

INTOSAI



*Directriz de
auditoría financiera
– Documentación de
auditoría*

INTOSAI PROFESSIONAL STANDARDS COMMITTEE

PSC-SECRETARIAT

RIGSREVISIONEN • LANDGREVEN 4 • P.O. BOX 9009 • 1022 COPENHAGEN K • DENMARK
TEL.: +45 3392 8400 • FAX: +45 3311 0415 • E-MAIL: INFO@RIGSREVISIONEN.DK

INTOSAI



INTOSAI General Secretariat - RECHNUNGSHOF
(Austrian Court of Audit)
DAMPFSCHIFFSTRASSE 2
A-1033 VIENNA
AUSTRIA
Tel.: ++43 (1) 711 71 • Fax: ++43 (1) 718 09 69

E-MAIL: intosai@rechnungshof.gv.at;
WORLD WIDE WEB: <http://www.intosai.org>

Nota de Práctica¹ para la (propuesta)² Norma Internacional de Auditoría [*International Standard on Auditing (ISA)*] 230 (con nueva redacción) – Documentación de auditoría

Fundamentos

Esta Nota de Práctica proporciona orientaciones suplementarias a los auditores del sector público sobre la (propuesta) Norma Internacional de Auditoría (ISA) 230 (con nueva redacción), “Documentación de auditoría”. Esta Nota de Práctica se lee en conjunto con la ISA correspondiente.

Descripción de la ISA

El propósito de la ISA 230 (con nueva redacción) es la responsabilidad del auditor en la preparación de la documentación de auditoría. En el Apéndice a la ISA se enumeran otras ISA que contienen orientaciones específicas sobre los requisitos de documentación. Los requisitos específicos de documentación de otras ISA no limitan la aplicación de la (propuesta) ISA 230 (con nueva redacción). Las leyes o reglamentaciones pueden establecer requisitos adicionales de documentación.

La (propuesta) ISA 230 (con nueva redacción) entra en vigor en las auditorías de estados financieros para los períodos que comienzan en o después del (insertar fecha)³.

Contenido de la Nota de Práctica

- P1. La Nota de Práctica proporciona orientaciones adicionales para los auditores del sector público en relación con lo siguiente:
- a. Asuntos importantes
 - b. Preparación del archivo final de auditoría y las prácticas de información del sector público
 - c. Requisitos de conservación
 - d. Temas de confidencialidad y transparencia
 - e. Documentación en el entorno de un Tribunal de Cuentas.

¹ Todas las Notas de Prácticas deberán leerse en conjunto con las Consideraciones Generales de las Directrices de Auditoría Financiera.

² Esta Nota de Práctica se basa en el Borrador de la propuesta ISA 230 (con nueva redacción), que fue publicado por el *International Auditing and Assurance Standards Board* (IAASB) en diciembre de 2006. Quizás se necesite actualizarla cuando el IAASB apruebe y publique la versión final de la ISA 230 (con nueva redacción).

³ Esta fecha no será anterior al 15 de diciembre de 2008.

Aplicabilidad de la ISA en auditorías del sector público

- P2. Los principios establecidos en la (propuesta) ISA 230 (con nueva redacción) son aplicables a los auditores de entidades del sector público en su función de auditores de estados financieros.

Orientaciones adicionales sobre situaciones del sector público

Áreas importantes

- P3. El párrafo 7(c) de la (propuesta) ISA 230 requiere que el auditor prepare la documentación de auditoría que permita que un auditor con experiencia, sin relación previa con la auditoría, comprenda los asuntos significativos que surgen durante ésta, las conclusiones alcanzadas a ese respecto, y los juicios profesionales significativos utilizados para llegar a estas conclusiones. El párrafo A8 de la (propuesta) ISA 230 (con nueva redacción) explica que determinar la importancia de un asunto requiere un análisis objetivo de los hechos y las circunstancias, y proporciona ejemplos de asuntos significativos. A los auditores del sector público puede solicitárseles informes dentro de una amplia gama de asuntos significativos que posiblemente no formen parte de la auditoría de estados financieros, o de asuntos que pueden no provocar una irregularidad importante en la información financiera o comunicaciones relacionadas. Entre los ejemplos de tales asuntos se incluyen el incumplimiento de la legislación o del mandato aprobado, los incumplimientos de disposiciones contractuales o de los acuerdos de subvención, los gastos no autorizados o inapropiados, la ejecución del presupuesto, la certificación del déficit/superávit anual, las evaluaciones de los fondos y los costes de los programas, la información sobre indicadores de rendimiento, etc.

