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|     |  | <p>engagements.</p> <ul style="list-style-type: none"> <li>• The nature and scope of, and conclusions resulting from, consultations undertaken during the course of the audit engagement.</li> </ul>  |
| 25  | Engagement Quality Control Review - Timing and Procedures. | <p><b>The engagement quality control reviewer shall document:</b></p> <ul style="list-style-type: none"> <li>• The procedures required by the firm's policies on engagement quality control review have been performed; and activities performed with respect to this could be documented;</li> <li>• The engagement quality control review has been completed on or before the date of the auditor's report; and</li> <li>• The reviewer is not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments the engagement team made and the conclusions they reached were not appropriate.</li> </ul> |
| A35 | Documentation of Consultations                             | <p>Documentation of consultations with other professionals that involve difficult or contentious matters that is sufficiently complete and detailed contributes to an understanding of:</p> <ul style="list-style-type: none"> <li>• The issue on which consultation was sought; and</li> <li>• The results of the consultation, including any decisions taken, the basis for those decisions and</li> </ul>  |

|  |                            |
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|  | how they were implemented. |
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**SA 240, The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements**

| <i>Para Ref.</i> | <i>Issue</i>  | <i>Documentation Needed</i>  |
|------------------|---|--|
| 44               | <ul style="list-style-type: none"> <li>• Understanding the entity &amp; its environment</li> <li>• Assessment of risks of material misstatements</li> </ul> | <ul style="list-style-type: none"> <li>• The significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity’s financial statements to material misstatement due to fraud; and</li> <li>• The identified and assessed risks of material misstatement due to fraud at the financial statement level and at the assertion level.</li> </ul>   |
| 45               | Responses to assessed risks   | <ul style="list-style-type: none"> <li>• The overall responses to the assessed risks of material misstatement due to fraud at the financial statement 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</li> <li>• The results of the audit procedures, including those designed to address the risk of management override of controls.</li> </ul> |

**Implementation Guide to SA 230 (Revised 2022)**

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|----|------------------------------|---|
| 46 | Communications about fraud   | Communications about fraud made to management, those charged with governance, regulators and others.  |
| 47 | Fraud in revenue recognition | Reasons for concluding the presumption that there is a risk of material misstatement due to fraud related to revenue recognition is not applicable in the circumstances of the engagement, or checks performed and found satisfactory with reference to the procedures. |

**SA 250, Consideration of Laws and Regulations in an Audit of Financial Statements**

| <i>Para Ref</i> | <i>Issue</i>  | <i>Documentation Needed</i>   |
|-----------------|---|---|
| 29              | <ul style="list-style-type: none"> <li>• Non-compliance</li> <li>• Discussions</li> </ul> | <ul style="list-style-type: none"> <li>• Identified or suspected non-compliance with laws and regulations.</li> <li>• Results of discussions with :               <ul style="list-style-type: none"> <li>▪ Management;</li> <li>▪ those charged with governance (where applicable); and</li> <li>▪ other parties outside the entity.</li> </ul> </li> </ul> |
| A21             | Non compliance  | <ul style="list-style-type: none"> <li>• Documentation may include:               <ul style="list-style-type: none"> <li>▪ Copies of records or documents.</li> <li>▪ Minutes of discussions held with management, those charged with governance or parties outside the entity.</li> </ul> </li> </ul>  |

**SA 260(Revised), Communication with Those Charged with Governance**

| <i>Para Ref</i> | <i>Issue</i>   | <i>Documentation Needed</i>  |
|-----------------|--|--|
| 23              | Oral & written communications to those charged with governance | <ul style="list-style-type: none"> <li>• Matters required by this SA to be communicated are communicated orally, document following aspects:                             <ul style="list-style-type: none"> <li>▪ The matter;</li> <li>▪ When communication was made; and</li> <li>▪ To whom communication was made.</li> </ul> </li> <li>• Matters required by this SA to be communicated are communicated in writing, retain a copy of the communication.</li> </ul> |
| A54             | Oral communication   | May include a copy of minutes prepared by entity retained as part of audit documentation where those minutes are an appropriate record of the communication.   |

