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CONTENTS

PREFACE

1	THE NATURE OF AUDITING STANDARDS	1
1.1	Introduction	1
1.2	Limitations of Standards	1
1.3	Authoritative Bodies	2
1.4	International Auditing and Assurance Standards Board	2
1.4.1	Background	2
1.4.2	Structure and processes	2
1.4.3	IAASB pronouncements	3
1.4.4	IAASB's Clarity Project	3
1.4.5	UK adoption of clarified ISAs	3
1.5	The Auditing Practices Board	4
1.5.1	The Auditors' Code	5
1.5.2	International Standards of Auditing (UK and Ireland)	7
1.5.3	Practice Notes	9
1.5.4	Bulletins	9
1.6	Other Guidance	9
1.7	Other Sources of Auditing Standards	9
2	AUDIT REGULATION	11
2.1	Introduction	11
2.2	Qualification	12
2.3	Control of Audit Firms	12
2.4	Fit and Proper Person	12
2.5	Professional Integrity and Independence	13
2.5.1	Ethical Standard 1 (Revised): Integrity, Objectivity and Independence	14
2.5.2	Ethical Standard 2 (Revised): Financial, Business, Employment and Personal Relationships	18
2.5.3	Ethical Standard 3 (Revised): Long Association with the Audit Engagement	21
2.5.4	Ethical Standard 4 (Revised): Fees, Remuneration and Evaluation Policies, Litigation, Gifts and Hospitality	22
2.5.5	Ethical Standard 5 (Revised): Non-Audit Services Provided to Audited Entities	23
2.6	Ethical Standard, Provisions Available for Small Entities	24
2.6.1	Background	24
2.6.2	Non-audit services	25
2.6.3	Economic dependence	26
2.6.4	Partners joining an audit client	27
2.6.5	Audit report wording	28
2.7	ICAEW Code of Ethics	29

2.7.1	Background	29
2.7.2	The fundamental principles	30
2.7.3	Threats and safeguards	31
2.7.4	Conflict resolution	31
2.8	Technical Standards	32
2.8.1	Acceptance of appointment and reappointment	32
2.8.2	Quality control	33
2.8.3	Control of confidentiality and independence	33
2.9	Maintaining Competence	33
2.10	Meeting of Claims	34
2.11	Other Areas	34
2.12	The Professional Oversight Board for Accountancy	34
2.13	The Quality Assurance Directorate	35
2.14	Audit Reports	35
2.15	Working Papers	35
2.15.1	Retention of working papers	36
2.15.2	Work carried out by other auditors	36
2.16	Audit Competition Proposals	36
3	THE AUDIT REPORT	39
3.1	Introduction	39
3.2	The Standards	39
3.2.1	Other guidance	40
3.2.2	Consultation draft	40
3.3	ISA (UK and Ireland) 700	41
3.3.1	Main changes	41
3.3.2	Discussions with those charged with governance	41
3.4	Aim of the Audit Report	42
3.5	Contents of an Audit Report	42
3.6	Title	43
3.7	Addressee	43
3.8	Introductory Paragraph	43
3.9	Respective Responsibilities of those Charged with Governance and Auditors	43
3.10	Scope of the Audit of the Financial Statements	43
3.11	Auditor's Opinions	44
3.11.1	True and fair	44
3.11.2	Opinion on other matters	45
3.12	Signature	46
3.12.1	Senior Statutory Auditor	46
3.12.2	Signing	47
3.12.3	Joint auditors	48
3.13	Date	48
3.14	Unmodified Auditor's Reports Examples	49
3.15	Directors' Responsibility Statements	52
3.16	Small Companies	56

3.17	APB Bulletin 2002/2, The United Kingdom Directors' Remuneration Report Regulations	59
3.17.1	Introduction	59
3.17.2	Companies affected by the rules	59
3.17.3	The 'auditable part' of the Directors' Remuneration Report	60
3.17.4	Reporting on the Directors' Remuneration Report	60
3.17.5	The Directors' Remuneration Report as a separate document	60
3.17.6	Reforms to the Directors' Remuneration Report	61
3.18	Changes to Audit Reports Resulting from Electronic Publication	61
3.18.1	Background	61
3.18.2	Electronic publication of audit reports	62
3.18.3	The Companies Act 2006	66
3.19	Departure from SORPS	67
3.19.1	Requirements of FRS 18	67
3.19.2	Audit considerations	67
3.19.3	Audit opinion	68
3.20	The Bannerman Case	69
3.20.1	Introduction	69
3.20.2	Auditors' responsibilities	69
3.20.3	Recommended wording	69
3.20.4	Engagement letters	70
3.21	Reading Audit Reports	70
4	MODIFIED AUDITOR'S REPORTS	71
4.1	Introduction	71
4.2	Types of Modification	71
4.2.1	Emphasis of matter	73
4.2.2	Modified opinions	75
4.2.3	Inability to obtain sufficient evidence	76
4.2.4	Material misstatement	81
4.2.5	Adverse opinions or disclaimers of opinion	83
4.2.6	Multiple uncertainties	83
5	OTHER REPORTS ON FINANCIAL STATEMENTS	85
5.1	Introduction	85
5.2	Summary Financial Statements	86
5.2.1	Legal background	86
5.2.2	Auditing Standards and Guidelines	86
5.2.3	Audit procedures	87
5.2.4	Reporting	89
5.3	Abbreviated Accounts	90
5.3.1	Legal background	90
5.3.2	Guidance	91
5.3.3	Audit procedures	91

5.4	Exemptions for Small and Medium-Sized Groups	93
5.4.1	Legal background	93
5.4.2	Audit procedures	94
5.5.1	Legal background	94
5.5.2	Auditing Guideline	94
5.5.3	Types of revision	95
5.5.4	Procedures	100
5.6	Preliminary Announcements	102
5.6.1	Background	102
5.6.2	Guidance	102
5.6.3	Terms of engagement	103
5.6.4	Procedures	104
5.6.5	Pro forma information	106
5.6.6	Management commentary	106
5.6.7	Directors' approval	107
5.6.8	Modification of the auditor's report	107
5.6.9	Reporting	107
5.6.10	Announcements not agreed	109
5.7	ISRE 2400	109
5.7.1	Introduction	109
6	OTHER STATUTORY AUDIT REPORTS	111
6.1	Introduction	111
6.2	Distributions: Qualified Reports	111
6.2.1	Legal background	111
6.2.2	Guidance	112
6.3.1	Legal background	115
6.3.2	Guidance	115
6.4	Purchase and Redemption of Own Shares	116
6.4.1	Legal background	116
6.4.2	Guidance	116
6.5	Re-registration of companies	118
6.5.1	Legal background	118
6.5.2	Guidance	118
6.6	Allotment of Shares Otherwise than for Cash	123
6.6.1	Legal background	123
6.6.2	Guidance	124
6.7.1	Legal background	124
7	REPORTS ON ACCOUNTS PREPARED BY ACCOUNTANTS	127
7.1	Introduction	127
7.2	Guidance	127
7.3	Incorporated Entities	128

