

MIA WEBINAR SERIES

Understanding and Application of Auditing Standards in Practice

This series of workshops seeks to help you better understand auditing standards and apply them in practice. The series will cover the planning of an audit, identification of risks, documenting, and communicating with those charged with governance.

Module 1: 1 September 2023 (Friday), 9.00am – 5.00pm

Module 2: 11 September 2023 (Monday), 9.00am – 5.00pm

Module 3: 15 November 2023 (Wednesday), 9.00am – 5.00pm

Module 4: 11 December 2023 (Monday), 9.00am – 5.00pm

Module 5: 21 December 2023 (Thursday), 9.00am – 5.00pm



Understanding and Application of Auditing Standards in Practice

The objective of an audit of financial statements is for the auditor to form an opinion on the financial statements based on having obtained sufficient appropriate audit evidence about whether the financial statements are free from material misstatement and to report in accordance with the auditor's findings. The auditor is required to establish an overall audit strategy that sets the scope, timing, and direction of the audit and that guides the development of the audit plan.

International Standards on Auditing (ISA) are to be applied in the audit of financial statements under all reporting frameworks. From planning, identifying risks, documenting, and communicating with those charged with governance, this series of workshops seeks to help you understand the auditing standards and apply them in practice.

OBJECTIVES

This programme seeks to help you:

- Plan for an effective audit prior to commencement of the audit
- Understand and identify audit risks and formulate responses to the identified risks
- Learn to communicate effectively with Those Charged with Governance (TCWG)
- Apply proper documentation techniques in the audit planning process
- Determine materiality in the planning and performing of an audit

METHODOLOGY

A highly interactive learning session with trainer/speaker-led facilitation, live Q&As, quick polls/surveys, self-assessment quizzes and participant's feedback on learning outcome achievement.

SPEAKER/TRAINER

J SELVARAJAH

FCA, FCPA(Aust), CAANZ, CA(M), CPA, ASEAN CPA, FIPA(Aust), FFA(UK), ACTIM, B.Com(Acc).

J Selvarajah is the senior partner of a professional practice, which is a member of an international network of accounting and consulting firms, and he is the network's current Chairman. He has 52 years of experience in public practice audit and assurance services and has performed investigative audits on accounting malpractices, embezzlement, and money laundering.

He is also an internal auditor for several public listed companies and SMEs, is actively engaged in advisory work for his clients, and delivers seminars and training in Malaysia and the ASEAN region. He holds a B.Com(Acc) from New Zealand, SSM's Practising Certificate for Company Secretaries, and is a member of MIA, MICPA, ICAEW, CAANZ, CPA Australia, ASEAN CPA, CTIM, and is an HRDC Certified Trainer.

Understanding and Application of Auditing Standards in Practice

MODULE 1: ISA 300 AUDIT PLANNING AND AUDIT STRATEGY, INCLUDING RISK ASSESSMENT PRIOR TO COMMENCEMENT OF AUDIT

INTRODUCTION

The auditor is required to establish an overall audit strategy that sets the scope, timing, and direction of the audit and that guides the development of the audit plan. In establishing the overall audit strategy, the auditor is required to, amongst others, identify the characteristics of the engagement that define its scope and ascertain the reporting objectives of the engagement to plan the timing of the audit and the nature of the communications required. Audit planning is essential so that the audit is focussed on the areas of greater risks and is carried out efficiently.

OBJECTIVES

- Know the procedures for preparing an effective audit planning memorandum and its execution
- Review inherent and control risks and establish the audit strategy
- Assess key risk audit areas through robust and effective risk assessment procedures
- Learn the method for carrying out an audit efficiently with sufficient appropriate evidence

WHO SHOULD ATTEND

- Audit Partners, Auditors, and staff of audit firms
- Group Financial Controllers and Accountants
- Finance Managers
- Academicians

