

**ICPAK Audit Quality Assurance  
Workshop-Mt. Kenya Branch  
15<sup>th</sup> – 16<sup>th</sup> March 2018**

**Engagement performance (ISA 330)**

**Presented by: CPA Cyprian A. Oluoch**

# 1. Engagement performance

## Objective:

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

## Key features:

- i. Substantive procedures: - tests of detail and substantive analytical procedures at the assertion level.
- ii. Tests of controls: - procedures to evaluate operating effectiveness of controls

# 1.1 Requirements

- (i) Design and implement overall responses to risks at the financial statement level.
- (ii) Design and implement procedures to address risks at the assertion level.
  - Test of controls to determine operating effectiveness and make
  - decide on level of reliance on the controls.
  - Substantive audit procedures for each material class of transactions, account balances and disclosures
  - Substantive procedures related to financial statement close process.
- (iii) Adequacy of presentation and disclosures as per requirements of reporting framework

# 1.1 Requirements (Cont..)

(iv) Evaluate adequacy and appropriateness of audit evidence

Evidence should be **adequate to enable correct opinion**. Where evidence obtained on a material item/assertion is not adequate and no further or alternative evidence is available, the auditor issues a qualified opinion or a disclaimer on the particular item.

## 1.2 Documentation

- i. Document overall responses to assessed ROMM at the financial statement level
- ii. Linkage of the procedures performed to the risks at the assertion level
- iii. Results of audit procedures including conclusions

## 1.3 Prepare a sample work paper (15 mins)

Using the sample FS provided, prepare a sample work paper for one line item, with tests done, results and conclusions.

# Interactive Session



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