7.3.1	Terms of engagement	128
7.3.2	Directors' responsibilities	130
7.3.3	Accountants' procedures	131
7.3.4	Misleading financial statements	131
7.3.5	Approving financial statements	131
7.3.6	Accountants' reports	131
7.4	Unincorporated Entities	133
7.4.1	Scope of guidance	133
7.4.2	Professional ethics	133
7.4.3	Accounting basis	133
7.4.4	Terms of engagement	134
7.4.5	Client's responsibilities	136
7.4.6	Planning	136
7.4.7	Procedures	136
7.4.8	Misleading financial information	136
7.4.9	Approval of financial information	136
7.4.10	Accountants' reports	137
7.5	Considerations Following the Increase in the Audit Exemption Limit	138
8	REPORTS TO THE REGULATOR ON INVESTMENT BUSINESSES	141
8.1	Legal Background	141
8.2	Types of Report	141
8.3	Auditing Standards and Guidance	141
8.4	Respective Responsibilities	142
8.5	Client Assets	143
8.5.1	Background	143
8.5.2	Determining whether a client assets report is required	143
8.5.3	Scope of permissions	145
8.5.4	The CASS rules	145
8.5.6	Accepting the engagement	148
8.5.7	Assurance procedures	149
8.5.8	Planning the engagement	151
8.5.9	Statutory and non-statutory trusts	151
8.5.10	Reconciliations	152
8.5.11	Custody arrangements	152
8.5.12	Insurance intermediaries	153
8.5.13	Mandates	153
8.5.14	Using the work of internal auditors	154
8.5.15	Special purpose entities	154
8.5.16	Using the work of an expert	154
8.5.17	Reporting	155
8.5.18	Bulletin 3	163
8.6	Special Ad Hoc Reports	163
8.6.1	Guidance	163

8.6.2	Right and duty to report	164
8.6.3	'Material significance'	165
8.6.4	Procedures	167
8.6.5	Reporting	171
8.6.6	Form of report	172
8.6.7	Communication by the regulator	172
8.6.8	Relationship with other reporting responsibilities	173
9	REPORTS TO MANAGEMENT	175
9.1	Introduction	175
9.2	Auditing Standards	175
9.3	Those Charged with Governance	175
9.4	Aims of Reports to those Charged with Governance	176
9.5	Establishing Expectations	176
9.6	Form of Communication	177
9.7	Effectiveness of Communications	177
9.8	Matters to be Communicated	178
9.8.1	Definition	178
9.8.2	Listed companies	178
9.8.3	Integrity, independence and objectivity	179
9.8.4	Planning information	179
9.8.5	Findings from the audit	180
9.9	Addressees	181
9.10	Groups	182
9.11	Third Parties	182
9.12	Form of Reports	183
9.13	ISA 265 Communicating Deficiencies in Internal Control to those Charged with Governance and Management	184
9.13.1	Background	184
9.13.2	Identifying and reporting deficiencies	184
9.13.3	Significant deficiency	185
9.13.4	Reporting of significant deficiencies	186
10	FRAUD AND ERROR	189
10.1	Introduction	189
10.2	Auditing Standards	189
10.3	Definitions	189
10.3.1	Fraud	190
10.3.2	Error	190
10.4	Responsibilities of those Charged with Governance	191
10.5	Auditors' Responsibilities	191
10.5.1	Professional scepticism	192
10.5.2	Engagement team discussion	192
10.5.3	Risk assessment	193
10.5.4	Identification and assessment of fraud risk	195
10.5.5	Responses to fraud risk	196

10.6	Evaluating Audit Evidence	199
10.7	Auditor Unable to Continue the Engagement	200
10.8	Management Representations	200
10.9	Communication with Management and those Charged with Governance	201
10.10	Communication with the Authorities	201
10.11	Documentation	201
11	CONSIDERATION OF LAWS AND REGULATIONS	203
11.1	Introduction	203
11.2	Auditing Standards	203
11.3	Legal and Regulatory Framework	203
11.4	Management Responsibility	204
11.5	Responsibility of the Auditors	205
11.6	Consideration of Compliance	206
11.6.1	Laws with a direct effect on the financial statements	206
11.6.2	Laws affecting the operations of the entity	207
11.7	Money Laundering	207
11.8	Non-Compliance	207
11.9	Reporting	209
11.9.1	Reporting to those charged with governance	209
11.9.2	Reporting to owners/members	209
11.9.3	Reporting to third parties	210
11.10	Resignation	210
12	MONEY LAUNDERING	211
12.1	Background	211
12.2	Consequences for Accountants in Practice	211
12.2.1	Changes in the 2007 Regulations	212
12.3	Auditors' Responsibilities	212
12.4	Practice Note 12 (Revised)	213
12.4.1	Introduction	213
12.4.2	What is money laundering?	213
12.4.3	Procedures	214
12.4.4	Tipping off	220
12.4.5	Reporting to the MLRO and SOCA	221
12.4.6	Privilege reporting exemption	221
12.4.7	Auditors' report on the financial statements	223
12.5	Consideration of Laws and Regulations	223
12.6	Other Guidance	224
13	GOING CONCERN	227
13.1	Introduction	227
13.2	Auditing Standards	227
13.3	General Requirement	228
13.4	The Entity's Responsibilities	228

13.4.1	Examples of events or circumstances which may cause doubt about using the going concern assumption	229
13.5	The Auditors' Responsibilities	230
13.5.1	Planning the audit	231
13.5.2	Evaluating the entity's assessment of going concern	231
13.5.3	Period covered by auditors' review	234
13.5.4	Events after the period considered by those charged with governance	235
13.6	Audit Conclusions and Reporting	235
13.6.1	Entity considered not to be a going concern	235
13.6.2	Inadequate disclosures	236
13.6.3	Those charged with governance not taking adequate steps	236
13.6.4	Material uncertainty	237
13.6.5	Example report extracts	237
13.7	Regulated Entities	246
13.8	Groups	246
13.9	Preliminary Announcements	246
13.10	Bulletin 2008/10	246
13.10.1	The need for guidance	246
13.10.2	General principles	247
13.10.3	Detailed considerations	247
13.10.4	Availability of finance	248
13.10.5	Smaller companies	249
13.10.6	Ethical issues	249
13.11	The Sharman Inquiry into Going Concern and Liquidity Risks	250
13.11.1	Background	250
14	OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS	255
14.1	Introduction	255
14.2	Auditing Standards	255
14.3	ISA (UK and Ireland) 720	256
14.4	Auditors' Responsibility	256
14.5	Auditors' Consideration of Other Information	257
14.5.1	Misstatements	258
14.5.2	Inconsistencies	258
14.5.3	Matters of fact and judgment	259
14.6	Access to Information	260
14.7	Electronic Publication	260
14.8	Section 496 of the Companies Act 2006	260
14.9	Development of International Guidance	261
15	CORPORATE GOVERNANCE	263
15.1	Background	263
15.2	Guidance	266