PROGRAMME OUTLINE

8.30 am – 9.00 am	Participants login to join the webinar
9.00 am – 10.30 am	SESSION 1 <ul style="list-style-type: none"> • The Role and Timing of Planning–ISA 300 <ul style="list-style-type: none"> > The nature and extent of planning activities > Planning not a discrete phase of an audit but a continual and iterative process > Analytical procedures to be applied as risk assessment procedures <ul style="list-style-type: none"> – how to carry out the analytical processes – when is the analytical process required to be carried out > Preparing the Audit Planning Memorandum > Preliminary engagement activities and compliance with independence and ethical requirements including the updated IESBA code and MIA By-Laws (on Professional Ethics, Conduct and Practice, updated as of 8 December 2022) > Establishing the overall audit strategy–the information to be considered > Determining the various materiality levels from a review of the draft financial statements > Establish the risk areas for discussion with the management and any changes or revisions to control procedures > New engagements–client acceptance policies and communication with previous auditors > Analytical procedures to assess areas of possible misstatements or errors

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 1: ISA 300 AUDIT PLANNING AND AUDIT STRATEGY, INCLUDING RISK ASSESSMENT PRIOR TO COMMENCEMENT OF AUDIT

PROGRAMME OUTLINE *(continued)*

10.30 am – 12.00 pm	SESSION 2 <ul style="list-style-type: none"> • The Role and Timing of Planning–ISA 300 <i>(continued)</i> <ul style="list-style-type: none"> > Audit planning considerations specific to smaller entities > Determine the nature, timing, and extent of audit procedures to be performed by engagement team members, including the estimated audit fees > Establishing the direction, supervision, and review procedures for the assignment > Significant factors, preliminary engagement activities, and knowledge gained on other engagements > Setting up an audit-commencement meeting with management to discuss issues > Documentation of issues raised and discussed > Preparing an effective Audit Planning Memorandum • Risk Assessment at the Audit Planning Stage <ul style="list-style-type: none"> > What risk assessment means and what is the risk-based approach to audit > The challenges of determining inherent risks > Control risk, detection risk, and the audit risks–putting it all together > Understanding “significant risk” > Balancing judgemental and quantitative aspects of risk assessment > Risk assessment at the assertion level and extent of documentation for understanding the business and internal controls, particularly for smaller audits > Where risks are assessed as low, addressing the amount of audit work necessary 	1.00 pm – 3.00 pm	SESSION 3 <ul style="list-style-type: none"> • Internal Controls–the Challenges <ul style="list-style-type: none"> > Requirement to obtain an understanding of the internal controls relevant to the audit > Testing the operating effectiveness of controls > Determining a deviation and tolerable deviation rate and dealing with deviations > Revising the control risk assessment and effecting revision on other audit procedures > Balancing results of control testing with substantive procedures > Procedures to understand and document system processes and controls <ul style="list-style-type: none"> – involving discussions with management, narrative notes, and flowcharts > Smaller audits–testing controls or substitution with substantive procedures, the challenges > Formalisation and documentation of new controls as a result of expansion or changes in business > ISAs requirements on substantive procedures and assessed risks > Substantive approach involves analytical procedures > Risks of undue reliance on substantive procedures on poorly controlled systems > Changes in sample size are linked to changes to the balance of audit evidence required from: <ul style="list-style-type: none"> – tests of controls and substantive procedures – tests of high-level general controls and tests of more detailed control activities over transactions and balances – substantive analytical procedures and detailed tests of transactions and balances > Putting the pieces together for an effective audit
12.00 pm – 1.00 pm	Break		
		3.00 pm – 5.00 pm	SESSION 4 <ul style="list-style-type: none"> • Drafting an effective Audit Planning Memorandum for an SME • Question and Answer Session
		5.00 pm	End of Module 1

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 2: ISA 315 AND 330 UNDERSTANDING AUDIT RISK, IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENTS, AND FORMULATING RESPONSES TO RISKS IDENTIFIED

INTRODUCTION

Audit firms of all sizes will need to revise the approach to risk assessment for all audits of financial statements for periods beginning on or after 15 December 2021. The scale of the changes and the practical challenges of implementing the new approach to risk assessment should not be underestimated.