**SA 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management**

| <i>Para Ref</i> | <i>Issue</i>                                      | <i>Documentation Needed</i>   |
|-----------------|---|---|
| A13             | Written communication of significant deficiencies | <ul style="list-style-type: none"> <li>• Receipt of such communication.</li> <li>• Documentation of written communication of significant deficiencies.</li> </ul> |

**SA 300, Planning an Audit of Financial Statements**

| <i><b>Para Ref</b></i> | <i><b>Issue</b></i>   | <i><b>Documentation Needed</b></i>   |
|------------------------|---|--|
| 11                     | Planning  | <ul style="list-style-type: none"> <li>• The overall audit strategy;</li> <li>• The audit plan; and</li> <li>• Any significant changes made during the audit engagement to the overall audit strategy or the audit plan, and the reasons for such changes.</li> </ul>  |
| A17-<br>A20            | <ul style="list-style-type: none"> <li>• Overall audit strategy</li> <li>• Audit plan</li> <li>• Significant changes made in the above two</li> </ul> | <ul style="list-style-type: none"> <li>• In respect of overall audit strategy, document:                             <ul style="list-style-type: none"> <li>▪ the key decisions considered necessary to properly plan the audit – scope, timing, conduct of audit; and</li> <li>▪ communicate significant matters communicated to the engagement team.</li> </ul> </li> <li>• May summarize the overall audit strategy in the form of a memorandum.</li> <li>• Documentation of the audit plan is record of planned nature, timing and extent of risk assessment procedures and further audit procedures at the assertion level in response to the assessed risks.</li> <li>• May use standard audit programs and/or audit completion checklists, tailored as needed to reflect the particular engagement circumstances.</li> <li>• A record of the significant</li> </ul> |

**Implementation Guide to SA 230(Revised 2022)**

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|  |  | <p>changes to the overall audit strategy and the audit plan should document:</p> <ul style="list-style-type: none"> <li>▪ resulting changes to the planned nature, timing and extent of audit procedures.</li> <li>▪ reasons for significant changes made.</li> <li>▪ overall audit strategy and audit plan finally adopted for the audit.</li> <li>▪ Response to the significant changes occurring during the audit.</li> </ul> <ul style="list-style-type: none"> <li>• In smaller entities a suitable, brief memorandum may serve as the documented strategy for the audit of a smaller entity.</li> </ul> |
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**SA 315, Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment**

| <b><i>Para Ref</i></b> | <b><i>Issue</i></b>                  | <b><i>Documentation Needed</i></b>  |
|------------------------|--------------------------------------|---|
| 32(a)                  | Discussion among the engagement Team | <ul style="list-style-type: none"> <li>• The discussion among the engagement team where required by paragraph 10 of SA 315, and the significant decisions reached: <ul style="list-style-type: none"> <li>▪ the susceptibility of the entity's financial statements to material misstatement; and</li> <li>▪ the application of the applicable financial reporting framework to the entity's</li> </ul> </li> </ul> |

**Implementation Guide to SA 230 (Revised 2022)**

|       |  | facts and circumstances.  |
|-------|--|---|
| 32(b) | Understanding of each of the aspects of the entity and its environment specified in paragraph 11 | <ul style="list-style-type: none"> <li>• Relevant industry, regulatory, and other external factors including the applicable financial reporting framework.</li> <li>• The nature of the entity, including: <ul style="list-style-type: none"> <li>▪ its operations;</li> <li>▪ its ownership and governance structures;</li> <li>▪ the types of investments that the entity is making and plans to make, including investments in special purpose entities; and</li> <li>▪ the way that the entity is structured and how it is financed.</li> </ul> </li> <li>• The entity's selection and application of accounting policies, including the reasons for changes thereto.</li> <li>• Auditor's evaluation of whether the entity's accounting policies are appropriate for its business and consistent with the applicable financial reporting framework and accounting policies used in the relevant industry.</li> <li>• The entity's objectives and strategies, and those related business risks that may result in risks of material misstatement.</li> <li>• The measurement and review of</li> </ul> |

