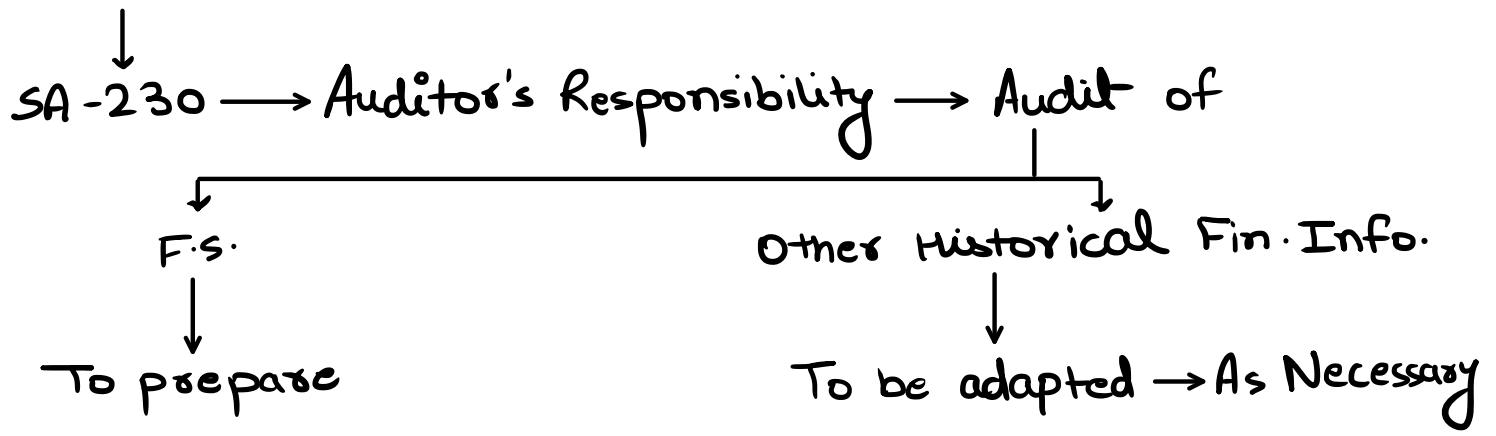
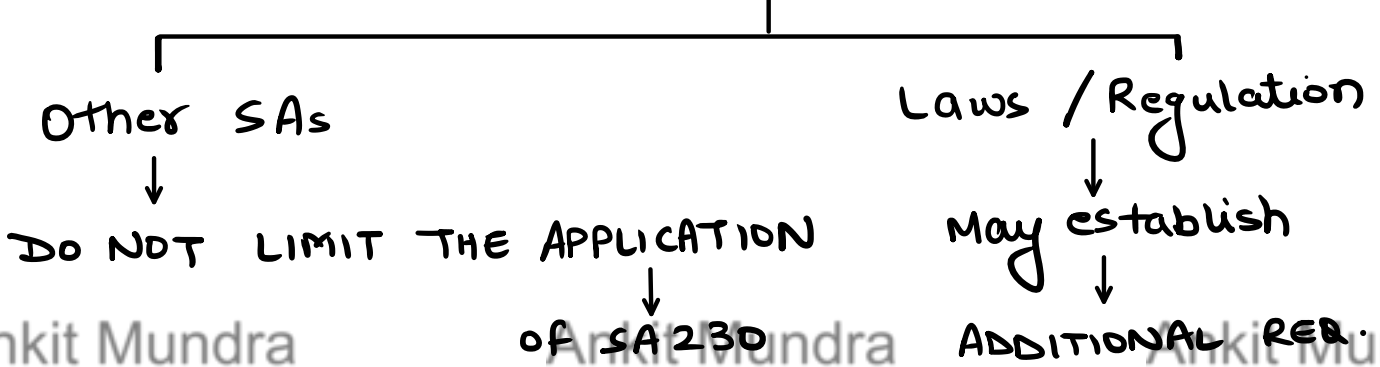