This module includes a discussion on the requirements of the revised ISA 315, which looks in great detail at how understanding the entity and its environment affects the audit plan. This continues in the module on ISA 330 in responding to those risks.

OBJECTIVES

- Gain an overview of the key enhancements
- Get to know the specific areas of focus on risks assessment for auditors
- Link identified audit risks to their potential impact on the financial statements
- Learn the practical implementation challenges of ISA 315(R) and ISA 330
- Understand the strengthened and clearly defined 'stand-back' requirements

WHO SHOULD ATTEND

- Approved Company Auditors
- Audit Partners and Audit Managers
- Partners responsible for engagement quality control
- Audit Seniors and staff of audit firms
- Academicians
- Audit and assurance examination candidates

PROGRAMME OUTLINE

8.30 am – 9.00 am	Participants login to join the webinar
9.00 am – 10.30 am	SESSION 1 <ul style="list-style-type: none"> • Risk-Based Audits and the All-New ISA 315(R) <ul style="list-style-type: none"> > Spectrum of Inherent Risk <ul style="list-style-type: none"> – Understand the “Spectrum of Inherent Risk” – Assess inherent risk by assessing the likelihood and magnitude of misstatement – Combination of likelihood and magnitude determines where on the spectrum of inherent risk – Used to design a more precise response to risks – Does not mean that both the magnitude and likelihood need to be high > Risk Assessment Procedures and Related Activities <ul style="list-style-type: none"> – Designing risk assessment procedures – Analytical procedures – Observation and inspection – Information from other sources – Control environment – Entity’s risk assessment process: <ul style="list-style-type: none"> » Inherent risk factors <ul style="list-style-type: none"> * complexity * subjectivity * change * uncertainty * management bias or other fraud risk factors * other events or conditions – Entity’s process to monitor the system of internal control – Information system and communication

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 2: ISA 315 AND 330 UNDERSTANDING AUDIT RISK, IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENTS, AND FORMULATING RESPONSES TO RISKS IDENTIFIED

PROGRAMME OUTLINE *(continued)*

10.30 am – 12.00 pm	SESSION 2 <ul style="list-style-type: none"> Risk-Based Audits and the All-New ISA 315(R) <i>(continued)</i> <ul style="list-style-type: none"> > Risk Assessment Procedures and Related Activities <i>(continued)</i> <ul style="list-style-type: none"> – Control Risks <ul style="list-style-type: none"> » If plan to test the operating effectiveness of controls–assess control risk » If no plan to test operating effectiveness–control risk to be such that risk of material misstatement is same as assessment of control risk – Scalability – Types of risk assessment procedures – Types of analytical procedures – Information from previous audits – Automated tools and techniques – Key indicators used for evaluating financial performance risk areas > Identifying and assessing the risks of material misstatement <ul style="list-style-type: none"> – Identifying risks of material misstatement – Assessing risks of material misstatement at the financial statement level and at the assertion level – Evaluating audit evidence obtained from the risk assessment procedures – Classes of transactions, account balances and disclosures that are not significant, but material – Examples of events or conditions that may give rise to the existence of risks of material misstatement – Revision of risk assessment
12.00 pm – 1.00 pm	Break
1.00 pm – 3.00 pm	SESSION 3 <ul style="list-style-type: none"> Risk Assessment Challenges <ul style="list-style-type: none"> > High-level qualitative terms used in ISAs to describe categories of risk and how they are to be dealt with > Audit firm's approaches to risk assessments and natural variations within firms
1.00 pm – 3.00 pm	SESSION 3 <i>(continued)</i> <ul style="list-style-type: none"> Risk Assessment Challenges <i>(continued)</i> <ul style="list-style-type: none"> > Where the risk and response are clearly identified at the planning stage <ul style="list-style-type: none"> – unwillingness to face up to difficult issues and audit “around” the issues > Problematic areas in risk assessment: <ul style="list-style-type: none"> – links between risk assessment, response and audit opinion – misunderstood significance – extensive need for the exercise and documentation of professional judgement > Exercising professional judgement–challenging areas to assess within ISAs 315(R) & ISA 330: <ul style="list-style-type: none"> – whether the risk is of fraud – whether the risk relates to recent significant economic, accounting, or other developments and therefore requires specific attention – the complexity of transactions – whether the risk involves significant transactions with related parties – unusual transactions including those outside the normal course of business – subjectivity and the degree of measurement uncertainty – different outcomes but within acceptable parameters–walking the tightrope > Challenges in determining “significant risks” (ISA 330) <ul style="list-style-type: none"> – can risk at an account or assertion level can be “significant” without also being “high” or vice versa?
3.00 pm – 5.00 pm	SESSION 4 <ul style="list-style-type: none"> Risk Assessment Challenges <i>(continued)</i> <ul style="list-style-type: none"> > Balancing the judgemental and quantitative aspects of risk assessment > Risk assessment at audit planning stage–missing the “elephant in the room” <ul style="list-style-type: none"> – fundamental threats arising from changes in the wider business and economic environment in which the entity operates – changes in technology or competition – the way the business is being managed, especially if it is being mismanaged Question & Answer Session
5.00 pm	End of Module 2

