CONTENTS

Section	Title	Page No.	
	Introduction	1	
1	Smaller Entity Audits	5	
	1.1 The Issues	5	
	1.2 What the Regulators Say	7	
	1.3 What Practitioners Say	7	
	1.4 What the Standards Say	8	
2	Materiality		
	2.1 The Issues	19	
	2.2 What the Regulators Say	20	
	2.3 What Practitioners Say	22	
	2.4 What the Standards Say	24	
3	Related Parties	37	
	3.1 The Issues	37	
	3.2 What the Regulators Say	40	
	3.3 What Practitioners Say	41	
	3.4 What the Standards Say	44	
4	Get This Right and the Rest Falls into Place:		
	Understanding the Fritity and Assessing Risk	47	
	4.1 The Issues	47	
	4.2 What the Regulators Say	51	
	4.3 What Practitioners Say	53	
	4.4 What the Standards Say	55	
5	Really Efficient Audits: What Sort of Evidence Do I Really Need?	83	
	5.1 The Issues	83	
	5.2 What the Regulators Say	84	
	5.3 What Practitioners Say	85	
	5.4 What the Standards Say	87	
6	Fraud	99	
	6.1 The Issues	99	
	6.2 What the Regulators Say	103	
	6.3 What Practitioners Say	105	
	6.4 What the Standard Says	112	

Contents

7	Communicati	ons with Those Charged with Governance	121	
	7.1 The Issu	ies	121	
	7.2 What th	e Regulators Say	125	
	7.3 What Pr	ractitioners Say	126	
	7.4 What th	e Standard Says	126	
8	Group Audits	Group Audits		
	8.1 The Issu	ies	141	
	8.2 What th	e Regulators Say	143	
	8.3 What Pr	ractitioners Say	146	
	8.4 What th	e Standards Say	150	
9	Other Things	159		
	9.1 Other O	Good Things – The Issues	159	
	9.2 ISA 230	on Documentation – The Issues	159	
	9.3 Docume	entation – What the Regulators Say	160	
	9.4 Docume	entation – What Practitioners Say	160	
	9.5 Docume	entation – What the Standards Say	161	
	9.6 ISA 501	on Additional Considerations		
	for Spec	tific Items – The Issues	164	
	9.7 Invento	ry – What the Regulators Say	164	
	9.8 Invento	ry – What Practnioners Say	164	
	9.9 ISA 510	on Initial Engagements and Opening		
	Balance	s – The Iscues	168	
	9.10 Initial E	ngagements – What the Regulators Say	168	
	9.11 Initial E	ingagements – What Practitioners Say	168	
	9.12 Initia ¹ I	ngagements – What the Standards Say	169	
	9.13 ISA 530	on Audit Sampling – The Issues	170	
	9.14 Audit Sa	ampling – What the Regulators Say	170	
	9.15 Audit Sa	ampling – What Practitioners Say	170	
	9.16 Audit Sa	ampling – What the Standards Say	171	
	9.17 ISA 540	on Accounting Estimates – The Issues	173	
	9.18 Account	ting Estimates – What the Regulators Say	173	
	9.19 Account	ting Estimates – What Practitioners Say	174	
	9.20 Account	ting Estimates – What the Standards Say	174	
	9.21 ISA 560	on Subsequent Events – The Issues	181	
	9.22 Subsequ	ent Events – What the Regulators Say	181	
	9.23 Subsequ	ent Events – What Practitioners Say	181	
	9.24 Subsequ	ent Events – What the Standards Say	181	
	Index		185	

vi