**Implementation Guide to SA 230(Revised 2022)**

|       |  |  |
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|       |  | the entity's financial performance.  |
| 32(b) | Understanding of each of the internal control components specified in paragraphs 14-24 | <ul style="list-style-type: none"> <li>• Control environment – Auditor's evaluation of whether: <ul style="list-style-type: none"> <li>▪ Management, with the oversight of those charged with governance, has created and maintained a culture of honesty and ethical behaviour;</li> <li>▪ The strengths in the control environment elements collectively provide an appropriate foundation for the other components of internal control; and</li> <li>▪ Whether those other components are not undermined by deficiencies in the control environment.</li> </ul> </li> <li>• Entity's risk assessment process for: <ul style="list-style-type: none"> <li>▪ Identifying business risks relevant to financial reporting objectives;</li> <li>▪ Estimating the significance of the risks;</li> <li>▪ Assessing the likelihood of their occurrence; and</li> <li>▪ Deciding about actions to address those risks.</li> </ul> </li> <li>• Management's failure to identify a risk otherwise expected to have been identified: <ul style="list-style-type: none"> <li>▪ Why that process failed to</li> </ul> </li> </ul> |

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|  |  | <p>identify it; and</p> <ul style="list-style-type: none"><li>▪ Evaluation of whether the process is appropriate to its circumstances or determine whether it represent a significant deficiency in internal control with regard to the entity's risk assessment process.</li></ul> <ul style="list-style-type: none"><li>• If the entity has not established such a process or has an <i>ad hoc</i> process:<ul style="list-style-type: none"><li>▪ Discussion with management regarding whether business risks relevant to financial reporting objectives have been identified and how they have been addressed.</li></ul></li><li>• Information system, including the related business processes, relevant to financial reporting, including the following areas:<ul style="list-style-type: none"><li>▪ The classes of transactions in the entity's operations that are significant to the financial statements;</li><li>▪ The procedures, within both information technology (IT) and manual systems, by which those transactions are initiated, recorded, processed, corrected as necessary, transferred to the general ledger and reported in the financial statements;</li></ul></li></ul> |
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|  |  | <ul style="list-style-type: none"> <li>▪ The related accounting records, supporting information and specific accounts in the financial statements that are used to initiate, record, process and report transactions; this includes the correction of incorrect information and how information is transferred to the general ledger. The records may be in either manual or electronic form;</li> <li>▪ How the information system captures events and conditions, other than transactions, that are significant to the financial statements;</li> <li>▪ The financial reporting process used to prepare the entity's financial statements, including significant accounting estimates and disclosures; and</li> <li>▪ Controls surrounding journal entries, including non-standard journal entries used to record non-recurring, unusual transactions or adjustments.</li> </ul> <ul style="list-style-type: none"> <li>• Entity's communication of financial reporting roles and responsibilities and significant matters relating to financial reporting, including:</li> </ul> |
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**Implementation Guide to SA 230 (Revised 2022)**

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|  |  | <ul style="list-style-type: none"><li>▪ Communications between management and those charged with governance; and</li><li>▪ External communications, such as those with regulatory authorities.</li><li>• Control activities relevant to the audit:<ul style="list-style-type: none"><li>▪ Understanding of control activities relevant to the audit; and</li><li>▪ Entity's response to IT risks.</li></ul></li><li>• Monitoring of controls:<ul style="list-style-type: none"><li>▪ Understanding of entity's major activities to monitor internal control over financial reporting; and</li><li>▪ How the entity initiates remedial actions to deficiencies in its controls.</li></ul></li><li>• Understanding of the relevance of the Internal Audit Function:<ul style="list-style-type: none"><li>▪ The nature of the internal audit function's responsibilities and how the internal audit function fits in the entity's organisational structure; and</li><li>▪ The activities performed, or to be performed, by the internal audit function.</li></ul></li><li>• Entities having uncomplicated businesses and processes relevant to financial reporting,</li></ul> |
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**Implementation Guide to SA 230(Revised 2022)**

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|       |   | <p>documentation:</p> <ul style="list-style-type: none"> <li>▪ Simple and brief.</li> <li>▪ Not necessary to document the entirety of the auditor's understanding of the entity and matters related to it.</li> <li>▪ Document only key elements of understanding.</li> <li>▪ Extent of documentation may also reflect the experience and capabilities of the members of the audit engagement team.</li> <li>▪ For recurring audits, certain documentation may be carried forward, updated as necessary to reflect changes in the entity's business or processes.</li> </ul> |
| 32(b) | Sources of information from which the understanding was obtained and risk assessment procedures performed | <ul style="list-style-type: none"> <li>• Sources of the information used in the entity's monitoring activities.</li> <li>• Basis upon which management considers the information to be sufficiently reliable for the purpose.</li> <li>• Documentation about risk assessment procedures performed.</li> </ul>  |
| 32(c) | Risks of material misstatement (in terms of para 25 of the standard)                                      | <ul style="list-style-type: none"> <li>• Risks of material misstatement identified and assessed: <ul style="list-style-type: none"> <li>▪ at the financial statement level; and</li> <li>▪ at the assertion level for classes of transactions,</li> </ul> </li> </ul>  |

