubt on the entity’s ability to continue as a going concern been considered? (ASA 570.16).				
ASA 315	UNDERSTANDING ENTITY, ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT – GENERAL				
Industry, Regulatory and Other External Factors	Has an understanding of relevant industry, regulatory, and other external factors including the applicable financial reporting framework, been obtained? (ASA 315.28)				
Entity’s Nature	<p>Has an understanding of the entity’s nature been obtained? (ASA 315.33)</p> <p>Has an understanding of the entity’s selection and application of accounting policies, and industry been obtained? (ASA 315.36)</p> <p>Has consideration been given as whether the accounting policies are appropriate, and consistent with the applicable financial reporting framework and accounting policies used in the industry? (ASA 315.36)</p>				
Objectives and Strategies and Related Business Risks	Has an understanding of the entity’s objectives and strategies, and the related business risks, that may result in material misstatement of the financial report, been obtained? (ASA 315.39)				
Financial Performance, Measurement and Review	Has an understanding of the measurement and review of the entity’s financial performance been obtained? (ASA 315.45)				
Internal Control	Has an understanding of internal control relevant to the audit been obtained? (ASA 315.52)				
Control Environment	Has an understanding of the control environment been obtained? (ASA 315.79)				
Entity’s Risk Assessment Process	Has an understanding of the entity’s process for identifying business risks relevant to financial reporting objectives, and deciding on actions to address those risks, and the results thereof, been obtained? (ASA 315.89)				
Information System, relevant to Financial Reporting, and Communication	<p>Has an understanding of the information system, including the related business processes, relevant to financial reporting, been obtained, including:</p> <ul style="list-style-type: none"> Classes of transactions in the entity’s operations that are significant to the financial report; 				

	<ul style="list-style-type: none"> • Procedures, within both IT and manual systems, by which those transactions are initiated, recorded, processed and reported in the financial report; • Related accounting records, whether electronic or manual, supporting information, and specific accounts in the financial report, for initiating, recording, processing and reporting transactions; • How the information system captures events and conditions, other than classes of transactions, that are significant to the financial report; and • Financial reporting process used to prepare the financial report, including significant accounting estimates and disclosures? (ASA 315.95) <p>Has an understanding of how the entity communicates financial reporting roles and responsibilities, and significant matters relating to financial reporting, been obtained? (ASA 315.103)</p>				
Control Activities	<p>Has a sufficient understanding of control activities to assess the risks of material misstatement at the assertion level, and to design further audit procedures responsive to assessed risks, been obtained? (ASA 315.105)</p> <p>Has an understanding of how the entity responds to risks arising from IT been obtained? (ASA 315.109)</p>				
Monitoring Controls	<p>Has an understanding of the major types of activities that the entity uses to monitor internal control over financial reporting, and how the entity initiates corrective actions to its controls, been obtained? (ASA 315.113)</p>				
Risks of Material Misstatement Assessment	<p>Has there been an identification and assessment of the risks of material misstatement at the financial report level, and at the assertion level for classes of transactions, account balances, and disclosures? (ASA 315.117)</p>				
Significant Risks that Require Special Audit Consideration	<p>As part of the risk assessment, has there been a determination of the risks identified that require special audit consideration (such risks are defined as 'significant risks')? (ASA 315.126)</p> <p>For significant risks, has the design of the entity's related controls, including relevant control activities been evaluated, and a determination made whether they have been implemented? (ASA 315.132)</p>				
Risks where	<p>As part of the risk assessment, has an</p>				