Preparación del archivo de auditoría final y prácticas de información en el sector público

- P4. El párrafo 12 de la (propuesta)ISA 230 (con nueva redacción) requiere que el auditor complete la preparación del archivo de auditoría con puntualidad después de la fecha del reporte del auditor. El párrafo A20 de la (propuesta) ISA 230 (con nueva redacción) señala que 60 días después de la fecha del informe del auditor suele ser un límite de tiempo apropiado para completar la preparación final del archivo de auditoría. En el sector público el proceso de realización que conduce hasta la fecha del informe de los auditores puede ser prolongado. Esto puede producirse como consecuencia de los procedimientos formalizados de consulta a la entidad o a otros. Sin embargo, esto no es obstáculo para que la preparación del archivo de auditoría final se realice con puntualidad.

Requisitos de conservación

- P5. El párrafo A22 de la (propuesta) ISA 230 (con nueva redacción) hace referencia a la Norma Internacional de Control de Calidad (ISQC) 1, “Control de calidad en firmas que realizan auditorías y revisiones de información financiera histórica, y otros compromisos de aseguramiento y servicios

relacionados,” que requiere que las organizaciones de auditoría establezcan políticas y procedimientos para la conservación de documentación sobre el compromiso de auditoría. Como explica el párrafo 73 (j) de la ISQC 1, el período de conservación no suele ser inferior a cinco años a partir de la fecha del informe del auditor. En el sector público puede haber requisitos de conservación de documentación de auditoría durante períodos aún más prolongados. Estos requisitos pueden deberse a la importancia histórica de determinados tipos de documentos lo cual, por ejemplo, quizás requiera una conservación indefinida en los archivos nacionales del país. Puede haber requisitos adicionales relacionados con las clasificaciones de seguridad nacional, incluida la forma en que se almacena la documentación. Los auditores del sector público están familiarizados con la legislación aplicable a la conservación de documentación.

Cuestiones de confidencialidad y transparencia

- P6. Aunque la (propuesta) ISA 230 (con nueva redacción) no hace alusión a los asuntos de confidencialidad, seguridad en custodia, integridad, accesibilidad y recuperabilidad de la documentación dentro del compromiso de auditoría, se trata sobre ellas en la ISQC 1 en el contexto de las responsabilidades de organización de auditoría. El párrafo 73(e) de la ISQC 1 exige que los requisitos éticos relevantes establezcan la obligación de que el personal del organismo de auditoría se ajuste en todo momento a la confidencialidad de la información contenida en la documentación del compromiso de auditoría, a menos que la entidad haya autorizado específicamente la revelación de dicha información, o que exista una obligación legal o profesional de hacerlo.
- P7. Una diferencia fundamental entre el sector público y el sector privado es que en el sector público pueden existir requisitos legislativos específicos relacionados con la confidencialidad, por un lado, y el acceso de terceros, por el otro. En el sector público existe una necesidad permanente de equilibrar la confidencialidad con la necesidad de transparencia y responsabilidad sobre los recursos.
- P8. El equilibrio entre confidencialidad y transparencia requiere un criterio profesional para asegurarse de que la documentación de naturaleza confidencial se identifique con claridad y se trate como tal, mientras que, al mismo tiempo, se conceda el acceso a ella de modo apropiado. Por consiguiente, es importante estar familiarizado con las políticas y los procedimientos de las Entidades Fiscalizadoras Superiores (EFS) acerca de la confidencialidad. Estos procedimientos pueden incluir tipos de documentación de auditoría considerada como confidencial, tipos de documentación de auditoría disponibles para el público en general, líneas claramente definidas de responsabilidad para autorizar la comunicación de documentación de auditoría, y procesos para que dicha información esté disponible, si se requiere.
- P9. Además, los auditores del sector público pueden tener responsabilidades oficiales reglamentarias relacionadas con la confidencialidad. Estas responsabilidades pueden basarse en el mandato de una EFS determinada, o en la legislación relacionada con la protección de secretos oficiales o privacidad. Dicha legislación, por ejemplo, podría estar relacionada con las auditorías de defensa, sanidad, servicios sociales u organismos

