

Topic C2 Understanding the Entity and Knowledge of the Business  
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建议阅读原文

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\_80\_c52\_625735.htm 对被审计单位的总体了解和宏观把握对审计人员成功、高效实施审计尤为重要；尤其是对新的被审计单位的了解更为重要。是审计计划中重要的一环；只有对被审计单位有了全面、深入、客观和正确的了解，才能制定正确的审计战略。新的被审计单位有两层含义：首次进行审计的客户（第一次接受审计）你的新客户（以前由其他会计师事务所进行审计）并且对客户了解，不仅仅限于你的正式客户，还包括那些潜在的客户；对你客户的充分了解是你决定是否为其提供审计服务的重要决定因素之一。 ISA315

Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement was issued to provide guidance to auditors on obtaining an understanding of the entity and its environment. The auditor should obtain an understanding of the entity and its environment, including its internal control, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and sufficient to design and perform further audit procedures. Knowledge is obtained both before accepting the client and afterwards for each audit. The ISA states that obtaining an understanding of the entity and its environment is an essential aspect of performing an audit in accordance with ISAs. It is therefore very important. It helps the auditor when professional judgments have to be made, for example,

in determining risks and materiality and in considering whether accounting policies have been selected and applied appropriately. In practice, auditors evaluate risks and gather evidence accordingly. It is also an important means of justifying the audit opinion. Risk

Obtaining an understanding of the entity and its environment, including its internal control, is a continuous, dynamic process of gathering, updating and analyzing information throughout the audit. There is no set format for the risk assessment, although it is likely to involve:

- Inquiries of management and others within the entity.
- Analytical procedures.
- Observation and inspection.

Information required: The specific areas that the auditor is required to obtain an understanding of are:

- Industry, regulatory and other external factors ( including the applicable financial reporting framework )
- The nature of the entity
- The entity ' s objectives, strategies and related business risks
- The measurement and review the entity undertakes of its own financial performance
- Internal control

History Exam  
Question Analysis ( A2/D2004 )

2. You are an audit senior responsible for understanding the entity and its environment and assessing the risk of material misstatements for the audit of Rock for the year ending 31 December 2004. Rock is a company listed on stock exchange. Rock is engaged in the wholesale import, manufacture and distribution of basic cosmetics and toiletries for sale to a wide range of stores, under a variety of different brand names. You have worked on the audit of this client for several years as an audit junior.

Required: ( a ) Describe the information you will seek, and procedures you will perform in order to understand the entity

and its environment and assess risk for the audit of Rock for the year ending 31 December 2004. ( b ) You are now nearing the completion of the audit of Rock for the year ending 31 December 2004. Draft financial statements have been produced. You have been given the responsibility of performing a review of the audit files before they are passed to the audit manager and the audit partner for their review. You have been asked to concentrate on the proper completion of the audit working papers. Some of the audit working papers have been produced electronically but all of them have been printed out for you. [针对该题提问] Describe the types of audit working papers you should expect to see in the audit files and the features of those working papers that show that they have been properly completed.

2. ( a ) information and procedures: understanding the entity and its environment and risk assessment for Rock ( ) Understanding the entity and risk assessment is likely to involve a review of prior year risk assessments as a starting point and the identification of changes during the year from the information gathered that may alter that assessment. ( ) Risk assessment procedures involve enquiries of management and others, analytical procedures and observation and inspection. Members of the engagements team should discuss the susceptibility of the financial statements to material misstatements. ( ) Risk assessment also involves obtaining an understanding of the relevant industry, regulatory and other matters including the financial reporting framework, the nature of the entity, the application of accounting policies, the entity ' s objectives and related business

risks, and its financial performance. This may involve: 1.a review of prior year working papers noting any particular issues that arose warranting attention in the current year. 2.discussions with the audit senior or manager working on Rock in prior years to establish any particular problem areas. 3.discussions with Rock ( and their other advisors such as banks and lawyers ) to establish any particular problem areas. 4.a review of any third party information on the client such as press reports. 5.a review of management accounts, any financial information provided to the stock exchange of draft financial statements that may be available to establish trends in the business. 6.a review of any changes in stock exchange requirements. 7.a review of systems documentation ( either generated by Rock or held by the firm ) to see if it needs updating. ( ) Auditors should obtain an understanding of the control environment, the entity ' s process for identifying and dealing with business risk, information system, control activities and monitoring of controls. ( ) Risks should be assessed at the financial statements level, and at the assertion level, and identify significant risks that require special audit consideration, and risks for which substantive procedures alone do not provide sufficient, appropriate audit evidence. ( ) Analytical procedures are often used to highlight areas warranting particular audit attention. In the case of Rock, they are likely to focus on inventory which is likely to have a significant effect on profit ( there may be slow moving or obsolete inventory that needs to be written down ) and on property, plant and equipment which ( as a manufacturer and distributor ) is likely to be a significant item on

the balance sheet. ( ) Risk assessment will facilitate the determination of materiality and tolerable error ( calculations are normally based on sales, profit and assets ) that will be used in determining the sample sizes and in the evaluation of errors. ( b )

Types and features of audit working papers ( ) Types of audit working papers include: 1.systems documentation ( flowcharts, systems manuals, narrative notes, checklists and questionnaires, etc. ) . 2.constitutional documents. 3.agreements with banks and other providers of finance. 4.details of other advisors used by the entity such as lawyers. 5.regulatory documentation relating to the stock exchange listing. 6.audit planning documentation. 7.audit work programs. 8.working papers showing the work performed. 9.lead schedules showing summaries of work performed and conclusions on individual account areas and the amounts to be included in the financial statements. 10.trial balances, management accounts and financial statements. 11.standard working papers relating to the calculation of sample sizes, for example. 12.schedules of unadjusted differences. 13.schedules of review points. 14.letters of weakness and management representation letters. ( ) Features of audit working papers: 1.all working papers ( without exception ) should show by whom they were prepared and when, and when they were reviewed and/or updated, and by whom, by means of signatures and dates - these may be electronic in the case of electronic working papers ; 2.audit planning documentation should include the risk assessment which should be cross referenced to the audit program, and the audit program should be cross referenced to the audit working papers and

vice versa ; 3.working papers showing the work performed should be cross referenced to the audit program and the lead schedule on that particular section of the audit file, and should describe the nature of the work performed, the evidence obtained, and the conclusions reached. 4.each section of the audit file should have a lead schedule which should be cross referenced back to the relevant working papers. 5.trial balances should be cross referenced back to the relevant section of the audit file, and cross referenced forward to the financial statements. 6.the financial statements should be cross referenced to the trial balance. 7.schedules of unadjusted differences should be cross referenced to the sections of the file to which they relate. 8.schedules of review points should all be ' cleared ' to show that all outstanding matters have been dealt with. 100Test 下载频道开通 , 各类考试题目直接下载。详细请访问 [www.100test.com](http://www.100test.com)