15.3	Terms of Engagement	267
15.4	Statement of Auditors' Responsibilities	270
15.5	Auditors' Responsibilities for the 'Comply or Explain' Statement	271
15.6	Procedures	271
15.6.1	General procedures	271
15.6.2	Non-compliance with the Code	272
15.6.3	Specific procedures – the verifiable code provisions	273
15.6.4	Going concern	278
15.7	Other Disclosures	279
15.7.1	Disclosures under the FRC guidance	279
15.7.2	Disclosures under the 'Disclosure Rules and Transparency Rules'	280
15.7.3	Changes to the Listing Regime	283
15.8	Other Matters	283
15.8.1	Directors' remuneration	283
15.8.2	Independent non-executives	285
15.8.3	Other matters	285
15.9	Providing Assurance on Internal Control	285
15.9.1	Background	285
15.9.2	Framework	286
15.9.3	Providing assurance	288
15.9.4	Narrative reports	288
15.10	Effective Communication Between Audit Committees and External Auditors	293
15.10.1	Introduction	294
15.10.2	Establishing the expectations of both parties	294
15.10.3	The scope of the audit	295
15.10.4	Findings from the audit	295
15.10.5	The independence of the auditors	296
15.11	The Power of Three	297
15.12	ICAEW Guidance Booklets	298
15.12.1	Working with your auditors	298
15.12.2	Company reporting and audit requirements	298
15.12.3	Reviewing auditor independence	299
15.12.4	Evaluating your auditors	299
15.12.5	Monitoring the integrity of financial statements	299
15.12.6	The internal audit function	300
15.12.7	Whistle-blowing arrangements	300
16	REVIEW OF INTERIM REPORTS	301
16.1	Introduction	301
16.2	Guidance for Auditors	301
16.3	General Principles	301
16.4	Assurance Provided	302
16.5	Engagement Letters	302
16.6	Planning	304

16.7	Procedures and Evidence	306
16.8	Documentation	307
16.9	Subsequent Events	307
16.10	Going Concern	307
16.11	Comparative Periods	308
16.12	Management Representations	308
16.13	Other Information	308
16.14	Evaluating Misstatements	311
16.15	Communication	311
16.16	Reporting	311
16.16.1	Modification of the review report	313
16.16.2	Prior period modifications	313
16.16.3	Date of review report	314
16.17	Complete Set of Interim Financial Information	314
16.18	Requests to Discontinue an Interim Review Engagement	315
17	PLANNING	317
17.1	Auditing Standards	317
17.2	Planning the Work	317
17.3	Preliminary Engagement Activities	318
17.4	The Overall Audit Strategy	318
17.5	Documentation	321
17.6	Initial Audit Engagements	322
17.7	Changes to Planning Decisions During the Course of the Audit	322
17.8	Direction, Supervision and Review	322
17.9	Communications with those Charged with Governance	323
18	MATERIALITY AND THE AUDIT	325
18.1	Auditing Standards	325
18.2	Materiality	325
18.3	The Need to Consider Materiality	325
18.4	Materiality and Audit Risk	327
18.5	Revision to Materiality Assessments	327
18.6	Uncorrected Misstatements	328
18.6.1	During the audit	328
18.6.2	At the completion phase	328
18.7	Documentation	329
18.8	Communication of Errors	329
18.9	Written Representations	329
19	DOCUMENTATION	331
19.1	Auditing Standards	331
19.2	Purpose of Documentation	331
19.3	Form and Content	331
19.3.1	Factors affecting form and content of working papers	332

19.3.2	Documenting characteristics of items tested	333
19.3.3	Judgment areas	334
19.3.4	Documentation of departures from ISAs (UK and Ireland)	335
19.3.5	Identification of the preparer and reviewer of documentation	335
19.4	Assembly of the Final Audit File	335
19.5	Changes to Audit Documentation	336
19.6	Confidentiality, Custody and Ownership of Working Papers	336
19.7	Access to Working Papers	337
19.7.1	Work paper ownership and access	338
19.7.2	Further explanations	346
19.7.3	Access for other parties	346
19.7.4	Investigating accountants from the same firm as the auditors	349
19.7.5	Change of auditors	349
20	QUALITY CONTROL FOR AUDIT WORK	351
20.1	Introduction	351
20.2	Guidance	351
20.3	ISQC (UK and Ireland) 1: Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements	352
20.3.1	Basic requirement	352
20.3.2	Elements of a system of quality control	352
20.3.3	Leadership	352
20.3.4	Ethical requirements	353
20.3.5	Client acceptance and continuance	353
20.3.6	Human resources	354
20.3.7	Engagement performance	355
20.3.8	Engagement documentation	357
20.3.9	Monitoring	358
20.3.10	Complaints	359
20.3.11	Documentation of quality control system	359
20.3.12	ICAEW implementation guidance	359
20.4	ISA (UK and Ireland) 220 Quality Control for an Audit of Financial Statements	363
20.4.1	General requirement	363
20.4.2	Engagement partner responsibilities	364
20.5	Conflicts of Interest	364
20.5.1	Additional paragraphs to be included in an engagement letter	364
20.5.2	Chinese Walls	365
20.6	FRC Discussion Paper: Promoting Audit Quality	365
20.6.1	Background	365
20.6.2	Audit quality	366
20.6.3	Factors outside auditors' control	368

16.7	Procedures and Evidence	306
16.8	Documentation	307
16.9	Subsequent Events	307
16.10	Going Concern	307
16.11	Comparative Periods	308
16.12	Management Representations	308
16.13	Other Information	308
16.14	Evaluating Misstatements	311
16.15	Communication	311
16.16	Reporting	311
16.16.1	Modification of the review report	313
16.16.2	Prior period modifications	313
16.16.3	Date of review report	314
16.17	Complete Set of Interim Financial Information	314
16.18	Requests to Discontinue an Interim Review Engagement	315
17	PLANNING	317
17.1	Auditing Standards	317
17.2	Planning the Work	317
17.3	Preliminary Engagement Activities	318
17.4	The Overall Audit Strategy	318
17.5	Documentation	321
17.6	Initial Audit Engagements	322
17.7	Changes to Planning Decisions During the Course of the Audit	322
17.8	Direction, Supervision and Review	322
17.9	Communications with those Charged with Governance	323
18	MATERIALITY AND THE AUDIT	325
18.1	Auditing Standards	325
18.2	Materiality	325
18.3	The Need to Consider Materiality	325
18.4	Materiality and Audit Risk	327
18.5	Revision to Materiality Assessments	327
18.6	Uncorrected Misstatements	328
18.6.1	During the audit	328
18.6.2	At the completion phase	328
18.7	Documentation	329
18.8	Communication of Errors	329
18.9	Written Representations	329
19	DOCUMENTATION	331
19.1	Auditing Standards	331
19.2	Purpose of Documentation	331
19.3	Form and Content	331
19.3.1	Factors affecting form and content of working papers	332