gubernamentales de cobro de impuestos. Los auditores del sector público están familiarizados con los requisitos particulares locales relacionados con la confidencialidad a la que están sujetos.

- P10. Los auditores del sector público también se familiarizan con la legislación que concede el acceso público a la correspondencia de auditoría, por ejemplo, cuando los periódicos electrónicos u otros periódicos están abiertos al examen público. Esta correspondencia puede incluir cartas a y desde la entidad auditada, o de terceros, relacionadas con la recopilación de pruebas de auditoría, así como consideraciones y juicios relacionados con los temas de auditoría.
- P11. En el sector público es frecuente tener que responder a solicitudes de grupos externos a la entidad sobre acceso a documentación de auditoría. Esto resulta especialmente delicado cuando la parte externa trata de obtener información indirectamente del organismo de auditoría, que no puede obtenerla directamente de la entidad sujeta a auditoría.
- P12. Como cuestión de principio, cuando la entidad fiscalizada tiene la obligación reglamentaria de recoger y guardar determinada información, las solicitudes de grupos externos para obtener dicha información se hacen llegar, normalmente, a la entidad auditada.
- P13. En situaciones en las que los auditores del sector público consideran dar acceso a la documentación de auditoría, por lo general consultan a los grupos pertinentes (tales como la entidad auditada a la que se refiere la solicitud) antes de revelar información.
- P14. En algunos entornos la EFS contrata a otros auditores para hacer el trabajo de auditoría del sector público. La aceptación de esas designaciones normalmente requiere que el auditor que lleve a cabo el trabajo reconozca que la documentación de auditoría puede estar sujeta a la inspección de la EFS que nombró al auditor. La documentación de auditoría también puede estar sujeta a inspección por parte de organismos de revisión que tengan derechos oficiales de acceso a la información relevante sobre las tareas del auditor.

Documentación en el entorno de un Tribunal de Cuentas

- P15. Los auditores del sector público que actúen en el entorno de un Tribunal de Cuentas pueden estar sujetos a leyes y reglamentaciones que requieran que los auditores comprendan y lleven a cabo procedimientos precisos de documentación relacionados con las reglas de evidencia. Los auditores del sector público se familiarizan con políticas y procedimientos que describen requisitos adicionales relacionados con la documentación de auditoría, y que tienen como objetivo garantizar el cumplimiento de las reglas de evidencia aplicables. Las siguientes situaciones pueden afectar la documentación, y son tomadas en cuenta por el auditor:
- Legislación que impone requisitos adicionales sobre la documentación de auditoría
 - El ámbito de tales requisitos (es decir ¿se impondrán en todos los documentos de la auditoría, o sólo en documentos específicos relacionados con ciertas materias de la auditoría?)

- Trámites o requisitos de procesamiento adicionales a los que estén sometidos los documentos de auditoría
 - El propósito de cada requisito adicional respecto al debido proceso legal en la realización de las distintas etapas de la auditoría
 - Cualquier nuevo obstáculo que pueda levantarse ante la documentación de auditoría debido a la forma específica en que han sido recopiladas y/o producidas
- P16. En las EFS en el entorno de un Tribunal de Cuentas, que tengan un mandato de verificación de las cuentas, la documentación sirve de base al dictamen oficial del Tribunal. En ese entorno, el debido proceso legal puede establecer requisitos específicos y estrictos a los que hay que ceñirse con respecto a la confidencialidad de la documentación relacionada con los procedimientos de un caso. Además, dado que la decisión del Tribunal puede originar un crédito público legalmente vinculante, pueden existir otros requisitos de conservación de documentación que deberán cumplir los auditores del sector público.
- P17. Los auditores del sector público que operan en el entorno de un Tribunal de Cuentas están familiarizados con las leyes y reglamentaciones relevantes en esta área.