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 3: ISA 260 & 265 COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE (TCWG) AND COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL TO TCWG

INTRODUCTION

ISA 260 provides the overarching framework for the auditor's communication with those charged with governance (TCWG) and includes specific matters that must be communicated to them. The ISA recognises that those charged with governance are an essential source of information for an effective audit because they can provide information that helps enhance the auditor's understanding of the entity, its environment, its business risks and information about specific transactions or events. In return, the auditor can also assist those charged with governance in fulfilling their oversight responsibilities.

ISA 265 includes specific requirements regarding communicating significant deficiencies in internal controls identified by the auditor during the audit.

OBJECTIVES

- Recognise the importance of effective two-way communication in an audit of financial statements
- To obtain from TCWG information relevant to the audit
- Deciding which deficiencies in internal control are significant to be communicated
- To provide TCWG with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process

WHO SHOULD ATTEND

- Audit Partners, Auditors, and staff of audit firms
- Group Financial Controllers and Accountants
- Finance Managers
- Academicians

PROGRAMME OUTLINE

8.30 am – 9.00 am	Participants login to join the webinar
9.00 am – 10.30 am	SESSION 1 <ul style="list-style-type: none"> • Requirements and Challenges of ISA 260 and 265 <ul style="list-style-type: none"> > Steps to achieve effective two-way communication > If communication is inadequate—evaluate the effect on risk assessment and evidence gathering and take appropriate steps > Understand the need for a separate standard, ISA 265, for communicating deficiencies in internal control > How do auditors decide which deficiencies in internal control are significant?
10.30 am – 12.00 pm	SESSION 2 <ul style="list-style-type: none"> • ISA 260 Communications with Those Charged with Governance (TCWG) <ul style="list-style-type: none"> > Who are “those charged with governance” > Communication with a subgroup of TCWG > When all of TCWG are involved in managing the entity > Matters to be communicated: <ul style="list-style-type: none"> – The auditor's responsibilities in relation to the financial statement audit – Planned scope and timing of the audit – Significant findings from the audit – Auditor independence – Other planning matters that may be important or significant – Significant findings from the audit – Significant qualitative aspects of accounting practices – Significant difficulties encountered during the audit – Significant matters discussed or subject to correspondence with management – Circumstances that affect the form and content of the Auditor's Report – Other significant matters relevant to the financial reporting process

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 3: ISA 260 & 265 COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE (TCWG) AND COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL TO TCWG