19.3.2	Documenting characteristics of items tested	333
19.3.3	Judgment areas	334
19.3.4	Documentation of departures from ISAs (UK and Ireland)	335
19.3.5	Identification of the preparer and reviewer of documentation	335
19.4	Assembly of the Final Audit File	335
19.5	Changes to Audit Documentation	336
19.6	Confidentiality, Custody and Ownership of Working Papers	336
19.7	Access to Working Papers	337
19.7.1	Work paper ownership and access	338
19.7.2	Further explanations	346
19.7.3	Access for other parties	346
19.7.4	Investigating accountants from the same firm as the auditors	349
19.7.5	Change of auditors	349
20	QUALITY CONTROL FOR AUDIT WORK	351
20.1	Introduction	351
20.2	Guidance	351
20.3	ISQC (UK and Ireland) 1: Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements	352
20.3.1	Basic requirement	352
20.3.2	Elements of a system of quality control	352
20.3.3	Leadership	352
20.3.4	Ethical requirements	353
20.3.5	Client acceptance and continuance	353
20.3.6	Human resources	354
20.3.7	Engagement performance	355
20.3.8	Engagement documentation	357
20.3.9	Monitoring	358
20.3.10	Complaints	359
20.3.11	Documentation of quality control system	359
20.3.12	ICAEW implementation guidance	359
20.4	ISA (UK and Ireland) 220 Quality Control for an Audit of Financial Statements	363
20.4.1	General requirement	363
20.4.2	Engagement partner responsibilities	364
20.5	Conflicts of Interest	364
20.5.1	Additional paragraphs to be included in an engagement letter	364
20.5.2	Chinese Walls	365
20.6	FRC Discussion Paper: Promoting Audit Quality	365
20.6.1	Background	365
20.6.2	Audit quality	366
20.6.3	Factors outside auditors' control	368

20.7	The Audit Quality Framework	368
20.7.1	Development of international guidance	369
21	ENGAGEMENT LETTERS	371
21.1	Auditing Standards	371
21.2	Purpose	371
21.3	Preconditions for an Audit	372
21.4	Contents	372
21.4.1	Example engagement letter	373
21.4.2	Recurring audits	376
21.4.3	Groups of companies	377
21.4.4	Changes in terms	377
21.5	Liability Limitation	378
21.5.1	FRC guidance	378
21.5.2	Background	378
21.5.3	Liability limitation agreements	378
22	AUDIT RISK ASSESSMENT	381
22.1	Guidance	381
22.2	General Overview	381
22.3	ISA (UK and Ireland) 315	383
22.3.1	Guidance	383
22.3.2	Background	383
22.3.3	Risk assessment procedures and related activities	384
22.3.4	Understanding the entity and its environment, including the entity's internal control	385
22.3.5	Internal control	390
22.3.6	Identifying and assessing the risks of material misstatement	396
22.3.7	Communicating with those charged with governance	398
22.3.8	Documentation	398
22.4	ISA (UK and Ireland) 330	399
22.4.1	Overall responses	399
22.4.2	Responses at the assertion level	400
22.4.3	Presentation and disclosure	404
22.4.4	Evaluating audit evidence	404
22.4.5	Documentation	404
22.5	Auditing in an Economic Downturn	405
22.5.1	Introduction	405
22.5.2	The use of judgment	405
22.5.3	Factors affecting financial reporting	405
22.5.4	Warning signs	406
22.5.5	Auditors' actions	407

23	AUDITING IN AN INFORMATION SYSTEMS ENVIRONMENT	409
23.1	Existing Guidance	409
23.2	Background	409
23.3	Skills and Competence	409
23.4	Planning	410
23.5	Assessment of Risk	410
23.6	Audit Procedures	411
23.7	Computer-assisted Audit Techniques	411
24	AUDIT EVIDENCE	413
24.1	Auditing Standards	413
24.2	ISA (UK and Ireland) 500	413
24.2.1	Concept of audit evidence	413
24.2.2	Sufficient appropriate evidence	414
24.2.3	Using assertions to gather audit evidence	415
24.2.4	Audit procedures	416
24.3	ISA (UK and Ireland) 501	418
24.3.1	Attendance at stocktaking	419
24.3.2	Enquiries about litigation and claims	419
24.3.3	Segment information	420
24.4	ISA (UK and Ireland) 505	420
24.4.1	Use of external confirmations	420
24.5	Auditor Scepticism: Raising the Bar	422
24.5.1	Background	422
24.5.2	A sceptical mind	422
24.5.3	The growing importance of scepticism	423
24.5.4	Difficulties for audit firms	423
24.5.5	Improving auditor scepticism	423
24.5.6	Response	424
24.5.7	Continuing the APB's scepticism project	424
24.5.8	IAASB Questions and answers	429
25	ANALYTICAL PROCEDURES	431
25.1	Auditing Standards	431
25.2	What is Meant by Analytical Procedures?	431
25.3	Problems in Practice	432
25.4	Use of Analytical Procedures in Risk Assessment	433
25.5	Analytical Procedures as a Substantive Procedure	434
25.5.1	Suitability of using analytical procedures	434
25.5.2	Reliability of data	435
25.5.3	Precision of expected results	435
25.5.4	Acceptable differences	435

