

→ CS

→ AFRF

→ Business Segment

→ Industry

→ Use of Audit Evidence obtained in PA (Issues with Previous year Inventory Mgt)

Previous Audit

Ascertain

→ RD →

To plan timing & Nature of Communication

Examples

→ Entity Time table for Reporting

→ Organising Meetings with Mgt

→ Discussion with Mgt

— Type & timing of Report

→ Communication Regarding Audit Status (update on Progress)

→ Internal team Communication

— How Audit team will Communicate internally

— Timing of Meetings & Review

Auditor need to consider where efforts should be directed. This will help in developing OAS

ETE

Auditor directs team to significant matters using professional judgment. Identifying material transactions, balances, disclosures sets audit strategy..

⊗ factors that an auditor should consider in directing the engagement team's efforts

1. Volume of Transactions → Reliance on IC to be placed or Not.

2. Significant Industry Developments → as changes in industry regulations and new reporting requirements.

3. Changes in Financial Reporting Framework → such as changes in AS

4. Other Significant Relevant Developments: → change in Legal Environment

Considering PEA/OE helps in developing OAS.

XXX

Example → . Result of Previous Audit

- Previous evaluation of IC,
- Communication of Deficiencies in IC & Action on those.

Ascertain the nature, timing and extent of resources necessary to perform the engagement.

- Significant factor ^{influence} → OAS
- Experienced team member when ROMM is high.

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