



Audit Quality Assurance & Compliance Seminar – Virtual

Presentation by:
CPA. Andrew Bulemi
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CONTENT

Planning

- ❖ Announcement letter
- ❖ Initial meeting
- ❖ Preliminary activities
- ❖ Internal control review
- ❖ Audit programs

Fieldwork

- ❖ Transaction testing
- ❖ Communication
- ❖ Audit summary
- ❖ Working papers

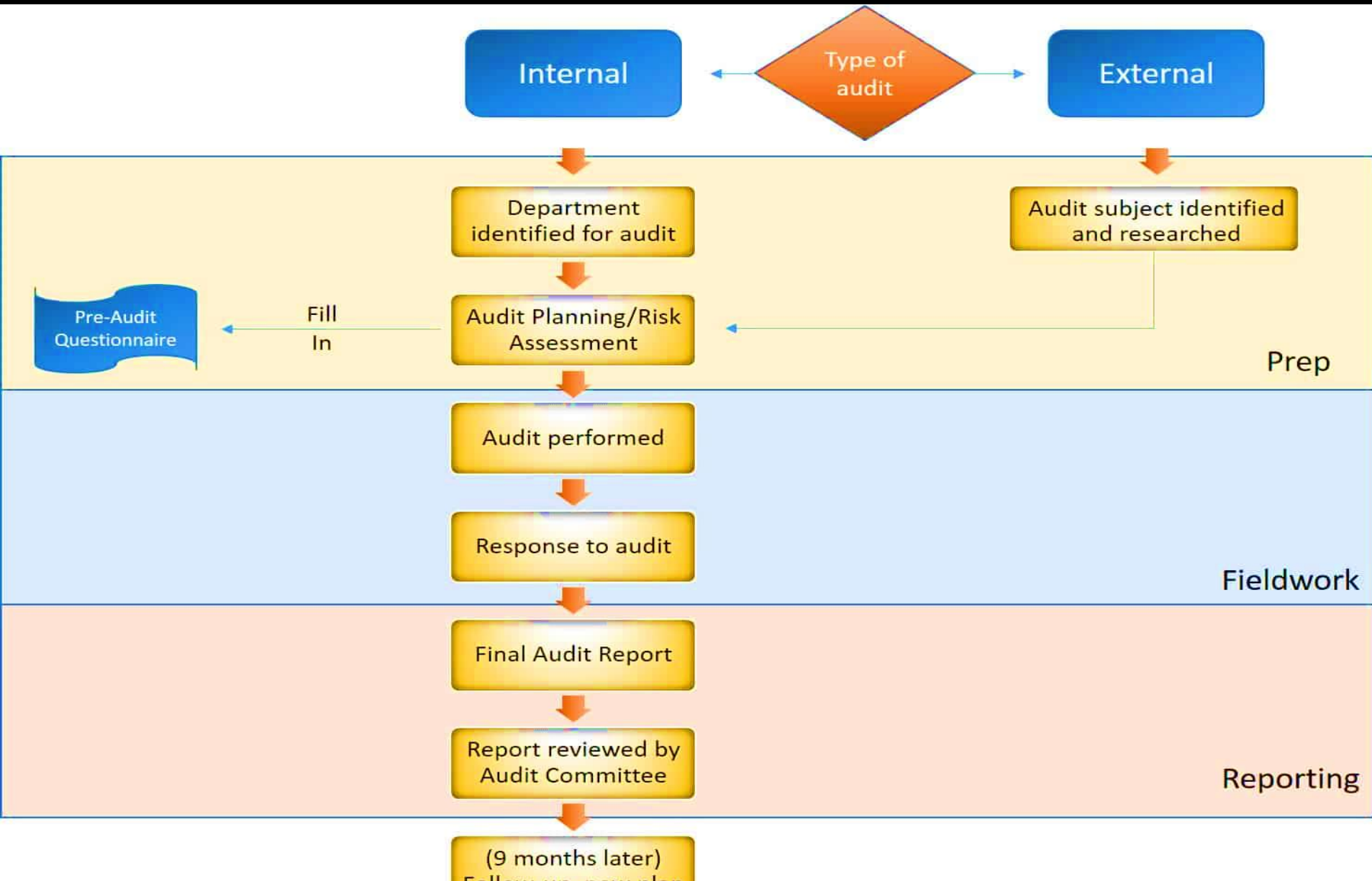
Reporting

- ❖ Discussion draft
- ❖ Exit meeting
- ❖ Formal draft
- ❖ Client response
- ❖ Client comments

Follow up

- ❖ Follow up review
- ❖ Follow up report
- ❖ Audit annual report to the Board

AN OVERVIEW OF AUDIT PROCEDURES



Preliminary activities:



In summary the auditor shall undertake the following activities at the beginning of the current audit engagement:

Performing procedures required by ISA 220 regarding the continuance of the client relationship and the specific audit engagement;

Establishing an understanding of the terms of the engagement, as required by ISA 210

Evaluating compliance with relevant ethical requirements, including independence, in accordance with ISA 220

(a). Obtaining audit evidence

ISA 500



Information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit evidence includes both information contained in the accounting records underlying the financial statements and other information

The auditor shall design and perform audit procedures that are appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence.

Appropriateness (of audit evidence) – The measure of the quality of audit evidence; that is, its relevance and its reliability in providing support for the conclusions on which the auditor's opinion is based

Sufficiency (of audit evidence) – The measure of the quantity of audit evidence. The quantity of the audit evidence needed is affected by the auditor's assessment of the risks of material misstatement and also by the quality of such audit evidence

ISA 330 requires the auditor to conclude whether sufficient appropriate audit evidence has been obtained.

Documentation of field work outcome ISA 230



Audit documentation – The record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached

Goal of documentation

Quality and efficiency

~~Volume~~

We document:

- ❖ What we did
- ❖ What we found
- ❖ Where we found it
- ❖ What we concluded

Documentation of the Audit Procedures Performed and Audit Evidence Obtained

The form, content and extent of audit documentation depend on factors such as:

- ❖ The size and complexity of the entity.
- ❖ The nature of the audit procedures to be performed.
- ❖ The identified risks of material misstatement.
- ❖ The significance of the audit evidence obtained.
- ❖ The nature and extent of exceptions identified.

Audit documentation may be recorded on paper or on electronic or other media. Examples of audit documentation include:

- ❖ Audit programs.
- ❖ Analyses.
- ❖ Issues memoranda.
- ❖ Summaries of significant matters.
- ❖ Letters of confirmation and representation.
- ❖ Checklists.
- ❖ Correspondence (including e-mail) concerning significant matters.

Safe guarding audit working paper



- ❖ The auditors are responsible for safeguarding audit working paper to avoid their loss or use by unauthorized person.
- ❖ Secure working paper and computer in areas under lock.
- ❖ Don't leave confidential data open.

Elements of an effective program:

- ❖ Responds to risk in the planning process
- ❖ Includes client procedures
- ❖ Incorporate any general note
- ❖ Documents results of work done
- ❖ Reinforces what work to do and how to do it
- ❖ May serve as a vehicle to communicate time expectation
- ❖ Acts as a substitute for practice aid in lower risks areas

3. REPORTING

ISA 700



Reporting



- ❖ This refers to the communication between the auditor and the client on the results of the audit engagement (The report is the product of the audit engagement)
- ❖ It is the most visible out put from the auditor that provides feedback to the client and other stakeholder on the results of the engagement
- ❖ It is an opportunity for an audit showing how it can add value to the organization
- ❖ It provides the management with opinion on the adequacy of internal controls systems



THANK YOU!