*Proposed Redrafted International Standard on
Auditing*

ISA 230, Audit Documentation



**International Federation
of Accountants**

International Auditing and Assurance Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting body within the International Federation of Accountants (IFAC), approved the exposure draft of proposed International Standard on Auditing (ISA) 230 (Redrafted), “Audit Documentation” for publication in December 2006. **The proposed ISA may be modified in light of comments received before being issued in final form.**

The objective of the IAASB is to serve the public interest by setting high-quality auditing and assurance standards and by facilitating the convergence of international and national standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The mission of IFAC is to serve the public interest, strengthen the worldwide accountancy profession and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards and speaking out on public interest issues where the profession’s expertise is most relevant.

Copies of the exposure draft may be downloaded free-of-charge from the IFAC website at <http://www.ifac.org>.

Copyright © December 2006 by the International Federation of Accountants (IFAC). All rights reserved. Permission is granted to make copies of this work to achieve maximum exposure and feedback provided that each copy bears the following credit line: “Copyright © December 2006 by the International Federation of Accountants. All rights reserved. Used with permission.”

EXPOSURE DRAFT
PROPOSED INTERNATIONAL STANDARD ON AUDITING 230
(REDRAFTED)
AUDIT DOCUMENTATION

(Effective for audits of financial information for periods beginning on or after [date])*

CONTENTS

| | Paragraph |
|--|-----------|
| Introduction | |
| Scope of this ISA | 1-2 |
| Effective Date | 3 |
| Objective | 4 |
| Definitions | 5 |
| Requirements | |
| Timely Preparation of Audit Documentation | 6 |
| Documentation of the Audit Procedures Performed and Audit Evidence Obtained | 7-11 |
| Assembly of the Final Audit File | 12-14 |
| Changes to Audit Documentation in Exceptional Circumstances after the Date of the Auditor’s Report | 15 |
| Application and Other Explanatory Material | |
| Timely Preparation of Audit Documentation | A1 |
| Documentation of the Audit Procedures Performed and Audit Evidence Obtained | A2-A19 |
| Assembly of the Final Audit File | A20-A22 |
| Changes to Audit Documentation in Exceptional Circumstances after the Date of the Auditor’s Report | A23 |
| Appendix: Specific Audit Documentation Requirements and Guidance in Other ISAs | |

International Standard on Auditing (ISA) 230 (Redrafted), “Audit Documentation” should be read in the context of the “Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services,” which sets out the authority of ISAs.

* See footnote 2.

Introduction

Scope of this ISA

1. This International Standard on Auditing (ISA) deals with the auditor's responsibility to prepare audit documentation. The Appendix lists other ISAs containing subject matter-specific documentation requirements and guidance. The specific documentation requirements of other ISAs do not limit the application of this ISA. Laws or regulations may establish additional documentation requirements.

Nature and Purposes of Audit Documentation

2. Audit documentation that meets the requirements of this ISA together with the specific documentation requirements of other relevant ISAs provides evidence of the auditor's basis for a conclusion about the achievement of the overall objective of the auditor. Audit documentation serves a number of purposes, including the following:
 - Assisting the audit team to plan and perform the audit.
 - Assisting members of the audit team responsible for supervision to direct and supervise the audit work, and to discharge their review responsibilities in accordance with ISA 220, "Quality Control for Audits of Historical Financial Information."
 - Enabling the audit team to be accountable for its work.
 - Retaining a record of matters of continuing significance to future audits.
 - Enabling an experienced auditor to conduct quality control reviews and inspections¹ in accordance with ISQC 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements."
 - Enabling the conduct of external inspections in accordance with applicable legal, regulatory or other requirements.

Effective Date

3. This ISA is effective for audits of financial information for periods beginning on or after [date].²

Objective

¹ As defined in ISA 220.