Substantive Procedures alone do not provide Sufficient Appropriate Audit Evidence (SAAE)	evaluation of the design and a determination made on the implementation of the entity's controls, including relevant control activities, over those risks for which it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures? (ASA 315.135)				
Communications with Those Charged With Governance and Management	Have those charged with governance or management, as soon as practicable, been informed of material weaknesses in the design or implementation of internal control identified as result of the audit procedures? (ASA 315.141)				
Documentation	<p>Have the following been documented:</p> <ul style="list-style-type: none"> • Engagement team discussion on the susceptibility of the financial report to material misstatement due to error or fraud, and the significant decisions reached; • Key elements of the understanding obtained regarding each of the aspects of the entity and its environment, including each of the internal control components, to assess the risks of material misstatement of the financial report; the sources of information from which the understanding was obtained; and the risk assessment procedures; • Identified and assessed risks of material misstatement at the financial report level and at the assertion level; and • Risks identified and related controls evaluated? (ASA 315.143) 				
ASA 240	UNDERSTANDING ENTITY, ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT – FRAUD				
Understanding of Oversight Exercised by Those Charged With Governance	<p>Have been made of enquiries of management regarding management's:</p> <ul style="list-style-type: none"> • Assessment of the risk that the financial report may be materially misstated due to fraud; • Process for identifying and responding to the risks of fraud in the entity, including any specific risks of fraud that management has identified or account balances, classes of transactions or disclosures for which a risk of fraud is likely to exist; • Communication to those charged with governance regarding its processes for identifying and responding to the risks of fraud in 				

	<p>the entity; and</p> <ul style="list-style-type: none"> • Communication, to employees regarding its views on business practices and ethical behaviour? (ASA 240.38) <p>Have enquiries of management, internal audit, and others within the entity been made to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity? (ASA 240.42)</p> <p>Has an understanding been obtained of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud, and the internal control that management has established to mitigate these risks? (ASA 240.47)</p> <p>Have enquiries been made of those charged with governance to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity? (ASA 240.50)</p>				
Fraud Risk Factors, Consideration	Has consideration been given to whether the information obtained indicates that one or more fraud risk factors are present? (ASA 240.52)				
Other Information, Consideration	Did other information obtained in understanding the environment and entity indicate risks of material misstatement due to fraud? (ASA 240.59)				
Documentation	<p>Does audit documentation of our understanding of the entity and its environment and the auditor's assessment of the risks of material misstatement include:</p> <ul style="list-style-type: none"> • Significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity's financial report to material misstatement due to fraud; and • Identified and assessed risks of material misstatement due to fraud at the financial report level and at the assertion level? (ASA 240.116) <p>Does the documentation of our responses to the assessed risks of material misstatement include:</p> <ul style="list-style-type: none"> • Overall responses to the assessed risks of material misstatements due to fraud at the financial report level and the nature, timing and extent of audit procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level; and • Results of the audit procedures, 				

	including those designed to address the risk of management override of controls? (ASA 240.117)				
ASA 520	UNDERSTANDING ENTITY, ENVIRONMENT, ASSESSING RISKS OF MATERIAL MISSTATEMENT – ANALYTICAL REVIEW				
Unusual or Unexpected Relationships, Consideration	When performing analytical procedures to obtain an understanding of the entity and its environment, including its internal control, were unusual or unexpected relationships that may indicate risks of material misstatement due to fraud considered? (ASA 240.57)				
Analytical Review	Have analytical procedures being applied as risk assessment procedures to obtain an understanding of the entity and its environment? (ASA 520.5 and ASA 520.12)				
Investigating Unusual Items	When analytical procedures identified significant fluctuations or relationships that were inconsistent with other relevant information; or deviate from predicted amounts, were these investigated, and were adequate explanations and appropriate corroborative audit evidence obtained? (ASA 520.27)				
ASA 320	MATERIALITY AND AUDIT ADJUSTMENTS				
Materiality in Context of an Audit	Has materiality been considered when determining the nature, timing and extent of audit procedures? (ASA 320.9)				
Preliminary Assessments of Materiality	Has a preliminary assessment of materiality been made to establish an appropriate quantitative materiality level to plan risk assessment procedures, further audit procedures at the assertion level, selection strategies and other audit procedures? (ASA 320.12)				
ASA 330	AUDIT PROCEDURES IN RESPONSE TO ASSESSED RISKS				
Assessed Risk	To reduce audit risk to an acceptably low level, have overall responses to assessed risks at the financial report level been determined, and have further audit procedures been designed to respond to assessed risks at the assertion level? (ASA 330.6)				