25.6	Analytical Procedures in the Overall Review at the End of the Audit	436
25.7	Investigating Unusual Items	436
25.8	Recording	437
ENGAGEMENT LETTERS		
26	THE AUDIT OF FRS 17	439
26.1	Background	439
26.2	Guidance	439
26.3	Respective Responsibilities	440
26.4	Planning	440
26.4.1	Risks of material misstatement	441
26.4.2	Communication	443
26.4.3	Materiality	444
26.5	Audit Evidence	445
26.5.1	Understanding the schemes involved	445
26.5.2	Scheme assets	445
26.5.3	Using the work of the scheme auditors	446
26.5.4	Multi-employer schemes	446
26.5.5	Scheme liabilities	447
26.5.6	Competence and objectivity of the actuary	447
26.5.7	The actuary's work as audit evidence	447
26.5.8	Actuarial assumptions	448
26.5.9	Assessing the results of the actuary's work	448
26.5.10	Valuation of scheme liabilities and materiality	449
26.5.11	Disclosures	450
26.5.12	Going concern	450
26.5.13	Recognition in the profit and loss account and the STRGL	450
26.5.14	Expected return on scheme assets and discount rate	451
26.5.15	Disclosures	452
26.5.16	Distributable profits	452
26.5.17	Management representations	453
26.6	Smaller Entities with Insured Schemes	453
ANALYTICAL PROCEDURES		
27	AUDIT OF ACCOUNTING ESTIMATES	455
27.1	Auditing Standards	455
27.2	Accounting Estimates	455
27.3	Assessing the Risk of Audit Estimates	456
27.4	Audit Procedures	457
27.4.1	Testing management's methods	457
27.5	Evaluation of Results	459
27.6	Disclosure	459

28	AUDITING FAIR VALUE	461
28.1	Introduction	461
28.2	Guidance	461
28.3	Understanding the Entity's Process	462
28.4	Evaluating the Entity's Approach	463
28.5	Using the Work of an Expert	464
28.6	Audit Procedures	465
28.6.1	Testing the entity's assumptions, model and data	465
28.6.2	Independent fair value estimates	466
28.6.3	Subsequent events	467
28.7	Disclosures	467
28.8	Communication with those Charged with Governance	467
28.9	Practice Note 23 (Revised)	467
28.9.1	Background	467
28.9.2	Complex financial instruments	468
28.9.3	Responsibilities	468
28.9.4	Understanding the entity	469
28.9.5	Reliance on controls	470
28.9.6	Audit procedures	472
28.9.7	Evaluating audit evidence	474
28.9.8	Management representations	474
28.9.9	Considerations in difficult market conditions	475
RELATED PARTIES		
29	AUDIT SAMPLING	477
29.1	Auditing Standards	477
29.2	Use of Sampling	477
29.3	Risk Assessment	478
29.3.1	Sampling risk	478
29.3.2	Non-sampling risk	479
29.4	Design of the Sample	479
29.4.1	Deciding whether to sample	479
29.4.2	Designing the sample	480
29.5	Sample Size	481
29.6	Selecting the Sample	483
29.7	Performing Audit Procedures	483
29.8	Errors	483
29.8.1	Tolerable misstatement	484
29.8.2	Expected error	484
29.8.3	Projecting errors	484
29.9	Evaluating Results	485
29.10	Statistical and Non-statistical Sampling	486
MANAGEMENT REPRESENTATIONS		
30	MANAGEMENT REPRESENTATIONS	489
30.1	Auditing Standards	489
30.2	Requirement to Obtain Written Confirmation	489

30.3	Acknowledgement of Directors' Responsibility	490
30.4	Representations by Management as Audit Evidence	491
30.5	Contradictory Audit Evidence	492
30.6	Basic Elements of a Management Representation Letter	492
30.7	Refusal to Provide Written Confirmation	493
30.8	Audit 4/02: Management Representation Letters, Explanatory Note	494
30.8.1	The case	494
30.8.2	Increasing the usefulness of representation letters as audit evidence	495
31	OPENING BALANCES AND COMPARATIVES	497
31.1	Auditing Standards	497
31.2	Auditors' Responsibilities	497
31.3	Opening Balances	497
31.3.1	Unable to obtain evidence	498
31.3.2	Continuing auditors	499
31.3.3	Incoming auditors	499
31.4	Comparatives	502
31.4.1	Qualified reports	502
31.5	Incoming Auditors — Comparatives	507
32	RELATED PARTIES	509
32.1	Introduction	509
32.2	Auditing Standards	510
32.3	General Requirement	510
32.4	Materiality	511
32.5	Existence and Disclosure of Related Parties	511
32.5.1	Responses to assessed risks	512
32.6	Evidence	515
32.7	Materiality	515
32.8	Control Disclosures	516
32.9	Representations from those Charged with Governance	516
32.10	Communication with those Charged with Governance	516
32.11	Documentation	517
32.12	Reporting	517
32.13	The Audit of Related Parties in Practice	517
32.13.1	Introduction	517
32.13.2	The five point action plan	518
32.14	Improving the Auditing of Entities Under Common Control	520
32.14.1	Introduction	520
33	SUBSEQUENT EVENTS	521
33.1	Introduction	521
33.2	Auditing Standards	521

33.3	Before the Date of the Audit Report	522
33.4	Before the Financial Statements are Issued	523
33.5	Revising or Withdrawing Financial Statements	524
34	THE AUDIT OF SMALL BUSINESS	525
34.1	Introduction	525
34.2	Existing Guidance	525
34.3	Characteristics of Small Businesses	526
34.4	The Relationship Between Small Businesses and their Auditors	526
34.5	Responsibilities	527
34.5.1	ISA (UK and Ireland) 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	527
34.5.2	ISA (UK and Ireland) 250 Section A – Consideration of Laws and Regulations in an Audit of Financial Statements	528
34.5.3	ISA (UK and Ireland) 570 Going Concern	528
34.5.4	ISA (UK and Ireland) 210 Agreeing the Terms of Audit Engagements	528
34.5.5	ISA (UK and Ireland) 560 Subsequent Events	529
34.6	Planning, Controlling and Recording	529
34.6.1	ISA (UK and Ireland) 300 Planning an Audit of Financial Statements	529
34.6.2	ISA (UK and Ireland) 315 Identifying and Assessing Risks of Material Misstatement through Understanding the Entity and its Environment	530
34.6.3	ISA (UK and Ireland) 320 Materiality in Planning and Performing an Audit	530
34.6.4	ISA (UK and Ireland) 230 Audit Documentation	530
34.6.5	ISA (UK and Ireland) 220 Quality Control for an Audit of Financial Statements and ISQC (UK and Ireland) 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements	531
34.7	Accounting Systems and Internal Control	531
34.7.1	ISA (UK and Ireland) 315 Identifying and Assessing Risks of Material Misstatement through Understanding the Entity and its Environment and ISA (UK and Ireland) 330 The Auditor's Responses to Assessed Risks	531
34.8	Evidence	532
34.8.1	ISA (UK and Ireland) 500 Audit Evidence, 501 Audit Evidence – Specific Considerations for Selected Items and 505 External Confirmations	532
34.8.2	ISA (UK and Ireland) 520 Analytical Procedures	533
34.8.3	ISA (UK and Ireland) 530 Audit Sampling	533
34.8.4	ISA (UK and Ireland) 580 Written Representations	534
34.8.5	ISA (UK and Ireland) 510 Initial Audit Engagements – Opening Balances and ISA (UK and Ireland) 710 Comparative Information – Corresponding Figures and Comparative Financial Statements	534