² This effective date will not be earlier than December 15, 2008.

4. The objective of the auditor is to have a sufficient and appropriate record of the basis for the auditor's report, and evidence that the audit was performed in accordance with ISAs and applicable legal and regulatory requirements.

Definitions

5. For purposes of the ISAs, the following terms have the meanings attributed below:
 - (a) Audit documentation – The record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (terms such as “working papers” or “workpapers” are also sometimes used).
 - (b) Experienced auditor – An individual (whether internal or external to the firm) who has a reasonable understanding of (i) audit processes, (ii) ISAs and applicable legal and regulatory requirements, (iii) the business environment in which the entity operates, and (iv) auditing and financial reporting issues relevant to the entity's industry.

Requirements

Timely Preparation of Audit Documentation

6. The auditor shall prepare audit documentation on a timely basis. (Ref: Para. A1)

Documentation of the Audit Procedures Performed and Audit Evidence Obtained

Form, Content and Extent of Audit Documentation

7. The auditor shall prepare the audit documentation so as to enable an experienced auditor, having no previous connection with the audit, to understand: (Ref: Para. A2-A5, A14-A15)
 - (a) The nature, timing, and extent of the audit procedures performed to comply with the ISAs and applicable legal and regulatory requirements; (Ref: Para. A6-A7)
 - (b) The results of the audit procedures and the audit evidence obtained; and
 - (c) Significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions. (Ref: Para. A8-A11)
8. The auditor shall document discussions of significant matters with management and others, including when and with whom the discussions took place. (Ref: Para. A12)
9. If the auditor has identified information that is inconsistent with the auditor's final conclusion regarding a significant matter, the auditor shall document how the auditor addressed the inconsistency in forming the final conclusion. (Ref: Para. A13)

Departure from a Relevant Requirement

10. If, in exceptional circumstances, the auditor judges it necessary to depart from a relevant requirement, the auditor shall document how the alternative audit procedures performed achieve the aim of that requirement, and, unless otherwise clear, the reasons for the departure. (Ref: Para. A16-A17)

Identification of Specific Items or Matters Being Tested, and of the Preparer and Reviewer

11. In documenting the nature, timing and extent of audit procedures performed, the auditor shall record:
 - (a) The identifying characteristics of the specific items or matters being tested; (Ref: Para. A18)
 - (b) Who performed the audit work and the date such work was completed; and
 - (c) Who reviewed the audit work performed and the date and extent of such review.³ (Ref: Para. A19)

Assembly of the Final Audit File

12. The auditor shall complete the assembly of the final audit file on a timely basis after the date of the auditor's report. (Ref: Para. A20-A21)
13. After the assembly of the final audit file has been completed, the auditor shall not delete or discard audit documentation before the end of its retention period. (Ref: Para. A22)
14. If the auditor finds it necessary to modify existing audit documentation or add new audit documentation after the assembly of the final audit file has been completed, the auditor shall, regardless of the nature of the modifications or additions, document:
 - (a) When and by whom they were made, and (where applicable) reviewed;
 - (b) The specific reasons for making them; and
 - (c) Their effect, if any, on the auditor's conclusions.

Changes to Audit Documentation in Exceptional Circumstances after the Date of the Auditor's Report

15. If, in exceptional circumstances after the date of the auditor's report, the auditor has to perform new or additional audit procedures or draw new conclusions, the auditor shall document:
 - (a) The circumstances encountered;
 - (b) The new or additional audit procedures performed, audit evidence obtained, and conclusions reached; and
 - (c) When and by whom the resulting changes to audit documentation were made, and (where applicable) reviewed. (Ref: Para. A23)

Application and Other Explanatory Material

³ Paragraph 26 of ISA 220 establishes the requirement for the auditor to review the audit work performed through review of the audit documentation, which involves the auditor documenting the extent and timing of the reviews. Paragraph 25 of ISA 220 describes the nature of a review of work performed.

