Unadjusted audit differences09年ACCA_CAT考试 PDF转换可能丢失图片或格式，建议阅读原文

https://www.100test.com/kao_ti2020/641/2021_2022_Unadjusted_c52_641780.htm During the course of the audit the auditor will have identified errors within the account balances and transactions. For example, a number of debtors may not agree to the balance circularized to them, or perhaps the auditor considers that inventory has been miscounted. Ideally, the auditor should persuade management to adjust the financial statements for the effect of these differences. If management do not agree to adjust the financial statements for these known or actual errors, then the auditor must consider their impact on the view given by the financial statements （ISA 320 Audit Materiality）. Also, ISA 320 requires the auditor to consider the potential impact of the extrapolated or estimated errors on the view given by the financial statements. As discussed in earlier chapters, auditors require reasonable assurance that items in the financial statements are not materially misstated and that estimated errors fall within tolerable error. （Auditors should in the first instance extend audit procedures if the results of audit sampling indicate otherwise.） The auditor should summarise and assess the actual and extrapolated audit differences before reaching a final audit conclusion and deciding whether or not to issue a modified audit opinion. A ‘summary of audit differences’, which usually includes previous year comparatives, is normally included in the firm’s planning documentation. History Exam Question Analysis （B-Q4/D2003） 4.You are an audit manager in an audit firm with ten offices and 250 staff. Your firm is the auditor of Calva, a chain of supermarkets. Your firm has been the auditor of this client for many years. All of the planning work and tests of control have been completed for Calva for the year ended 31 December 2003. Staff are still working on substantive procedures. The company operates a continuous stock checking system with good records and you have tested this system and will be relying on the records for the year-end figure. The company is intending to invest a substantial amount in opening new stores during the next year and it has been negotiating with both banks and property companies in relation to leases. Required: （a）Describe the objectives of the following and how these objectives will be met in the audit of Calva: （i）overall review of financial statements. （4 marks） （ii）review of working papers. （6 marks） （b）Describe the: （i）auditors ’ responsibilities with regard to subsequent events. （6 marks） （ii）procedures that should be applied during the subsequent events review at Calva. （4 marks） （20 marks） 答案：（a） （i）Objectives and how they are met: overall review of financial statements 1.The objective of a review of financial statements is to provide the auditor with sufficient audit evidence, when taken together with the conclusions drawn from the other audit work, to form an opinion on the financial statements. This includes determining whether the information in the financial statements is properly presented and disclosed in accordance with accounting standards, company law and other regulatory requirements. Calva is a listed company and will therefore have to comply with stock exchange disclosure requirements. The usual means of achieving this is by the completion of a disclosure checklist. 2.Auditors should consider the appropriateness of accounting policies in particular and whether they have been consistently applied, particularly where changes have been made. There is no indication that any such changes have been made. 3.Auditors should also consider whether the financial statements as a whole are consistent with the auditors ’ knowledge of the business. This involves consideration of the aggregate effect of uncorrected misstatements, any overall bias in presentation and will normally involve analytical procedures on the final financial statements. This exercise involves the application of professional judgement and, in the case of Calva, it is likely to be carried out by the senior manager and/or the audit engagement partner with the assistance of the audit manager. （ii）Objectives and how they are met: review of working papers 1.The objective of a review of working papers is to ensure that all work has been properly planned, executed and recorded and that all outstanding matters have been followed up. 2.In the case of Calva, it is likely that some work will have already been reviewed. It is common for audit seniors and audit managers to review the work of audit juniors, and for senior managers and partners to review the work of managers and seniors. There will also be a final partner review of the file. 3.Where working papers are prepared manually, staff normally evidence review of working papers by initialling the working paper. Review comments are often written in red and referred to the person preparing the working paper or to the partner where significant matters of judgement are concerned. Where papers are prepared electronically, electronic ‘ signatures ’ can be used. 4.It is important that a detailed review of working papers takes place in areas that are critical to the audit. In this case, critical areas are likely to include stock （despite the fact that it is well-controlled, it is still a material item）, cash and fixed assets. 5.It is also important during the final stages of the audit of Calva that all outstanding areas （i.e. the substantive areas） are completed, reviewed and any issues arising followed up. It is very easy for apparently insignificant matters to ‘ slip through the net ’ at this stage where both auditors and client are under pressure. （b） （i）Responsibilities SAS 150 Subsequent events deals with this issue. 1.Auditors should perform procedures designed to obtain sufficient appropriate audit evidence that all material subsequent events up to the date of the audit report which require adjustment or disclosure in the financial statements have been properly made. 2.If matters requiring adjustment or disclosure are discovered after the date of the audit report but before the financial statements are issued, or even after they have been presented, auditors should ascertain whether and how any necessary changes are to be made to the financial statements. 3.The decision as to whether financial statements should be changed is that of the directors. Auditors cannot ‘ change their minds ’ once the audit report has been signed but if new financial statements are issued they can issue a new audit report which should make reference to the previous financial statements and audit report. 4.If auditors consider that the financial statements contain material errors, or are misleading, they can exercise any right to speak at general meetings and to make written representations to members. 5.If matters are discovered long after the financial statements have been issued, it is common to deal with the matter as a prior period adjustment in the subsequent financial statements. （ii） Subsequent events review procedures 1.These include making enquiries of management as to how they have ensured that subsequent events have been identified, although it is likely that in this case the company will rely on the audit firm to help them with this. 2.Auditors will read the minutes of management, shareholders and other meetings and review relevant accounting records. In this case, they are likely to review any budgets or cash flow forecasts. It is likely that these will have been prepared as a result of the negotiations with the bank. 3.In the case of Calva, the auditors are likely to enquire as to the possibility of any new share or debenture issue to fund the expansion which may require disclosure. They may also enquire as to any significant changes in the property market that might （if the supermarket properties are carried at valuation） require either disclosure or adjustment in the accounts. 4.Auditors will also consider the need for disclosure of significant leasing transactions occurring early in the following year. 