SA 260

Communication with TCWG

1) The Role of Communication

- Understanding matters related to the audit in context, and in developing a constructive working relationship, while maintaining the auditor's independence and objectivity.
- Obtain relevant information from TCWG to understand the entity.
- Understand the TCWG responsibility relating to financial reporting to reduce the ROMM.

2) Auditor does not relieve from his responsibility if mgt. communicated the same information to TCWG.

Objective of Communication	Matters to be communicated
• Auditor Responsibility • Planning, Scope & timing • Obtain relevant information • Provide observation on timely basis • Effective communication b/w auditor & TCWG	• The auditor's responsibility in relation to the financial statement audit – SA 200 linking • Planned Scope & timing of the audit • Significant findings from the audit • Auditor Independence • Significant difficulties, if any, encountered during the audit

3) Significant difficulties encountered during the audit may include such matters as:

i) Significant delays by mgt., the unavailability of entity personnel, or unwillingness by mgt. to provide information necessary for the auditor to perform the auditor's procedures.

ii) An unreasonably brief time within which to complete the audit

iii) Extensive unexpected effort required to obtain sufficient appropriate audit evidence.

iv) Restrictions imposed on the auditor by mgt.

v) The unavailability of expected information.

vi) Mgt's. unwillingness to make or extend its assessment of the entity's ability to continue as a going concern when requested.

4) Communication Process

- Form, timing & Content
- In written
- If communication process is not effective - Effect on FS & appropriate action
- Documentation