PROGRAMME OUTLINE *(continued)*

10.30 am – 12.00 pm	<p>SESSION 2 <i>(continued)</i></p> <ul style="list-style-type: none"> • ISA 260 Communications with Those Charged with Governance (TCWG) <i>(continued)</i> <ul style="list-style-type: none"> > The Communication Process > Establishing the communication process: <ul style="list-style-type: none"> – Communication of the auditor's responsibilities, the planned scope and timing of the audit – Matters that may also contribute to effective two-way communication – Considerations specific to smaller entities – Communication with management – Communication with third parties > Forms of communication: <ul style="list-style-type: none"> – Structured presentations and written reports, as well as less structured communications, including discussions – Significance of a particular matter may be affected by such factors as: <ul style="list-style-type: none"> » whether the matter will be included in the auditor's report » whether the matter has been satisfactorily resolved » whether management has previously communicated the matter » the size, operating structure, control environment, and legal structure of the entity » in the case of an audit of special purpose financial statements, whether the auditor also audits the entity's general purpose financial statements 	1.00 pm – 3.00 pm	<p>SESSION 3</p> <ul style="list-style-type: none"> • ISA 260 Communications with Those Charged with Governance (TCWG) <i>(continued)</i> <ul style="list-style-type: none"> > Timing of communication <ul style="list-style-type: none"> – Timely communication throughout the audit contributes to a robust two-way dialogue – Communication of a significant difficulty encountered during the audit as soon as practicable so that TCWG are able to assist the auditor in overcoming the difficulty – The size, operating structure, control environment, and legal structure of the entity being audited – The expectations of TCWG, including arrangements made for periodic meetings or communications with the auditor > Adequacy of the communication process <ul style="list-style-type: none"> – Evaluation may be based on observations from audit procedures performed for other purposes such as: <ul style="list-style-type: none"> » the willingness and capacity of TCWG to meet with the auditor without management present » the apparent ability of TCWG to fully comprehend matters raised by the auditor, for example » the extent to which TCWG probes issues and questions recommendations made to them » where all or some of TCWG are involved in managing the entity, their apparent awareness of how matters discussed with the auditor affect their broader governance responsibilities, as well as their management responsibilities » Whether the two-way communication between the auditor and those charged with governance meets applicable legal and regulatory requirements > Documentation <ul style="list-style-type: none"> – Documentation of oral communication with TCWG—a copy of minutes prepared by the entity retained as part of the audit documentation—where minutes are an appropriate record of the communication
12.00 pm – 1.00 pm	Break		

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 3: ISA 260 & 265 COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE (TCWG) AND COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL TO TCWG

PROGRAMME OUTLINE *(continued)*

3.00 pm	SESSION 4
– 5.00 pm	<ul style="list-style-type: none">• ISA 265 Communicating Deficiencies in Internal Control<ul style="list-style-type: none">> Determination of whether deficiencies in internal control have been identified> Considerations specific to smaller entities> Significant deficiencies in internal control:<ul style="list-style-type: none">– likelihood of the deficiencies leading to material misstatements– susceptibility to loss or fraud of the related asset or liability– subjectivity and complexity of determining estimated amounts> Communication of significant deficiencies in internal control to management> Communication of other deficiencies in internal control to management> Content of written communication of significant deficiencies in internal control• Drafting an effective Management Letter for an SME• Question and Answer Session
5.00 pm	End of Module 3

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 4: ISA 230 AUDIT DOCUMENTATION

INTRODUCTION

Audit documentation that meets the requirements of ISA 230 and the specific documentation requirements of other relevant ISAs evidence of the auditor's basis for a conclusion about the achievement of the overall objectives of the auditor and evidence that the audit was planned and performed in accordance with ISAs and applicable legal and regulatory requirements.

Practical guidance in applying the auditing principles and extent of audit documentation and documentation of professional judgement will be illustrated by way of case studies such that participants will be able to better understand how to apply the relevant audit procedures and the documentation requirement and be exposed to common audit exceptions.