**Implementation Guide to SA 230 (Revised 2022)**

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|       |  | account balances and disclosures.  |
| 32(d) | Risks requiring special audit considerations | The risks identified, and related controls about which the auditor has obtained an understanding, as a result of the requirements in paragraphs 27-30 of the Standard. |

**SA 320, Materiality in Planning and Performing an Audit**

| <b><i>Para Ref.</i></b> | <b><i>Issue</i></b>   | <b><i>Documentation Needed</i></b>  |
|-------------------------|---|---|
| 14(a) & (b)             | Materiality for the financial statements as a whole or materiality level(s) for particular classes of transactions, account balances or disclosures | <ul style="list-style-type: none"> <li>• Materiality for the financial statements as a whole: <ul style="list-style-type: none"> <li>▪ For establishing the overall audit strategy.</li> </ul> </li> <li>• Materiality level(s) for particular classes of transactions, account balances or disclosures: <ul style="list-style-type: none"> <li>▪ Determine materiality level(s) to be applied to particular classes of transactions, account balances or disclosures, which could be expected to influence the economic decisions of the users.</li> </ul> </li> </ul> |
| 14(c)                   | Performance materiality   | <ul style="list-style-type: none"> <li>• Determine performance materiality: <ul style="list-style-type: none"> <li>▪ For assessing the risks of material misstatement; and</li> <li>▪ Determining the nature, timing and extent of further audit procedures.</li> </ul> </li> </ul>   |

**Implementation Guide to SA 230(Revised 2022)**

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| 14(d) | Revisions as the Audit Progresses | <ul style="list-style-type: none"> <li>• Revise materiality for the financial statements as a whole or materiality level(s) for particular classes of transactions, account balances or disclosures:             <ul style="list-style-type: none"> <li>▪ If the auditor becomes aware of information during the audit that would have caused the auditor to have determined a different amount (or amounts) initially.</li> </ul> </li> <li>• If the auditor concludes that a lower materiality than that initially determined is appropriate:             <ul style="list-style-type: none"> <li>▪ Determine whether it is necessary to revise performance materiality, and</li> <li>▪ Whether the nature, timing and extent of the further audit procedures remain appropriate.</li> </ul> </li> </ul> |
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**SA 330, The Auditor’s Responses to Assessed Risks**

| <b><i>Para Ref</i></b> | <b><i>Issue</i></b> | <b><i>Documentation Needed</i></b>  |
|------------------------|---------------------|---|
| 28(a)                  | Overall responses   | Overall responses to address the assessed risks of material misstatement at the financial statement level, and the nature, timing and extent of the further audit procedures performed. |
| 28(b)                  | Linkages            | Linkage of those procedures with the assessed risks at the assertion level.   |

**Implementation Guide to SA 230 (Revised 2022)**

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| 28(c)<br>&<br>A63 | Results  | <ul style="list-style-type: none"> <li>• The results of the audit procedures, including the conclusions where these are not otherwise clear. <ul style="list-style-type: none"> <li>▪ The form and extent of audit documentation is a matter of professional judgment, and is influenced by: <ul style="list-style-type: none"> <li>➤ nature, size and complexity of the entity and its internal control;</li> <li>➤ availability of information; and</li> <li>➤ audit methodology and technology used in the audit.</li> </ul> </li> </ul> </li> </ul> |
| 29                | Audit evidence about operating effectiveness of controls obtained in previous audits | <ul style="list-style-type: none"> <li>• Document the conclusions reached about relying on such controls that were tested in a previous audit.</li> </ul>   |
| 30                | Financial statements agreeing or reconciling with underlying accounting records.     | <ul style="list-style-type: none"> <li>• The auditors' documentation shall demonstrate that the financial statements agree or reconcile with the underlying accounting records.</li> </ul>  |