Timely Preparation of Audit Documentation (Ref: Para. 6)

- A1. Preparing sufficient and appropriate audit documentation on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before the auditor's report is finalized. Documentation prepared at the time the work is performed is likely to be more accurate than documentation prepared subsequently.

Documentation of the Audit Procedures Performed and Audit Evidence Obtained

Form, Content and Extent of Audit Documentation (Ref: Para. 7)

- A2. The form, content and extent of audit documentation depend on factors such as:
- The size and complexity of the entity.
 - The nature of the audit procedures to be performed.
 - The identified risks of material misstatement.
 - The significance of the audit evidence obtained.
 - The nature and extent of exceptions identified.
 - The need to document a conclusion or the basis for a conclusion not readily determinable from the documentation of the work performed or audit evidence obtained.
 - The audit methodology and tools used.
- A3. Audit documentation may be recorded on paper or on electronic or other media. Examples of audit documentation include:
- Audit programs.
 - Analyses.
 - Issues memoranda.
 - Summaries of significant matters.
 - Letters of confirmation and representation.
 - Checklists.
 - Correspondence (including e-mail) concerning significant matters.

Abstracts or copies of the entity's records (for example, significant and specific contracts and agreements) may be included as part of audit documentation if considered appropriate. Audit documentation, however, is not a substitute for the entity's accounting records. The audit documentation for a specific audit engagement is assembled in an audit file.

- A4. The auditor need not include in audit documentation superseded drafts of working papers and financial statements, notes that reflect incomplete or preliminary thinking, previous copies of documents corrected for typographical or other errors, and duplicates of documents.

- A5. Oral explanations by the auditor, on their own, do not represent adequate support for the work the auditor performed or conclusions the auditor reached, but may be used to explain or clarify information contained in the audit documentation.

Documentation of Compliance with ISAs (Ref: Para. 7(a))

- A6. In principle, compliance with the requirements of this ISA will result in the audit documentation being sufficient in the circumstances. Other ISAs contain specific documentation requirements that are intended to clarify the application of this ISA in the particular circumstances of those other ISAs. These specific documentation requirements do not limit the application of this ISA. Furthermore, the absence of a documentation requirement in any particular ISA is not intended to suggest that there is no documentation that will be prepared as a result of complying with that ISA.
- A7. Audit documentation provides evidence that the audit complies with the ISAs. However, it is neither necessary nor practicable for the auditor to document every matter considered in an audit. Further, it is unnecessary for the auditor to document separately compliance with matters for which compliance is self-evident within the audit file. For example:
- The existence of an adequately documented audit plan demonstrates that the auditor has planned the audit.
 - Documentation of specific procedures performed to corroborate management's responses to the auditor's inquiries provides some evidence that the auditor has maintained appropriate professional skepticism in compliance with the ISAs.
 - Documentation of the engagement partner's timely involvement in the audit, such as participation in the team discussions required by ISA 315 (Redrafted), "Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment," provides some evidence that the engagement partner has taken responsibility for the direction, supervision and performance of the audit in compliance with the ISAs.

Documentation of Significant Matters (Ref: Para. 7(c))

- A8. Judging the significance of a matter requires an objective analysis of the facts and circumstances. Examples of significant matters include:
- Matters that give rise to significant risks (as defined in ISA 315 (Redrafted)).
 - Results of audit procedures indicating (a) that the financial information is materially misstated, or (b) a need to revise the auditor's previous assessment of the risks of material misstatement and the auditor's responses to those risks.
 - Circumstances that cause the auditor significant difficulty in applying necessary audit procedures.
 - Findings that could result in a modification to the audit opinion or the inclusion of an emphasis of matter paragraph in the auditor's report.
- A9. An important factor in determining the form, content and extent of audit documentation of significant matters is the extent of professional judgment required in performing the work and evaluating the results. Documentation that provides an understanding of the

professional judgments made, where significant, serves to explain the auditor's conclusions and to reinforce the quality of the judgment. Such matters are of particular interest to those responsible for reviewing audit documentation, including those carrying out subsequent audits when reviewing matters of continuing significance (for example, when performing a retrospective review of accounting estimates).