OBJECTIVES

- Understand and apply auditing standards, requirements, and documentation techniques in the audit planning process
- Apply relevant audit concepts and documentation techniques while performing the audit procedures
- Deciding what constitutes proper and adequate documentation
- Evidence of the auditor's basis for a conclusion about the achievement of the overall objectives of the audit
- Preparation of audit working papers

WHO SHOULD ATTEND

- Audit Partners, Auditors, and staff of audit firms
- Group Financial Controllers and Accountants
- Finance Managers
- Academicians

PROGRAMME OUTLINE

8.30 am – 9.00 am	Participants login to join the webinar
9.00 am – 10.30 am	SESSION 1 <ul style="list-style-type: none"> • ISA 230 Documenting Engagement Procedures, Audit Planning and Risks Assessment <ul style="list-style-type: none"> > Applying auditing standard requirements and documentation techniques, in the audit planning process and the following: <ul style="list-style-type: none"> – Engagement acceptance procedures – Audit planning process and evaluating risk assessment and responses – Staff selection and assignment of responsibilities – Audit procedures over the design of the client's system of internal controls and design, and document effective tests of controls – Formulating the Audit Planning Memorandum – Audit partner's approval procedures for the Audit Planning Memorandum and the relevant audit procedures necessary to obtain reasonable assurance over the audit
10.30 am – 12.00 pm	SESSION 2 <ul style="list-style-type: none"> • Assessing Misstatements and Documenting Audit Procedures <ul style="list-style-type: none"> > Audit risks, including risks of material misstatements > Audit procedures in response to risks identified > Evaluation of audit exceptions and alternative audit procedures > Documenting sampling procedures, audit evidence and professional judgement • Audit Evidence <ul style="list-style-type: none"> > Determining audit materiality > Audit sampling and audit judgment > Risk assessment and appropriate responses > Evaluation of audit exceptions and alternative audit procedures > Evaluation of sufficiency and appropriateness of audit evidence gathered by the engagement team, applying professional scepticism to challenge audit evidence obtained and documentation on file

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 4: ISA 230 AUDIT DOCUMENTATION

PROGRAMME OUTLINE *(continued)*

10.30 am – 12.00 pm	SESSION 2 <i>(continued)</i> <ul style="list-style-type: none"> Audit Evidence <ul style="list-style-type: none"> > Provision of adequate supervision over the audit staff/engagement team members during the audit process on a timely basis > Engagement with the audit team, reviewers, and partners to enhance quality control over audit engagement 	1.00 pm – 3.00 pm	SESSION 3 <i>(continued)</i> <ul style="list-style-type: none"> Audit and Documenting Management Judgment and Estimates <i>(continued)</i> <ul style="list-style-type: none"> > Applying relevant audit concepts and documentation techniques while performing audit procedures in the audit of management's assessment of the following: <i>(continued)</i> <ul style="list-style-type: none"> – Provisions, warranties, and claims – Related party transactions and fair value balances – Reliance on service providers or third-party experts on fair values, eg valuers etc
12.00 pm – 1.00 pm	Break		
1.00 pm – 3.00 pm	SESSION 3 <ul style="list-style-type: none"> Audit Procedures and Documentation Requirements <ul style="list-style-type: none"> > Understanding key points of ISA 230 Audit Documentation > Audit procedures and documentation requirements in relation to the audit completion process and highlighting audit exceptions > Form, content and extent of audit documentation and practical application for: <ul style="list-style-type: none"> – Property, plant and equipment, biological assets – Investment properties, investments – Inventories, trade, and other receivables – Loans, trade, and other payables, etc > Profit and loss accounts (revenue, cost of sales, and operating expenses) <ul style="list-style-type: none"> – Other comprehensive income – Income tax payable, deferred tax liabilities, etc > Evaluation of the sufficiency and appropriateness of audit evidence gathered by the engagement team, challenging the audit evidence obtained and documenting the information Audit and Documenting Management Judgment and Estimates <ul style="list-style-type: none"> > Applying relevant audit concepts and documentation techniques while performing audit procedures in the audit of management's assessment of the following: <ul style="list-style-type: none"> – Impairment for trade and other receivables, inventories, etc – Impairment for non-current assets, financial assets, including loss assessments 	3.00 pm – 5.00 pm	SESSION 4 <ul style="list-style-type: none"> Audit Working Papers <ul style="list-style-type: none"> > Key points <ul style="list-style-type: none"> – Objectives, methods, results, and conclusions – Evidence to be recorded on file, not in the head – Narratives required together with numbers – Links to audit planning memorandum – Working papers, not just programmes > Purpose of audit working papers <ul style="list-style-type: none"> – Timely preparation of working papers – Documentation of audit procedures performed, and audit evidence obtained – Significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions – Types and contents of working papers <ul style="list-style-type: none"> » audit administrative working papers, including audit plan, time, budgets, etc. » working trial balance, lead schedules and supporting schedules » analysis of ledger accounts, reconciliations » computational working papers > Completeness of working papers and conclusions drawn > Review of audit working papers, best practices, common weaknesses, and practical challenges Question and Answer Session
		5.00 pm	End of Module 4