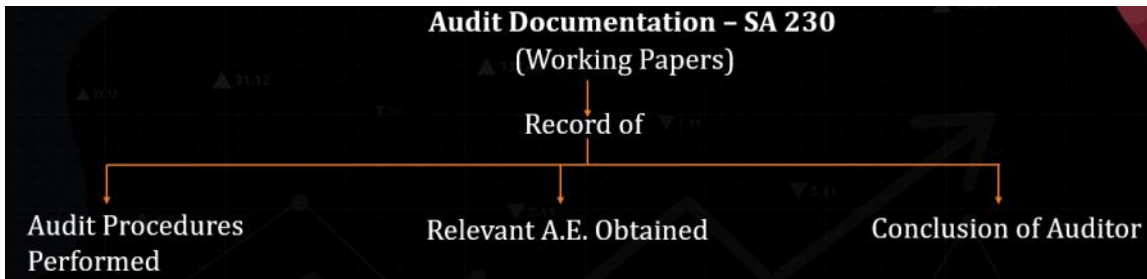
1 - AUDIT DOCUMENTATION



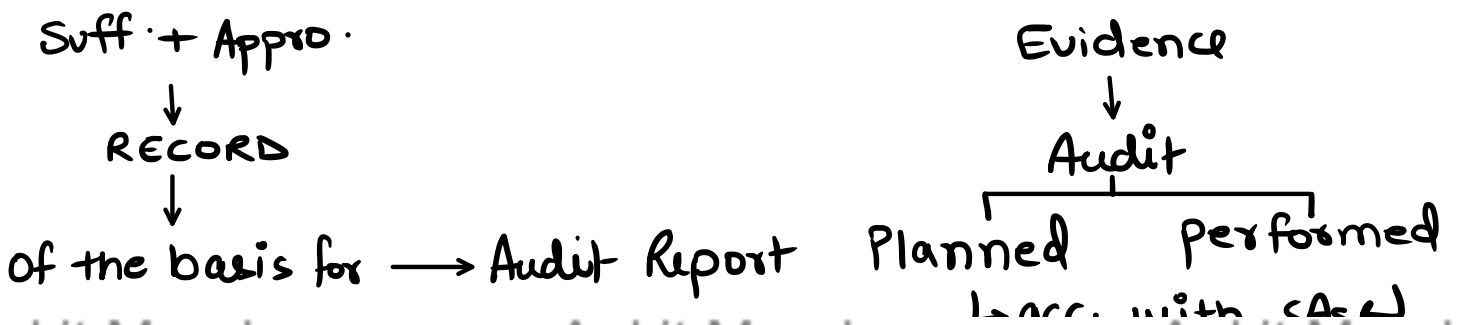
Documentation Requirement



1.1 - Definition of Audit Documentation

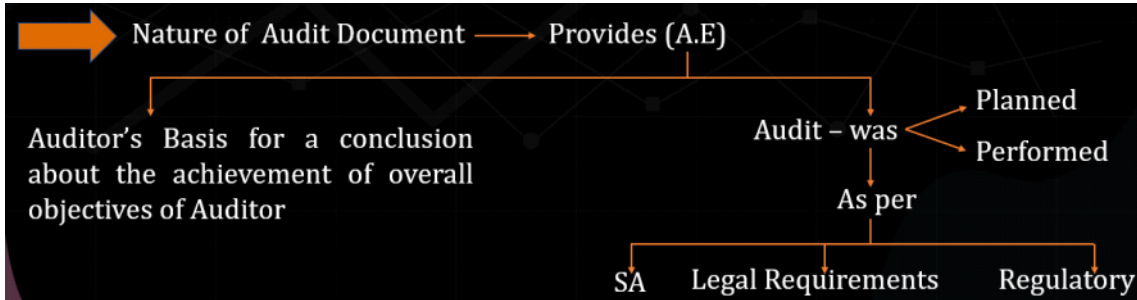


1.2 - Objective of the Auditor → prepare Docⁿ → that provides

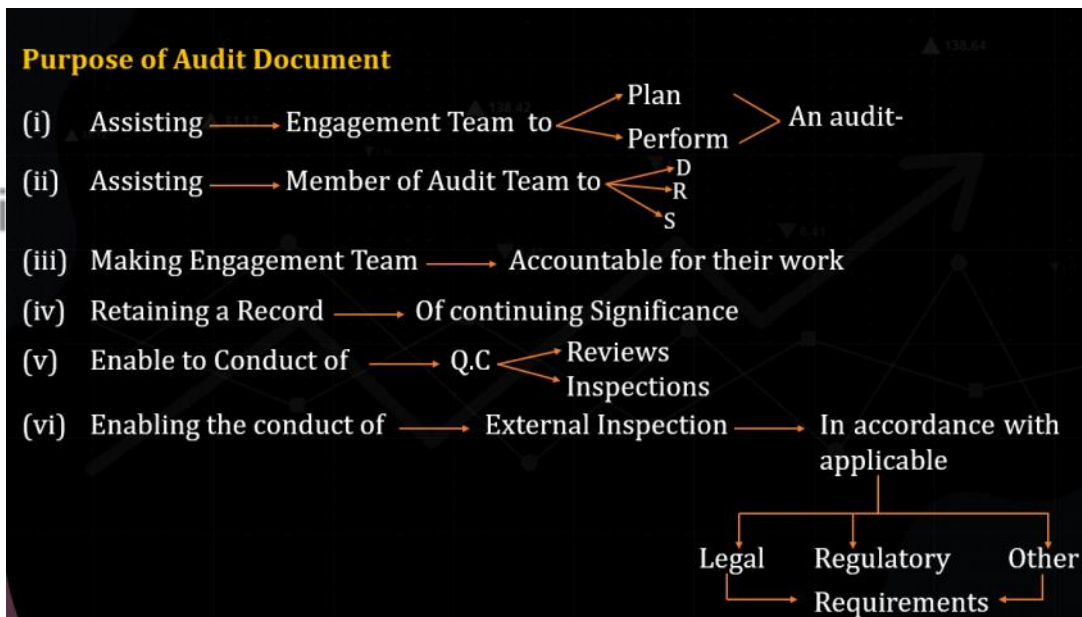


of the basis for → Audit Report Planned Performed
 ↳ acc. with SAs ↲

1.3 - Nature of Audit Documentation



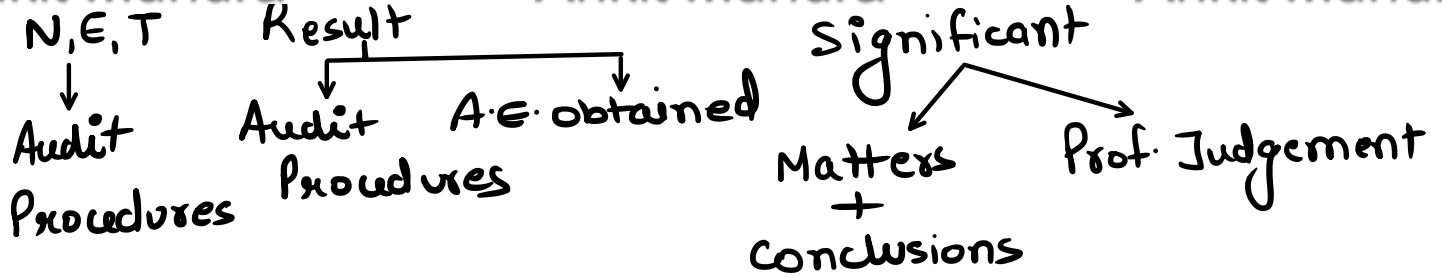
1.4 - Purpose of Audit Documentation



1.5 - Form, Content and Extent of Audit Documentation

→ Auditor → prepares → Audit Docⁿ
 ↓
 REASONS
 To understand





Form, Extent & Content of Audit Document → **Depends on:**

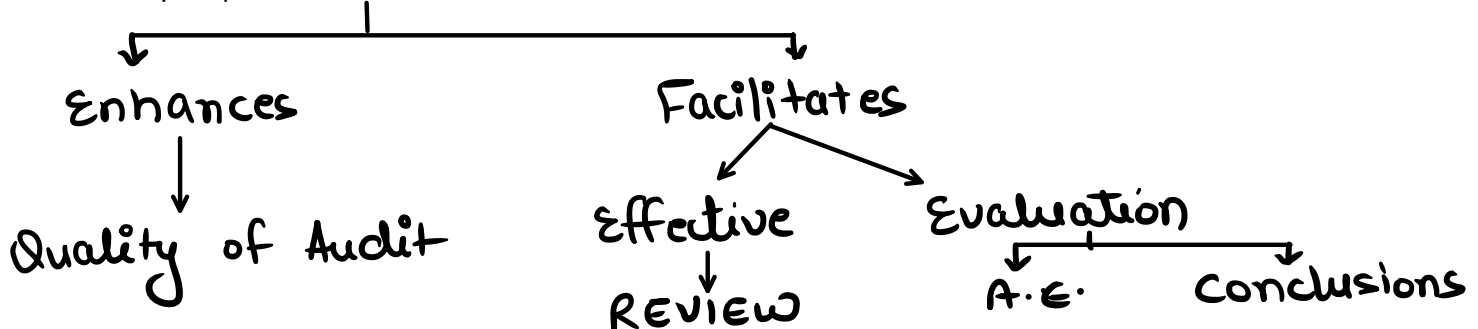