**SA 450, Evaluation of Misstatements Identified during the Audit**

| <b><i>Para Ref.</i></b> | <b><i>Issue</i></b>       | <b><i>Documentation Needed</i></b>   |
|-------------------------|---------------------------|--|
| 15 &<br>A25             | Uncorrected Misstatements | <ul style="list-style-type: none"> <li>• The amount below which misstatements would be regarded as clearly trivial.</li> </ul> |

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|  | <ul style="list-style-type: none"> <li>• All misstatements accumulated during the audit and whether they have been corrected:             <ul style="list-style-type: none"> <li>▪ Communication with management to correct the misstatement.</li> <li>▪ Communication with those charged with governance:                 <ul style="list-style-type: none"> <li>➤ Uncorrected misstatements; and</li> <li>➤ Effect that they, individually or in aggregate, may have on the opinion in the auditor’s report.</li> </ul> </li> </ul> </li> <li>• The auditor’s conclusion as to whether uncorrected misstatements are material, individually or in aggregate, and the basis for that conclusion. Auditor should consider:             <ul style="list-style-type: none"> <li>▪ The size and nature of the misstatements, both in relation to particular classes of transactions, account balances or disclosures and the financial statements as a whole, and the particular circumstances of their occurrence; and</li> <li>▪ The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.</li> </ul> </li> <li>• The auditor’s documentation of</li> </ul> |
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**Implementation Guide to SA 230 (Revised 2022)**

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|  |  | <p>uncorrected misstatements may take into account:</p> <ul style="list-style-type: none"> <li>▪ The consideration of the aggregate effect of uncorrected misstatements;</li> <li>▪ The evaluation of whether the materiality level or levels for particular classes of transactions, account balances or disclosures, if any, have been exceeded; and</li> <li>▪ The evaluation of the effect of uncorrected misstatements on key ratios or trends, and compliance with legal, regulatory and contractual requirements (for example, debt covenants).</li> </ul> |
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**SA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures**

| <i>Para Ref</i> | <i>Issue</i>         | <i>Documentation Needed</i>  |
|-----------------|----------------------|--|
| 23(a)           | Auditor's conclusion | <ul style="list-style-type: none"> <li>• The basis for the auditor's conclusions about the reasonableness of accounting estimates and their disclosure that give rise to significant risks.</li> </ul>   |
| 23(b) and A128  | Management bias      | <ul style="list-style-type: none"> <li>• Indicators of possible management bias, if any. <ul style="list-style-type: none"> <li>▪ Assists the auditor in concluding whether the auditor's risk assessment and related responses remain appropriate, and</li> <li>▪ Evaluating whether the</li> </ul> </li> </ul> |

## Implementation Guide to SA 230(Revised 2022)

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|  |  | financial statements as a whole are free from material misstatement. |
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### SA 550, Related Parties

| <b>Para Ref</b> | <b>Issue</b>    | <b>Documentation Needed</b>  |
|-----------------|-----------------|--|
| 28              | Related parties | <ul style="list-style-type: none"> <li>Names of the identified related parties.</li> <li>Nature of the related party relationships.</li> </ul> |

### SA 570(Revised), Going Concern

| <b>Para Ref</b> | <b>Issue</b>  | <b>Documentation Needed</b>   |
|-----------------|---|---|
| 17              | Auditor's Conclusion  | <ul style="list-style-type: none"> <li>Evaluate whether sufficient appropriate audit evidence has been obtained.</li> <li>Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.</li> </ul>   |
| 18.             | Whether, in the auditor's judgment, a material uncertainty exists | <ul style="list-style-type: none"> <li>Appropriate documentation required about material uncertainty exists when the magnitude of its potential impact and likelihood of occurrence is such that disclosure of the nature and implications of the uncertainty is necessary for: <ul style="list-style-type: none"> <li>In the case of a fair presentation financial reporting framework, the fair presentation of the financial statements; or</li> </ul> </li> </ul> |