38.3.4	The group engagement team's procedures	607
38.3.5	Cooperation between auditors	610
38.3.6	The consolidation process	610
38.3.7	Reporting to those charged with governance	611
38.3.8	Reporting considerations	611
38.3.9	Documentation	611
38.3.10	Promoting Best Practice in Group Audits	612
38.4	Experts	616
38.4.1	Auditing Standards	616
38.4.2	Using experts	617
38.4.3	Competence and objectivity of experts	617
38.4.4	The experts' scope of work	618
38.4.5	Assessing the work of experts	618
38.4.6	Applying the guidance in practice	619
38.4.7	Using the work of an actuary with regard to insurance provisions	620
39	REPORTING IN ACCORDANCE WITH GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS)	621
39.1	Global Investment Performance Standards (GIPS)	621
39.2	Reporting in Accordance With GIPS	621
39.3	Engagement Letters	622
39.4	The Reporting Accountants' Review	625
39.5	The Reporting Package	628
39.5.1	Report by the investment management firm	629
39.5.2	Report by the reporting accountants	630
39.5.3	Material weaknesses	632
40	AUDITING IN AN E-COMMERCE ENVIRONMENT	633
40.1	Introduction	633
40.2	Involvement in E-commerce	633
40.3	Knowledge of the Business	634
40.4	E-Fraud	636
40.5	Laws and Regulations	637
40.5.1	Relevant regulations	637
40.5.2	Commercial law	638
40.5.3	Taxation	638
40.6	Audit Risk	639
40.6.1	Issues relating to e-commerce	639
40.6.2	Assessing risk	640
40.6.3	Accounting risks	641
40.6.4	Assessing the control environment	641
40.7	Audit Evidence	643
40.7.1	Difficulties in obtaining evidence	643
40.7.2	Use of specialists	644

40.7.3	Types of evidence	644
40.7.4	Materiality	646
40.7.5	Other performance indicators	646
40.7.6	Work papers	647
40.8	Going Concern	647
40.9	Certification	647
41	REPORTS FOR SPECIAL PURPOSES AND TO THIRD PARTIES	649
41.1	Introduction	649
41.2	Development of Guidance	649
41.3	General Guidance	651
41.3.1	Accepting an engagement	651
41.3.2	Managing professional liability	651
41.3.3	Agreeing the terms of the engagement	652
41.4	Duties to Lenders	652
41.4.1	Case law	652
41.4.2	Duties of care for the statutory audit report	653
41.4.3	Draft accounts	654
41.4.4	Disclaimer of responsibility	655
41.4.5	The Contracts (Rights of Third Parties) Act 1999	655
41.4.6	Separate engagements to provide specific assurances to lenders	655
41.5	Covenants in Agreement for Loans and Other Facilities	656
41.5.1	Common financial and non-financial covenants	656
41.5.2	The lender's requirement for evidence of covenant compliance	657
41.5.3	The firm's duty of care when reporting on the directors' statement of covenant compliance	659
41.5.4	The firm's consideration of acceptance of the engagement	661
41.6	Engagements to Report on Covenant Compliance	662
41.6.1	Scope of work performed	662
41.6.2	The report	663
41.7	Duties of Care for Non-Statutory Audits or Reviews	665
41.7.1	Background	665
41.7.2	Accepting the engagement	666
41.7.3	Reliance by third parties	669
41.7.4	Reporting	669
41.8	Reports on Internal Controls of Service Organisations	672
41.8.1	Background	672
41.8.2	Responsibilities of the service organisation	673
41.8.3	Accepting the engagement	674
41.8.4	Reporting accountant's procedures	677
41.8.5	Reporting	678
41.9	Reports to Other Third Parties	680
41.9.1	Introduction	680

41.9.2	TECH 10/12AAF: Reporting to third parties	681
41.9.3	Audit 2/01: Requests for references on clients' financial status and their ability to service loans	688
41.10	Assurance on Non-Financial Information	690
41.10.1	Background	690
41.10.2	Non-financial information	691
41.10.3	Current practices and guidance	691
41.10.4	Considerations for practitioners	692
41.11	Audit Liability: Claims by Third Parties	694
41.11.1	Potential investors	695
41.11.2	Creditors and lenders	695
41.11.3	Regulators and trade bodies	696
41.11.4	Affiliates or associates of the audit client	696
41.12	ISRS 4400	696
42	CHARITIES	699
42.1	Legal Background	699
42.1.1	General	700
42.1.2	Independent examination	701
42.1.3	Whistle-blowing duties for auditors and examiners	702
42.2	Audit Guidance	702
42.3	Background	704
42.4	ISA (UK and Ireland) 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK and Ireland)	704
42.5	ISA (UK and Ireland) 210 Agreeing the Terms of Audit Engagements	705
42.6	ISA (UK and Ireland) 220 Quality Control for an Audit of Financial Statements	705
42.7	ISA (UK and Ireland) 240 the Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	706
42.8	ISA (UK and Ireland) 250 Section A – Consideration of Laws and Regulations in an Audit of Financial Statements	706
42.8.1	Laws relating directly to the preparation of financial statements	707
42.8.2	Laws central to a charity's conduct of business	707
42.9	ISA (UK and Ireland) 250 Section B – The Auditor's Right and Duty to Report to Regulators in the Financial Sector	708
42.10	ISA (UK and Ireland) 260 Communication with those Charged with Governance	711
42.11	ISA (UK and Ireland) 265 Communicating Deficiencies in Internal Control to those Charged with Governance and Management	711
42.12	ISA (UK and Ireland) 300 Planning an Audit of Financial Statements	712
42.13	ISA (UK and Ireland) 315 Identifying and Assessing Risks of Material Misstatement Through Understanding the Entity and its Environment	712
42.13.1	Inherent risk	714
42.13.2	Control environment	714
42.13.3	Control activities	715
42.13.4	Accounting policies	715