- (i) Size & Complexity of Entity.
- (ii) Nature of Audit Procedure to be performed
- (iii) Identified R_oMM
- (iv) Significance of A.E. Obtained
- (v) The N.E of identified Exception
- (vi) Need / Basis for conclusion → not readily determinable from
 - Document
 - Work Performed
 - A.E. Obtained
- (vii) The Audit Methodology & Tools Used

1.6 - Examples of Audit Documentation

Audit Document includes

- (i) Audit Programs.
- (ii) Analysis
- (iii) Issued Memoranda (Plural of Memorandum)
- (iv) Summaries of Significant matters
- (v) Letter of Confirmation & Representation
- (vi) Correspondence Concerning significant matters
 - Can make copies of entity's records (like contracts, etc.)
 - Not a substitute for entity's A/c Records

1.7 - Timely Preparation of Audit Documentation



→ Docⁿ prepared → AFTER → Audit work is performed
 ↓
 LESS ACCURATE

1.8 - Audit File

Audit File

- Storage Media
- Physical or electronic form
- Containing records of Audit Document

→ Specific Engagements

1.9 - Assembly of the Final Audit File

Assembly of Final Audit file

- Is an administrative process
- to be completed on Timely Manner
- After the date of Auditor's Report

SQC 1 "Quality control for firms that perform Audit & Reviews of Historical Financial Info and other Assurance & Related Services"



Requires Firms to Establish → P & P

For Timely completion of Assembly of Audit File

(Generally 60 days within & after the Audit Report)