## Implementation Guide to SA 230 (Revised 2022)

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|  |  | <ul style="list-style-type: none"> <li>▪ In the case of a compliance framework, the financial statements not to be misleading.</li> </ul> |
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### SA 600, Using the Work of Another Auditor

| <b>Para Ref</b> | <b>Issue</b>                      | <b>Documentation Needed</b>   |
|-----------------|-----------------------------------|---|
| 18              | Components and component auditors | <ul style="list-style-type: none"> <li>• Components whose financial information was audited by other auditors.</li> <li>• Such components' significance to the financial information of the entity as a whole.</li> <li>• Names of the other auditors.</li> <li>• Any conclusions reached that individual components are not material.</li> <li>• Procedures performed and the conclusions reached.</li> <li>• Where component auditor's report is other than unmodified, document how principal auditor has dealt with the qualifications or adverse remarks contained in the other auditor's report in framing his own report.</li> </ul> |

### SA 610(Revised), Using the Work of Internal Auditors

| <b>Para Ref.</b> | <b>Issue</b>   | <b>Documentation Needed</b>   |
|------------------|--|---|
| 36               | External auditor using the work of the internal auditors | <ul style="list-style-type: none"> <li>• The evaluation of: <ul style="list-style-type: none"> <li>▪ Whether the function's organizational status and relevant policies and procedures adequately support the objectivity of the</li> </ul> </li> </ul> |

**Implementation Guide to SA 230(Revised 2022)**

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|    |   | <p>internal auditors;</p> <ul style="list-style-type: none"> <li>▪ The level of competence of the function; and</li> <li>▪ Whether the function applies a systematic and disciplined approach, including quality control;</li> </ul> <ul style="list-style-type: none"> <li>• The nature and extent of the work used and the basis for that decision; and</li> <li>• The audit procedures performed by the external auditor to evaluate the adequacy of the work used.</li> </ul>   |
| 37 | External auditor uses internal auditor to provide direct assistance | <ul style="list-style-type: none"> <li>• The evaluation of the existence and significance of threats to the objectivity of the internal auditors, and the level of competence of the internal auditors used to provide direct assistance;</li> <li>• The basis for the decision regarding the nature and extent of the work performed by the internal auditors;</li> <li>• Who reviewed the work performed and the date and extent of that review in accordance with SA 230;</li> <li>• The written agreements obtained from an authorized representative of the entity and the internal auditors under paragraph 33 of this SA; and</li> <li>• The working papers prepared by the internal auditors who provided direct assistance on the audit engagement.</li> </ul> |

**SA 701, Communicating Key Audit Matters in the Independent Auditor’s Report**

| <i><b>Para Ref.</b></i> | <i><b>Issue</b></i>                 | <i><b>Documentation Needed</b></i>  |
|-------------------------|-------------------------------------|---|
| 18                      | Documentation:<br>Key audit matters | <p>Audit documentation shall include:</p> <ul style="list-style-type: none"> <li>• The matters that required significant auditor attention; and<br/>Rationale for the auditor’s determination as to whether or not each of these matters is a key audit matter.</li> <li>• The rationale for the auditor’s determination that there are no key audit matters to communicate in the auditor’s report.</li> <li>• The rationale for the auditor’s determination not to communicate in the auditor’s report a matter determined to be a key audit matter.</li> </ul> |
| A64                     | Documentation:<br>Key Audit Matters | <ul style="list-style-type: none"> <li>• Basis of determination of the matters that required significant auditor attention, from the matters communicated with those charged with governance.</li> <li>• The auditor’s judgments to be supported by the documentation of the auditor’s communications with those charged with governance and the audit documentation relating to each individual matter.</li> </ul>   |

**SA 720(Revised), The Auditor’s Responsibilities Relating to Other Information**

| <b><i>Para Ref.</i></b> | <b><i>Issue</i></b>                         | <b><i>Documentation Needed</i></b>  |
|-------------------------|---|---|
| 25                      | Documentation relating to Other Information | Audit documentation shall include : <ul style="list-style-type: none"> <li>• Documentation of the procedures performed under this SA.</li> <li>• The final version of the other information on which the auditor has performed the work.</li> </ul> |

**Q38. What are the matters to be considered while making changes to documentation after the date of auditor’s report but before archive date, which are other than administrative in nature?**

A38. Circumstances may arise that require changes or additions to audit documentation that are not administrative in nature after the date of the auditor’s report. FAQ 33 describes administrative changes that may be made to the documentation during the assembly process. Any changes or additions that are not considered as administrative change constitute new audit evidence and means that the audit procedures were either not completed or documented on or before the date of the auditor’s report.

