

Section 3

GETTING STARTED

With so much information in the Audit Guide, where does one get started?

Every audit starts with audit planning during which the auditor assesses the risks involved in the audit, the materiality levels to adopt, etc. Depending on the audit approach, he may perform an internal control review to assess the efficacy of the internal controls. Subsequently, he will perform the field work and at which stage, he should use appropriate audit programmes to guide his work. On completion of the field work, he will prepare the final audited financial statements. Finally, he should complete the Audit Completion Memorandum before submitting the audit file for review by his manager or partner.

Therefore depending on whether the company is a dormant company, a small company or a medium to large company, the audit approach is slightly different. A smaller company may bypass some procedures but the overall approach is substantially the same as illustrated on the next page:

Preview from Notesale.co.uk
Page 1 of 2