42.14	ISA (UK and Ireland) 320 Materiality in Planning and Performing an Audit	716
42.15	ISA (UK and Ireland) 330 The Auditor's Responses to Assessed Risks	716
42.16	ISA (UK and Ireland) 402 Audit Considerations Relating to an Entity Using a Service Organisation	719
42.17	ISA (UK and Ireland) 505 External Confirmations	719
42.18	ISA (UK and Ireland) 510 Initial Audit Engagements – Opening Balances	719
42.19	ISA (UK and Ireland) 520 Analytical Procedures	720
42.20	ISA (UK and Ireland) 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	720
42.21	ISA (UK and Ireland) 550 Related Parties	721
42.22	ISA (UK and Ireland) 560 Subsequent Events	722
42.23	ISA (UK and Ireland) 570 Going Concern	722
42.24	ISA (UK and Ireland) 580 Written Representations	724
42.25	ISA (UK and Ireland) 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)	724
42.26	(UK and Ireland) 700 The Auditor's Report on Financial Statements	725
42.27	ISA (UK and Ireland) 720 Section A – the Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements and Section B – the Auditor's Statutory Reporting Responsibility in Relation to Directors' Reports	726
42.28	Summarised Financial Statements	727
43	PENSION SCHEMES	729
43.1	Guidance for Auditors of Pension Schemes	729
43.2	Legal Background	729
43.3	Accounting Guidance	731
43.4	Schemes Exempt From Audit	732
43.5	Considerations of Fraud	732
43.6	Control Activities	734
43.7	Communication with Trustees	735
43.8	Reporting	737
43.9	Contributions	737
43.10	Schemes in the Process of Winding Up	740
43.11	Other Reporting Situations	740
43.12	Whistle-Blowing Responsibilities	741
44	SOLICITORS' ACCOUNTS RULES	743
44.1	Background	743
44.1.1	Compliance with the Rules	743
44.1.2	Objective	744
44.2	Engagement Letter	745
44.2.1	Suitable paragraphs for an engagement letter	745
44.2.2	'Whistle-blowing'	746
44.2.3	Termination of appointment	747

44.2.4	Independence	747
44.2.5	Place of examination	748
44.3	Procedures	748
44.4	Problem Areas	749
44.4.1	Debit balances	749
44.4.2	Client confidentiality	749
44.4.3	Trivial breaches	749
44.4.4	'Without delay'	750
44.4.5	Receipt and transfer of costs – the '14 day rule'	750
44.4.6	Interest provisions (Part 3 of the Rules)	750
44.5	Reporting	751
44.6	Checklist	752
45	INVESTMENT BUSINESSES	753
45.1	Introduction	753
45.2	Rules and Reporting Requirements	753
45.3	The Audit of Financial Statements	755
45.3.1	ISA (UK and Ireland) 200 Overall objectives of the independent auditor and the conduct of an audit in accordance with International Standards on Auditing (UK and Ireland)	755
45.3.2	ISA (UK and Ireland) 210 Agreeing the terms of audit engagements	755
45.3.3	ISA (UK and Ireland) 240 The auditor's responsibilities relating to fraud in an audit of financial statements	756
45.3.4	ISA (UK and Ireland) 250 Section A – Consideration of laws and regulations in an audit of financial statements	756
45.3.5	ISA (UK and Ireland) 300 Planning an audit of financial statements	758
45.3.6	ISA (UK and Ireland) 315 Identifying and assessing risks of material misstatement through understanding the entity and its environment	758
45.3.7	ISA (UK and Ireland) 330 The auditor's responses to assessed risks	760
45.3.8	ISA (UK and Ireland) 402 Audit considerations relating to an entity using a service organisation	761
45.3.9	ISA (UK and Ireland) 520 Analytical procedures	761
45.3.10	ISA (UK and Ireland) 540 Auditing accounting estimates, including fair value accounting estimates, and related disclosures	761
45.3.11	ISA (UK and Ireland) 570 Going concern	762
45.3.12	ISA (UK and Ireland) 580 Written representations	762
45.3.13	ISA (UK and Ireland) 700 The auditor's report on financial statements	763
45.4	High Level Standards and Conduct of Business Rules	763
45.4.1	Impact on the audit	763
45.4.2	Audit approach	764

45.5	Review Reports on Interim Profits	765
45.6	Crest	766
45.6.1	Understanding the business	767
45.6.2	Evaluating internal controls	767
45.6.3	Detailed audit procedures	768
46	REGISTERED PROVIDERS OF SOCIAL HOUSING	769
46.1	Existing Audit Guidance	771
46.1.1	Practice Note 14	771
46.1.2	Regulatory Circulars and Good Practice Notes	772
46.2	Background	772
46.2.1	The nature of Registered Providers of Social Housing	772
46.2.2	Responsibilities of the Board or the Committee of Management	775
46.2.3	Responsibilities of audit committees	776
46.2.4	Financial reporting requirements	776
46.2.5	Responsibilities of auditors	777
46.2.6	Features of social housing audits	778
46.2.7	The auditors' relationship with the Regulators	781
46.3	ISA (UK and Ireland) 210 Agreeing the Terms of Audit Engagements	781
46.4	ISA (UK and Ireland) 220 Quality Control for an Audit of Financial Statements	787
46.5	ISA (UK and Ireland) 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	788
46.6	ISA (UK and Ireland) 250 Section A – Consideration of Laws and Regulations in an Audit of Financial Statements	789
46.7	ISA (UK and Ireland) 260 Communication with those Charged with Governance	790
46.8	ISA (UK and Ireland) 300 Planning an Audit of Financial Statements	791
46.9	ISA (UK and Ireland) 315 Identifying and Assessing Risks of Material Misstatement through Understanding the Entity and its Environment	791
46.10	ISA (UK and Ireland) 320 Materiality in Planning and Performing an Audit	792
46.11	ISA (UK and Ireland) 330 The Auditor's Responses to Assessed Risks	793
46.12	ISA (UK and Ireland) 402 Audit Considerations Relating to an Entity Using a Service Organisation	794
46.13	ISA (UK and Ireland) 500 Audit Evidence	794
46.14	ISA (UK and Ireland) 505 External Confirmations	795
46.15	ISA (UK and Ireland) 520 Analytical Procedures	795
46.16	ISA (UK and Ireland) 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	796
46.17	ISA (UK and Ireland) 550 Related Parties	797
46.18	ISA (UK and Ireland) 560 Subsequent Events	797
46.19	ISA (UK and Ireland) 570 Going Concern	798
46.20	ISA (UK and Ireland) 580 Written Representations	799
46.21	ISA (UK and Ireland) 610 Using the Work of Internal Auditors	799