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 5: ISA 320 DETERMINING MATERIALITY IN PLANNING AND PERFORMING AN AUDIT

INTRODUCTION

ISA 320 deals with the auditor's responsibility to apply the concept of materiality in planning and performing an audit of financial statements, while ISA 450 explains how materiality is applied in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements.

ISA 320 requires including in documentation, materiality for the financial statements as a whole and, where applicable, the materiality levels for particular classes of transactions, account balances or disclosures, the performance materiality, and any revisions during the audit.

OBJECTIVES

- Determine materiality in planning and performing an audit
- Apply materiality in the evaluation of misstatements
- Determine materiality in group audits
- Communicate with management and those charged with governance

WHO SHOULD ATTEND

- Approved Company Auditors
- Audit Partners and Audit Managers
- Partners responsible for engagement quality control
- Audit Seniors and staff of audit firms
- Academicians
- Audit and assurance examination candidates

PROGRAMME OUTLINE

8.30 am – 9.00 am	Participants login to join the webinar
9.00 am – 10.30 am	SESSION 1 <ul style="list-style-type: none"> • Materiality and its Importance <ul style="list-style-type: none"> > Definition of “material” > ISAs’ requirements explained • Determining Materiality <ul style="list-style-type: none"> > How to determine “materiality” > Choosing benchmarks ISA 320 > Using multiple benchmarks > Specific levels of materiality for individual balances, classes of transactions or disclosures <ul style="list-style-type: none"> – Case study: determining materiality on “Revenue” > Determining “performance materiality” under ISA 320.9 > Setting performance materiality > Applying performance materiality in practice
10.30 am – 12.00 pm	SESSION 2 <ul style="list-style-type: none"> • Applying Materiality to the Evaluation of Identified Misstatements <ul style="list-style-type: none"> > Understanding ISA 450 on “Evaluation of misstatements identified during the audit” > Accumulating misstatements during the audit > Categorising misstatements according to their nature > Assessing the materiality of misstatements > Considering the impact of misstatements on the audit > Qualitative assessment of misstatements <ul style="list-style-type: none"> – Case study: evaluating misstatements in Accounts Receivables • Materiality in Group Audits <ul style="list-style-type: none"> > Planning a group audit > Determination of component materiality and component performance materiality > Determining clearly trivial threshold for materiality at group level > Component materiality for joint ventures and associated companies > Effects of changes in group materiality levels <ul style="list-style-type: none"> – Case study: determining component materiality in full scope audits