→ Assembly of Audit file ≠ New Audit Procedure

≠ Drawing New conclusion

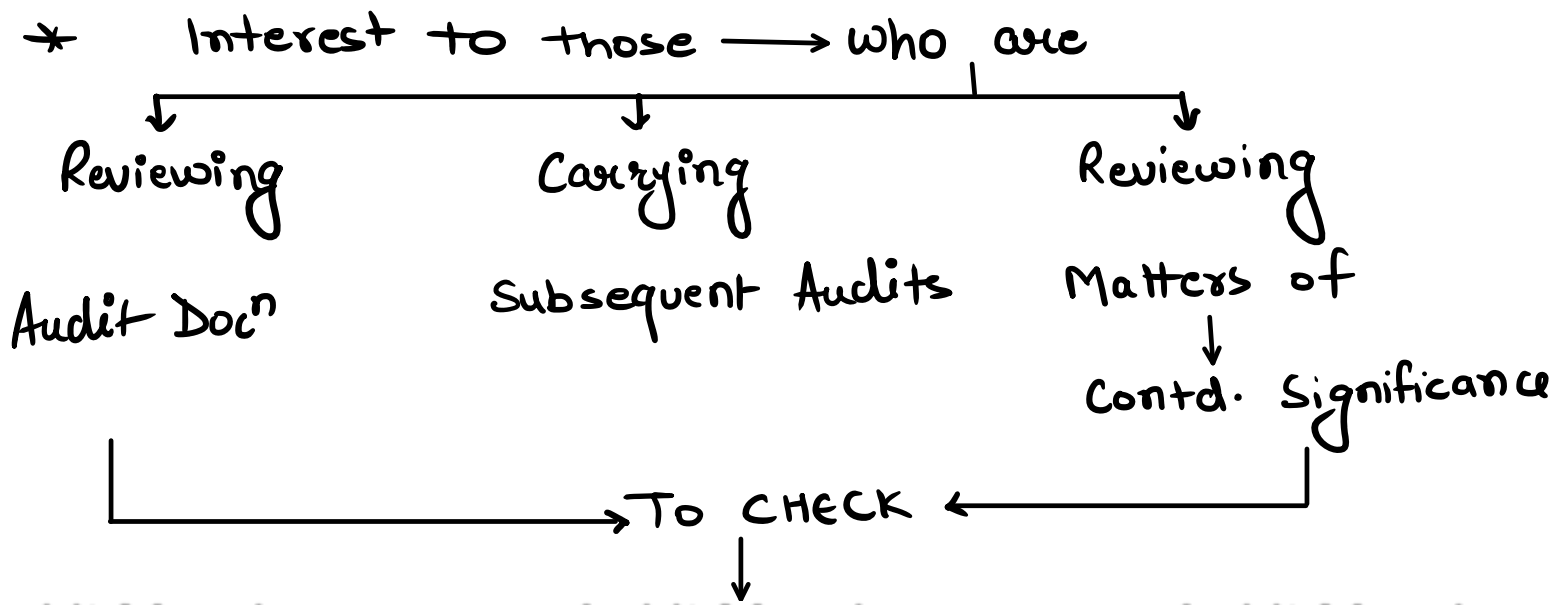
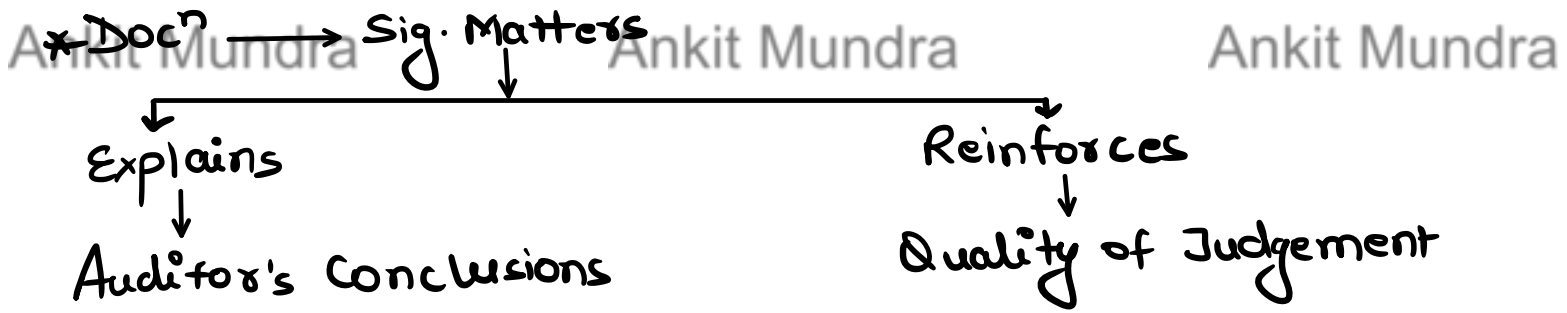
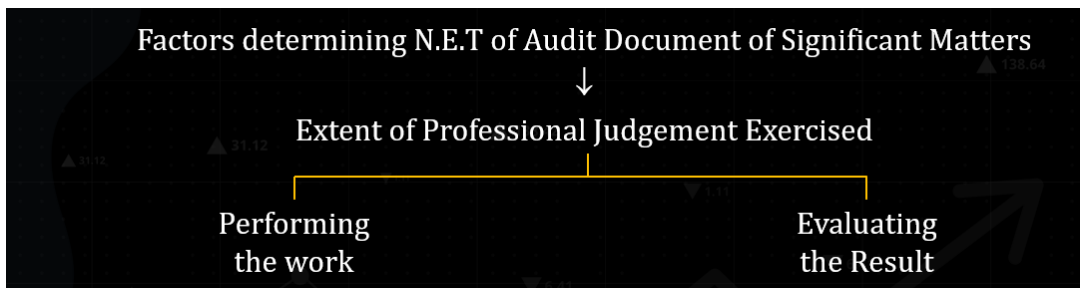
Δ May be made → At final stage of Assembly → If they are → Administrative in Nature