46.22	ISA (UK and Ireland) 620 Using the Work of an Auditor's Expert	800
46.23	ISA (UK and Ireland) 700 The Auditor's Report on Financial Statements	800
46.24	ISA (UK and Ireland) 720 Section A – The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements	803
46.25	Miscellaneous Reports	804
46.26	Service Charge Audits	804
47	PUBLIC SECTOR AUDITS	807
47.1	Introduction	807
47.2	The Role of the Public Sector Auditor	808
47.2.1	Auditor responsibilities	808
47.2.2	Financial statements	808
47.2.3	Regularity	809
47.2.4	Other assignments	809
47.3	Standards Governing Public Sector Audits	810
47.4	International Standard on Quality Control (UK and Ireland) 1	810
47.5	ISA (UK and Ireland) 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK and Ireland)	811
47.6	ISA (UK and Ireland) 210 Agreeing the Terms of Audit Engagements	811
47.7	ISA (UK and Ireland) 220 Quality Control for an Audit of Financial Statements	811
47.8	ISA (UK and Ireland) 230 Audit Documentation	812
47.9	ISA (UK and Ireland) 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	812
47.9.1	Responsibilities of the entity and auditors	812
47.9.2	Fraud in the context of the regularity assertion	813
47.9.3	Consideration of fraud risk factors	813
47.9.4	Auditors' other responsibilities	813
47.9.5	Reporting to third parties	814
47.10	ISA (UK and Ireland) 250 Section A – Consideration of Laws and Regulations in an Audit of Financial Statements	815
47.11	ISA (UK and Ireland) 260 Communication with those Charged with Governance	815
47.12	ISA (UK and Ireland) 300 Planning an Audit of Financial Statements	816
47.13	ISA (UK and Ireland) 315 Identifying and Assessing Risks of Material Misstatement Through Understanding the Entity and its Environment and ISA (UK and Ireland) 330 The Auditor's Responses to Assessed Risks	816
47.14	ISA (UK and Ireland) 320 Materiality in Planning and Performing an Audit	817
47.15	ISA (UK and Ireland) 402 Audit Considerations Relating to an Entity Using a Service Organisation	817
47.16	ISA (UK and Ireland) 500 Audit Evidence	818

47.17	ISA (UK and Ireland) 510 Initial Audit Engagements – Opening Balances	818
47.18	ISA (UK and Ireland) 520 Analytical Procedures	819
47.19	ISA (UK and Ireland) 550 Related Parties	820
47.20	ISA (UK and Ireland) 560 Subsequent Events	820
47.21	ISA (UK and Ireland) 570 Going Concern	821
47.21.1	Auditors' other responsibilities relating to going concern	821
47.21.2	Entities that prepare their financial statements on the going concern basis	821
47.21.3	Circumstances affecting going concern	821
47.21.4	Consideration of the foreseeable future	822
47.21.5	Auditors' responsibilities in considering going concern	822
47.21.6	Written representations on going concern	822
47.22	ISA (UK and Ireland) 580 Written Representations	823
47.23	ISA (UK and Ireland) 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)	823
47.24	ISA (UK and Ireland) 610 Using the Work of Internal Auditors	824
47.25	ISA (UK and Ireland) 700 The Auditor's Report on Financial Statements	824
47.26	ISA (UK and Ireland) 720 Section A – The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements	825
47.27	Grant Claims	825
47.27.1	Background	825
47.27.2	Terms of engagement	827
47.27.3	Types of engagement	836
47.27.4	Reporting	837
47.27.5	Access to accountants' working papers	838
48	REGULATED ENTITIES	841
48.1	Introduction	841
48.2	Duty of Care and Engagement Contracts	841
48.2.1	Tri-partite engagement contracts	842
48.2.2	Bi-partite engagement contracts	850
48.3	Reporting	860
48.4	Materiality	863
48.5	Working with Independent Experts	863
49	INVESTMENT CIRCULAR REPORTING	865
49.1	Legal Background	865
49.2	Guidance	865

49.3	Structure of the SIRS	866
49.4	SIR 1000	867
49.4.1	General	867
49.4.2	Acceptance and continuance	867
49.4.3	Terms of the engagement	867
49.4.4	Independence and ethical standards	868
49.4.5	Legal and regulatory requirements	868
49.4.6	Quality control	869
49.4.7	Planning and execution	869
49.4.8	Documentation	870
49.4.9	Professional scepticism	870
49.4.10	Reporting	870
49.4.11	Modified opinions	871
49.4.12	Pre-existing financial information	871
49.4.13	Consent	871
49.4.14	Events after the reporting accountant's report	873
49.5	SIR 2000	873
49.5.1	General	873
49.5.2	True and fair view	875
49.5.3	Professional considerations	876
49.5.4	Planning	876
49.5.5	Understanding the entity and risk assessment	877
49.5.6	Materiality	877
49.5.7	Reporting accountant's procedures	877
49.5.8	Access to audit work papers	878
49.5.9	Post balance sheet events	878
49.5.10	Going concern	878
49.5.11	Representations	879
49.5.12	Joint reporting accountants	879
49.5.13	Reporting	879
49.6	SIR 3000	881
49.6.1	General	881
49.6.2	Compilation process	883
49.6.3	Agreeing the terms of the engagement	883
49.6.4	Planning and performing the engagement	885
49.6.5	Materiality	885
49.6.6	Historical financial information	886
49.6.7	Consistent accounting policies	887
49.6.8	Presentation of the profit forecast	887
49.6.9	Representation letter	887
49.6.10	Reporting	888
49.6.11	Consent	890
49.7	SIR 4000	890
49.7.1	General	890
49.7.2	Agreeing the terms of the engagement	891
49.7.3	Planning and performing the engagement	892
49.7.4	Materiality	893

49.7.5	Presentation of the pro forma financial information	893
49.7.6	Reporting	893
49.8	SIR 5000	896
49.8.1	General	896
49.8.2	Accepting the engagement	896
49.8.3	Planning and performing the engagement	898
49.8.4	Reporting	900
49.9	Ethical Standards for Reporting Accountants	903
49.10	Limiting Risks for Reporting Accountants	904
49.10.1	Background	904
49.10.2	Inclusion of a statutory audit report in an investment circular	905
49.10.3	Special purpose reports	905
49.10.4	Other financial information	906
49.10.5	Addressing the report	906

APPENDIX

EXISTING GUIDANCE AT 30 APRIL 2013

907

907

INDEX

913

The Competition Commission has produced an interim report which has found that a combination of factors produce adverse effects in the audit market including inability to compare competing options for audit appointments, misalignment between management and shareholders and the experience and reputational barriers the mid-tier face.

They are now entering a phase of the enquiry that deals with market remedies and 'will look to create a situation where tendering and switching become the norm, and where greater transparency and information increase both contestability of the market and the ability of shareholders to judge the service they are getting [and] increase their influence over the choice of auditor'. They are expected to come up with further proposals later in the year.

Whilst both the proposed Directive and any proposals from the Competition Commission may affect the structure of the profession and the nature of audit appointments, there are also a number of radical changes proposed to audit reporting.

The International Auditing and Assurance Standards Board's (IAASB's) major project on the Audit report has reached Discussion Paper phase. The proposals include the following:

- Additional information in the auditor's report to highlight matters that, in the auditor's judgment, are likely to be most important to users' understanding of the audited financial statements or the audit, referred to as 'Auditor Commentary'.