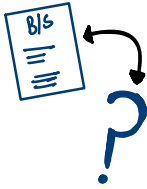


## Determining the information to be confirmed

- ⊗ A/c balance?
- ⊗ Terms of agreement
- ⊗ Absence of condition (Side agreement)

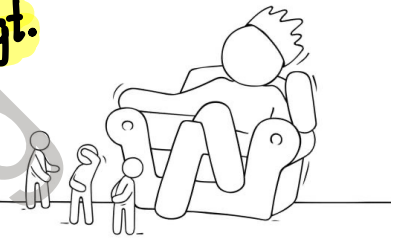


## Selecting the Appropriate party

- ⊗ Confirming party should be knowledgeable



Mgt.



Made With ❤️  
by CA Chirag Gang

## Designing the Confirmation Request

Design?

↓  
Directly affect  
Confirmation  
Response Rate

Factors?

- ⊗ Assertions
- ⊗ Risk of Material Misstatement
- ⊗ Layout of Presentation
- ⊗ Method of Communication
- ⊗ Mgt. Authorization & Encouragement
- ⊗ Ability of Confirming party

Positive  
Confirmation  
Request

- ⊗ May use  
BLANK  
CONFIRMATION  
Requests

Determination of  
properly addressed  
Requests

- ⊗ Testing validity of  
Some addresses

**Sending Requests  
&  
Follow up  
Confirmation Requests**

When Reply to a request  
has not been received  
within a Reasonable time

## Mgt. Refusal to Send Confirmation Request

**INQUIRY**

- Ongoing Negotiation. - Dispute

Seek evidence as to validity &  
Reasonableness of Reasons  
(may indicate Risk of Fraud)

Evaluate the Implication

ROMM

Revise?

NTE of AP

Extend?

Alternative Audit Procedures

A/c Receivables

A/c Payable