A10. Examples of circumstances in which it would be appropriate to prepare audit documentation relating to the use of professional judgment include, where the matters and judgments are significant:

- The information or factors considered by the auditor that were important in forming the relevant professional judgment when a requirement provides that the auditor 'shall consider' certain information or factors.
- The basis for the auditor's conclusions where the auditor considered it necessary to obtain further audit evidence by performing significant further audit procedures in addition to those necessary to meet the requirements of an ISA.
- The basis for the auditor's conclusion on the reasonableness of areas of subjective judgments (for example, the reasonableness of significant accounting estimates).
- The basis for the auditor's conclusions about the authenticity of a document when further investigation (such as making appropriate use of an expert or of confirmation procedures) is undertaken in response to conditions identified during the audit that caused the auditor to believe that the document may not be authentic.

A11. The auditor may consider it helpful to prepare and retain as part of the audit documentation a summary (sometimes known as a completion memorandum) that describes the significant matters identified during the audit and how they were addressed, or that includes cross-references to other relevant supporting audit documentation that provides such information. Such a summary may facilitate effective and efficient reviews and inspections of the audit documentation, particularly for large and complex audits. Further, the preparation of such a summary may assist the auditor's consideration of the significant matters. It is also likely to help the auditor to consider whether, in light of the audit procedures performed and conclusions reached, there is any individual relevant ISA objective that the auditor has not met or is unable to meet that would prevent the auditor from achieving the auditor's overall objective.

Documentation of Discussions of Significant Matters with Management and Others (Ref: Para. 8)

A12. The documentation is not limited to records prepared by the auditor but may include other appropriate records such as minutes of meetings prepared by the entity's personnel and agreed by the auditor. Others with whom the auditor may discuss significant matters may include those charged with governance, other personnel within the entity, and external parties, such as persons providing professional advice to the entity.

Documentation of how Inconsistencies have been Addressed (Ref: Para. 9)

- A13. The documentation of how the auditor addressed inconsistencies in information does not imply that the auditor needs to retain documentation that is incorrect or superseded.

Considerations Specific to Smaller Entities (Ref. Para. 7)

- A14. The audit documentation for the audit of a smaller entity will generally be less extensive than that for the audit of a larger entity. Further, in the case of an audit where the engagement partner will perform all the audit work, the documentation will not include matters that might have to be documented solely to inform or instruct members of an audit team (for example, there will be no matters to document relating to team discussions or supervision).
- A15. When preparing audit documentation, the auditor of a smaller entity may also find it helpful and efficient to record various aspects of the audit together on a single working paper, with cross-references to supporting working papers where appropriate. Examples of matters that may be documented together in a small audit include the understanding of the entity and its internal control, the overall audit strategy and audit plan, materiality, assessed risks, significant matters noted during the audit, and conclusions reached.

Departure from a Relevant Requirement (Ref: Para. 10)

- A16. [As explained in [proposed] ISA 200 (Revised), “Overall Objective of the Independent Auditor, and Fundamental Concepts Relevant to an Audit of Financial Statements,”]⁴ the objectives and requirements in ISAs are designed to assist in meeting the overall objective of the auditor. Accordingly, other than in exceptional circumstances, the ISAs call for compliance with each requirement that is relevant in the circumstances of the audit.
- A17. The documentation requirement applies only to requirements that are relevant in the circumstances. As explained in [proposed] ISA 200 (Revised), a requirement is not relevant only in the cases where:
- (a) The ISA is not relevant (for example, in a continuing engagement, nothing in ISA 510, “Initial Engagements—Opening Balances,” is relevant); or
 - (b) The circumstances envisioned do not apply because the requirement is conditional and the condition does not exist (for example, the requirement to modify the auditor’s opinion where there is an inability to obtain sufficient appropriate audit evidence, and there is no such inability).

⁴ Approval of this exposure draft is expected in the first half of 2007.

