

ACCA : History Exam Question Analysis(二)09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_ti2020/645/2021_2022_ACCA_EF_B_C_9AHis_c52_645077.htm The reports below are an audit report and a review report respectively: **AUDITOR.S REPORT** To the shareholders of ABC Company We have audited the accompanying balance sheet of the ABC company as of 31 December 200X, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Company.s management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 200X, and of the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards. XYZ Auditors 30 March 200Y **REVIEW REPORT** To the Directors of ABC Company We have reviewed the accompanying balance sheet of ABC Company at

31 December 200X, and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with International Accounting Standards. XYZ & Co 30 March 200Y Required:

- (a) Compare and contrast the audit report and the review report shown above. Your answer should cover:
- (i) the work performed. (3 marks)
 - (ii) the assurance provided. (3 marks)
 - (iii) the addressee of the report. (4 marks)
 - (iv) responsibility for the financial information. (3 marks)
 - (v) the opinion given. (4 marks)
- (b) Explain the difference between a direct reporting engagement and an attest engagement. (3 marks) (20 marks)
5. (a) Audit and review engagements Audit reports are dealt with by ISA 700 .The Auditor's Report on Financial Statements. and review reports are dealt with by ISA 910 .Engagements to Review

Financial Statements. (i) Audit engagements: work performed and assurance provided Audit engagements provide a high level of positive assurance to the user. They require the auditor to: (1) Obtain a detailed knowledge of the business. (2) Understand the accounting and internal control system. (3) Obtain detailed audit evidence in respect of the financial statement assertions by means of tests of internal controls and/or detailed substantive testing, and to corroborate explanations received. (4) Perform a review of the going concern status of the company. (ii) Review engagements: work performed and assurance provided Review engagements provide a moderate level of assurance that may be expressed as negative assurance. They consist principally of analytical procedures and inquiries made by the reviewer. The reviewer is not required to understand the accounting and internal control system, nor is he required to corroborate explanations, perform detailed tests on material financial statement assertions or to conduct a going concern review. (iii) Addressee (1) Audit reports are generally addressed to the shareholders or other owners of companies, review reports are addressed to directors or other management. This is because most audit engagements are statutory audit engagements (where the auditor reports to shareholders on the financial statements prepared by directors) . (2) Statutory audit reports, particularly those of large companies, are often made available to the general public because they are filed with the financial statements at a public registry or are otherwise made available to potential investors and other interested stakeholders. (3) Review reports are generally

not made available to the general public. They are generally private engagements between directors and reviewers and sometimes a third party, such as a bank, who may wish to see a report for a specific purpose.

(iv) Responsibility for the financial information

(1) The responsibility for the preparation of financial information in both audit and review engagements is always that of directors, regardless of who has actually prepared the information. This is stated in both review and audit reports because it is easy to assume that the auditor or reviewer has prepared the information and is responsible for it.

(2) It is particularly important to state this in audit reports because legislation often makes directors responsible for the statutory financial statements.

(v) The opinion given

(1) The two opinions provided by an audit engagement relate to the .true and fair. status of the information or to its .fair presentation in all material respects. and to proper preparation in accordance with an identified financial reporting framework, such as International Accounting Standards.

(2) The opinion given in the review report is not that the financial statements give a .true and fair view. (a positive opinion) , but that nothing has come to the reviewer.s attention to indicate that they do not (a negative opinion) .

(3) The different level of assurance provided is commensurate with the different level of work performed, as indicated above. There is no precise definition of the meaning of .true and fair. or .fair presentation in all material respects..

(b) Direct and attest engagements Direct engagements require auditors or reviewers to report directly on financial statements or other information that is

the responsibility of a third party, such as directors. Audit and review engagements can be direct engagements. Attest engagements involve auditors or reviewers reporting on assertions made by directors on financial or other information. For example, directors may make an assertion on financial internal controls to the effect that they have reviewed them, and have found them to be working effectively. Auditors then report on the directors. assertion, rather than on the internal controls themselves. Auditors or reviewers will look at the processes that directors have been through in order to make the assertion and report their findings. 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