When changes or additions that are not administrative are made to the audit documentation after the date of the auditor’s report but before the archive date, the engagement team should document:

- An explanation describing what information was added or changed.
- When the evidence was obtained.
- The date the information was added and reviewed.

## **Implementation Guide to SA 230 (Revised 2022)**

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- The name of the person who prepared and reviewed the additional information.
- The circumstances encountered and the reasons for adding the information.
- The new or additional audit procedures performed, audit evidence obtained, and conclusions reached.
- When the conclusions in respect of the new information were approved by the engagement manager, engagement partner and / or engagement quality control reviewer (where applicable).
- The effect on the auditor's report.

Accordingly, when engagement team has obtained audit evidence before the date of the auditor's report but documented this audit evidence after the date of the auditor's report or make substantive changes to documentation that existed at the date of the auditor's report, engagement team shall record these matters.

Above information may be recorded in the respective work paper which was modified after date of auditor's report and also in a memo for all such changes, such memo to be included in the audit file. This needs to be completed before the final assembly of the audit file.

The following are examples of circumstances that require changes or additions to the documentation that are not administrative after the date of the auditor's report:

### Example #1

Subsequent to the date of the auditor's report, the engagement team becomes aware of additional facts regarding a current litigation matter that existed at the date of the auditor's report. If the engagement team had been aware of the additional facts prior to the date of the auditor's report, that may have affected the financial statements and the audit opinion. This circumstance may require the engagement team to make additions or changes to the documentation that are not administrative in nature.

The engagement team should include these additional facts in the documentation and document the elements required above (i.e. the date the information was added and reviewed; the name of the person who prepared and reviewed the additional information; the circumstances encountered and the reasons for adding the information; the new or additional audit procedures performed, audit evidence obtained, and conclusions reached; and the effect on the auditor's report, etc.).

Example #2

Subsequent to the date of the auditor's report, the engagement team identifies workpapers without proper signoffs. Adding sign-offs to the audit workpapers represents a change that is not administrative because the documentation did not meet requirements (i.e., reviewer did not sign and date the workpaper to evidence his or her review at the right time). The engagement team should document the sign-offs, any changes to the workpapers and the elements required above.

After the date of the auditor's report, the engagement team may also discover that, considering the facts and circumstances at the time of the audit, one or more additional audit procedures have been omitted.

In those limited situations when the engagement team is performing procedures and obtaining and documenting evidence after the date of the auditor's report, the engagement team does not discard any related documentation that previously existed.

**Q39. What are the requirements on maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of engagement documentation after the completion of assembly of the audit file?**

A39. The auditor is required to comply with following requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements":

- The firm should establish policies and procedures designed to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of engagement documentation;
- Relevant ethical requirements establish an obligation for the firm's personnel to observe at all times the confidentiality of information contained in engagement documentation, unless specific client authority has been given to disclose information, or there is a legal or professional duty to do so. Specific laws or regulations may impose additional obligations on the firm's personnel to maintain client confidentiality, particularly where data of a personal nature are concerned; and
- Whether engagement documentation is in paper, electronic or other media, the integrity, accessibility or retrievability of the underlying data may be compromised if the documentation could be altered, added to or deleted without the firm's knowledge, or if it could be permanently lost or damaged.

Accordingly, the audit firm designs and implements appropriate controls for engagement documentation to:

- (a) enable the determination of when and by whom engagement documentation was created, changed or reviewed;
- (b) protect the integrity of the information at all stages of the engagement, especially when the information is shared within the engagement team or transmitted to other parties *via* the Internet;
- (c) prevent unauthorized changes to the engagement documentation; and
- (d) allow access to the engagement documentation by the engagement team and other authorized parties as necessary to properly discharge their responsibilities.

Controls that the firm may design and implement to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of engagement documentation include, for example:

- the use of a password among engagement team members to restrict access to electronic engagement documentation to authorized users.
- appropriate back-up routines for electronic engagement documentation at appropriate stages during the engagement.
- procedures for properly distributing engagement documentation to the team members at the start of engagement, processing it during engagement, and collating it at the end of engagement.
- procedures for restricting access to, and enabling proper distribution and confidential storage of, hardcopy engagement documentation.