Identification of Specific Items or Matters Being Tested, and of the Preparer and Reviewer (Ref: Para. 11)

- A18. Recording the identifying characteristics serves a number of purposes. For example, it enables the audit team to be accountable for its work and facilitates the investigation of exceptions or inconsistencies. Identifying characteristics will vary with the nature of the audit procedure and the item or matter being tested. For example:
- For a detailed test of entity-generated purchase orders, the auditor may identify the documents selected for testing by their dates and unique purchase order numbers.
 - For a procedure requiring selection or review of all items over a specific amount from a given population, the auditor may record the scope of the procedure and identify the population (for example, all journal entries over a specified amount from the journal register).
 - For a procedure requiring systematic sampling from a population of documents, the auditor may identify the documents selected by recording their source, the starting point and the sampling interval (for example, a systematic sample of shipping reports selected from the shipping log for the period from April 1 to September 30, starting with report number 12345 and selecting every 125th report).
 - For a procedure requiring inquiries of specific entity personnel, the auditor may record the dates of the inquiries and the names and job designations of the entity personnel.
 - For an observation procedure, the auditor may record the process or subject matter being observed, the relevant individuals, their respective responsibilities, and where and when the observation was carried out.
- A19. The requirement to document who reviewed the audit work performed does not imply a need for each specific working paper to include evidence of review. The audit documentation, however, identifies who reviewed specified elements of the audit work performed and when.

Assembly of the Final Audit File (Ref: Para. 12-13)

- A20. ISQC 1 requires firms to establish policies and procedures for the timely completion of the assembly of audit files. Under ISQC 1, an appropriate time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor's report.
- A21. The completion of the assembly of the final audit file after the date of the auditor's report is an administrative process that does not involve the performance of new audit procedures or the drawing of new conclusions. Changes may, however, be made to the audit documentation during the final assembly process if they are administrative in nature. Examples of such changes include:
- Deleting or discarding superseded documentation.

- Sorting, collating and cross-referencing working papers.
- Signing off on completion checklists relating to the file assembly process.
- Documenting audit evidence that the auditor has obtained, discussed and agreed with the relevant members of the audit team before the date of the auditor's report.

A22. ISQC 1 requires firms to establish policies and procedures for the retention of engagement documentation. Under ISQC 1, the retention period for audit engagements ordinarily is no shorter than five years from the date of the auditor's report, or, if later, the date of the group auditor's report.

Changes to Audit Documentation in Exceptional Circumstances after the Date of the Auditor's Report (Ref: Para. 15)

A23. Examples of such exceptional circumstances are facts which become known to the auditor after the financial information has been issued regarding the audited financial information that existed at the date of the auditor's report that, if known at that date, might have caused the financial information to be amended and the auditor to modify the auditor's report.

Appendix

Specific Audit Documentation Requirements and Guidance in Other ISAs

The following lists the main paragraphs that contain specific documentation requirements and guidance in other ISAs:

- ISA 210, “Terms of Audit Engagements”–Paragraph 5;
- ISA 220 (Revised), “Quality Control for Audits of Historical Financial Information”–Paragraphs 11–14, 16, 25, 27, 30, 31 and 33;
- ISA 240 (Redrafted), “The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements”–Paragraphs 44-47;
- ISA 250, “Consideration of Laws and Regulations”–Paragraph 28;
- [Proposed] ISA 260 (Revised and Redrafted), “Communication with Those Charged with Governance”–Paragraph 21;
- ISA 300 (Redrafted), “Planning an Audit of Financial Statements”–Paragraphs 11 and A17-A20;
- ISA 315 (Redrafted), “Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment”–Paragraphs 33 and A127-A130;
- ISA 330 (Redrafted), “The Auditor’s Responses to Assessed Risks”–Paragraphs 29-31 and A59;
- ISA 505, “External Confirmations”–Paragraph 33;
- [Proposed] ISA 540 (Revised and Redrafted), “Auditing Accounting Estimates, Including Fair Value Estimates, and Related Disclosures”–Paragraphs 21 and A111;
- [Proposed] ISA 580 (Revised and Redrafted), “Written Representations”–Paragraph 21; and
- ISA 600, “Using the Work of Another Auditor”–Paragraph 14.



International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org