

SA 230 Audit documentation

Definition of audit documentation:

- Audit documentation is record of
- * audit procedures performed
- * relevant audit evidence obtained
- * conclusions the auditor reached

Objective of auditors

- audit docs are basis of audit opinion
- It's evidence that audit was planned and performed in accordance with SAs

Nature of audit documentation:

- audit documentation provided:
- Evidence on auditors basis for a conclusion about achievement of the overall objective of auditor
- evidence that audit was planned and performed in accordance with SAs and applicable legal and regulatory requirements

Purpose of audit documentation:

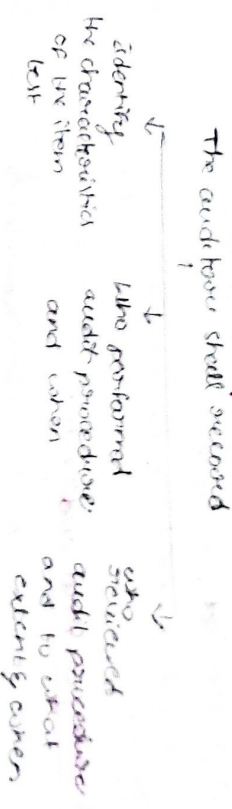
- Engagement team → assist them to plan and perform audit
- direct and supervise
- enable accountability
- ensure conduct of → quality control reviews and inspection
- external inspections
- Records for future audit

Form, content and extent of audit documentation

- shall prepare audit documentation that is sufficient to enable an experienced auditor to understand:

- Nature, timing and extent of audit procedures performed
- Results of audit procedures performed and audit evidence obtained
- Significant matters arising during the audit and conclusions reached and significant professional judgment made in reaching those conclusions

In documenting NITE of audit procedures



If auditor identified info that is inconsistent with auditor's final conclusion regarding significant matters.

Factors affecting form, content and extent of audit documentation:

- B** - Basis for a conclusion
- E** - Nature and extent of exceptions identified
- S** - size and complexity of the entity
- T** - audit methodology and tools used
- P** - nature of audit procedures to be performed
- O**
- E** - Significant audit evidence
- M** - identified risks of material misstatements

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

- Audit programme
- Analyser
- Issues memorandum
- Summaries of significant matters
- Letters of confirmation

Audit file

- one or more folders or other storage media
- Physical or electronic form
- The audit documentation has a specific engagement

Assembly of final audit file:

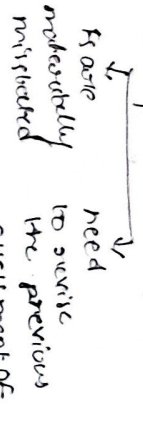
- auditor shall assemble the audit documentation in audit file, within 60 days or prior to the date of auditor's report
 - completion of assembly of final audit file after the date of auditor's report is an administrative process. not includes any additional audit procedures
 - changes may however be made to audit documentation during final assembly process if they are administrative in nature.
- Examples of such changes:
- deleting or discarding unrelated documents.
 - sorting, collecting and cross referencing working papers
 - signing off on completion check lists relating to file assembly process.

Retention: Form date of issue of audit report not shorter than 7 years.

Significant matters

Examples of significant matters

- Matters having high risk of material misstatements
- Results of audit procedures indicating



- circumstances occurred as such that we are unable to apply certain audit procedures
- findings that shows the need to modify the opinion and need to include EMR paragraph.

auditor will use his judgment for deciding what or upto which extent significant matters should be documented.

Audit documentation ownership lies with auditor

- Auditor at his discretion may make some portions of audit documentation available to clients provided that
 - The quality of work shouldn't be affected
 - His independence shouldn't be affected.

completion memorandum :

- It's a summary of audit documentation
- contains significant matters arose during audit and how the auditor addressed the same
- it will facilitate in effective review & inspection of audit documentation specifically in large & complex audit.

PAAL