For practical reasons, original paper documentation may be electronically scanned for inclusion in engagement files. In that case, the firm implements appropriate procedures requiring engagement teams to:

- (a) Generate scanned copies that reflect the entire content of the original paper documentation, including manual signatures, cross-references and annotations;
- (b) Integrate the scanned copies into the engagement files, including indexing and signing off on the scanned copies as necessary; and
- (c) Enable the scanned copies to be retrieved and printed as necessary.

The firm considers whether to retain original paper documentation that has been scanned for legal, regulatory or other reasons.

**Q40. When should an auditor prepare audit documentation?**

A40 It is appropriate that the auditor should prepare audit documentation on a timely basis i.e. at the time audit work is performed. Preparing sufficient and appropriate audit documentation on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before the auditor's report is finalised. Documentation prepared after the audit work has been performed is likely to be less accurate than documentation prepared at the time such work is performed and is also susceptible to risk that the work was performed after the auditor's report was issued.

## Chapter 4 Checklist

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| S.No. | Particulars  | Yes/No/<br>NA | Remarks/<br>WP Ref |
|-------|--|---------------|--------------------|
| 1.    | Whether the audit documentation is prepared on a timely basis?   |               |                    |
| 2.    | <p>Whether the audit documentation is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the following?</p> <p>(a) The nature, timing, and extent of the audit procedures performed to comply with the SAs and applicable legal and regulatory requirements;</p> <p>(b) The results of the audit procedures performed, and the audit evidence obtained; and</p> <p>(c) Significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.</p> |               |                    |
| 3.    | <p>While documenting the nature, timing and extent of audit procedures performed, whether the following were recorded?</p> <p>(a) The identifying characteristics of the specific items or matters</p>   |               |                    |

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|----|--|--|--|
|    | <p>tested;</p> <p>(b) Who performed the audit work and the date such work was completed; and</p> <p>(c) Who reviewed the audit work performed and the date and extent of such review.</p>  |  |  |
| 4. | Whether the documentation includes discussions of significant matters with management, those charged with governance, and others, including the nature of the significant matters discussed and when and with whom the discussions took place?                               |  |  |
| 5. | Where it is identified that information is inconsistent with the auditor's final conclusion regarding a significant matter, whether it is documented as to how the inconsistency was addressed?  |  |  |
| 6. | Where it is considered necessary in exceptional circumstances to depart from a relevant requirement in a SA, whether the audit documentation reflects how the alternative audit procedures performed achieved the aim of that requirement and the reasons for the departure? |  |  |
| 7. | Where in exceptional circumstances, new or additional audit procedures are performed or new conclusions are reached after  |  |  |

**Implementation Guide to SA 230(Revised 2022)**

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|----|---|--|--|
|    | <p>the date of the audit report, whether the following were documented?</p> <p>(a) The circumstances encountered;</p> <p>(b) The new or additional audit procedures performed, audit evidence obtained, and conclusions reached, and their effect on the auditor's report; and</p> <p>(c) When and by whom the resulting changes to audit documentation were made and reviewed.</p> |  |  |
| 8. | <p>Is it ensured that after the assembly of the final audit file has been completed, no deletion or discard of audit documentation of any nature has taken place before the end of its retention period?</p>  |  |  |
| 9. | <p>Where it is necessary to modify existing audit documentation or add new audit documentation after the assembly of the final audit file has been completed, whether the following were documented?</p> <p>(a) The specific reasons for making them; and</p> <p>(b) When and by whom they were made and reviewed.</p>  |  |  |

# Appendix

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## Illustrative Working Paper Format

|                                |                         |
|--------------------------------|-------------------------|
| XYZ Limited                    | Audit Firm's name       |
| Nature of Assignment           | Article Assistants name |
| HO/Unit:                       |                         |
| For the period____             | Date of audit           |
|                                | Reviewed by:            |
| Area:                          |                         |
| Sub-area:                      |                         |
| Balance as per Balance Sheet:  |                         |
| Balance as per General Ledger: |                         |
| Difference:                    |                         |
| Reason for difference if any:  |                         |
| Checking Notes:                |                         |
| Observations:                  |                         |
| Conclusions:                   |                         |