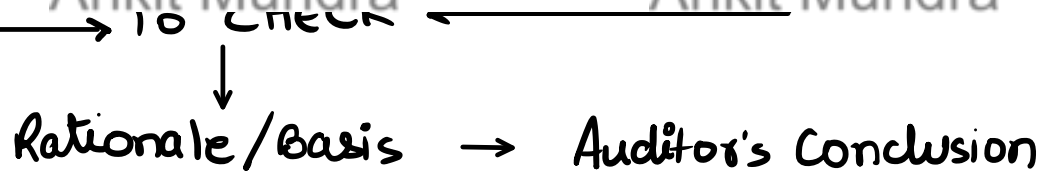
Example of Δs

- (1) Deleting / Discarding → Superseded Document
 - (2) Sorting / Collating & Cross Referencing → Working Papers
 - (3) Signing off on → Completion check - list
 - (4) Documenting A.E. → That auditor has obtained, discussed & Agreed with Relevant members of Engagement Team Before the date of Auditor's Report.
- Auditor shall Not → Delete/Discard → any Nature of Audit Document Till Its Retention Period → As per SQC 1 → Generally 7 Years / GROUP Auditor's Report

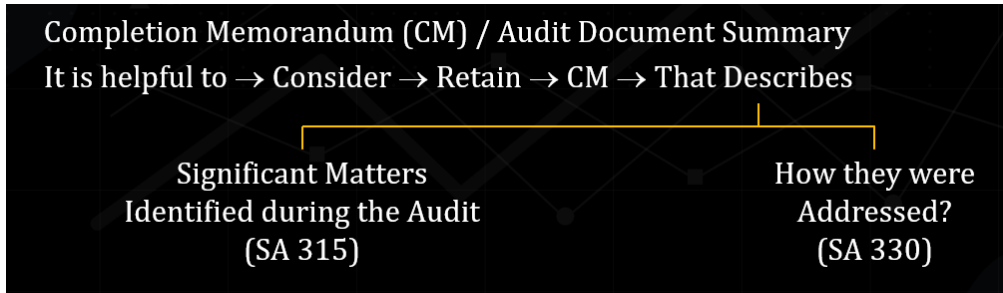
1.10 - Documentation of Significant Matters and Related Significant Professional Judgements

- Eg. of Significant Matters
- (1) Matters that give rise to significant Risk
 - (2) Result of Audit procedures indicating
 - F.S. could be MM
 - Read to Revise previous RoMM & Auditor's Response to those Risk
 - Circumstances that cause the Auditor Significant Difficulty in Applying necessary procedures.
 - Finding that could result in a modification of Audit Report





1.11 - Completion Memorandum or Audit Documentation Summary



- Benefits of CM**
- (i) Eff. & Eff. → Review → Inspection → of Audit Document
 - (ii) Assist Auditors consideration of Significant Matters
 - (iii) Any Deviance from SA

1.12 - Ownership of Audit Documentation