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

MODULE 5: ISA 320 DETERMINING MATERIALITY IN PLANNING AND PERFORMING AN AUDIT

PROGRAMME OUTLINE *(continued)*

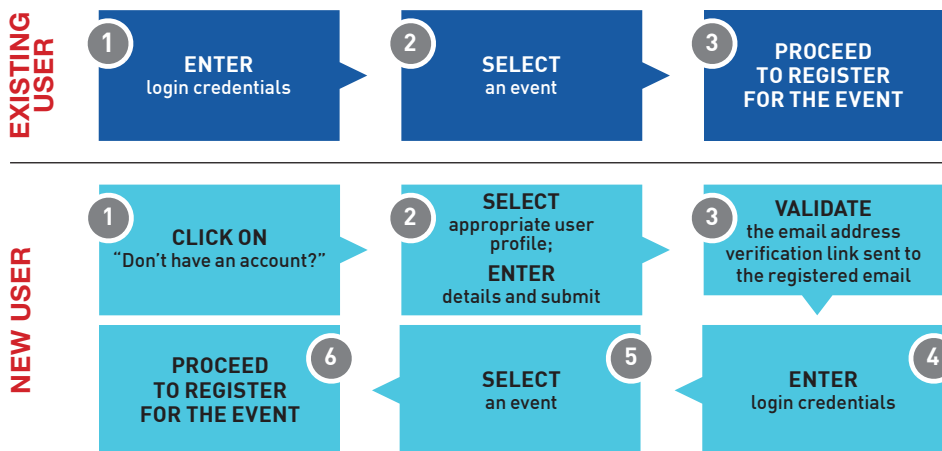
12.00 pm – 1.00 pm	Break
1.00 pm – 3.00 pm	SESSION 3 <ul style="list-style-type: none"> • Communications with Management and Those Charged with Governance <ul style="list-style-type: none"> > Communication of materiality—an option ISA 260.A13 > Advantages and difficulties of communicating threshold for misstatements with those charged with governance > Revision of materiality as audit progresses and communication ISA 450.8 > Communicating uncorrected mistakes in the final stages of audit ISA 450.12 > Impact of uncorrected mistakes on the Auditor's Report > Representations from those charged with governance on reasons uncorrected misstatements remain uncorrected ISA 450.14 <ul style="list-style-type: none"> – Case study: example of uncorrected mistakes identified
3.00 pm – 5.00 pm	SESSION 4 <ul style="list-style-type: none"> • Documenting Materiality Issues in the Audit File <ul style="list-style-type: none"> > Documenting materiality and factors considered in their determination ISA 320.14 > Documenting identified misstatements and the auditor's conclusions <ul style="list-style-type: none"> – Case study: example of misstatements based on net assets as benchmark – Case study: example based on adjusted profit before tax as benchmark • Uncorrected Material Misstatements and Impact on Auditor's Report <ul style="list-style-type: none"> > Audit modifications—on uncorrected material misstatements detected and possible material misstatements • Question & Answer Session
5.00 pm	End of Module 5

NOTE: The order of topics to be covered may be revised at the trainer/speaker's discretion.

Understanding and Application of Auditing Standards in Practice

REGISTRATION PROCESS

- To view more events and download the full brochure, please visit: pd.mia.org.my
- Search and select the event
- Click 'Register' to experience the new system by continuing with the respective steps below:



For any assistance, please call (8.45am-5.30pm, Monday-Friday)
MIA Help Desk @ 603-2722 9000

TERMS & CONDITIONS FOR WEBINARS

WEBINAR FEE

- Fee is payable to MALAYSIAN INSTITUTE OF ACCOUNTANTS
- For selected webinars, the fee includes e-materials.
- Individual Registration:** Full payment shall be made at the point of online registration.
- Corporate Registration:** Full payment shall be made within thirty (30) days from the date of the invoice or 1 day before the webinar, whichever earlier.
- Access to join the webinar shall be granted only upon full payment as per the above requirement.

WEBINAR ACCESS LINK

- The Access Link will be emailed at least 24-hours before the commencement of the webinar.
- The Access Link is unique and should not be forwarded/shared with others.

PAYMENT MODE

- Payment must be made through the **electronic channels i.e. online payment via the MIA member service portal and electronic fund transfer (EFT).**
- Payment by **cash and cheque is NOT ACCEPTABLE** effective from 1 January 2022.

HRD CORP (FOR CLAIMABLE EVENTS ONLY)

- MIA is an approved Training Provider registered under 'Institut Akauntan Malaysia' (MyCoID: 631967).

Employer's Obligations

- To ensure grant approval is obtained prior to event registration and to provide the Grant ID notification upon event registration.
- To make full payment to MIA as per the issued Invoice within 14 working days upon receipt of MIA's notification in the event the approved training fee is cancelled by HRDC due to non-compliance on the part of the participant or his/her employer or any valid reasons stipulated by HRDC.
- To settle the balance payment to MIA within 14 working days upon receipt of MIA's notification in the event only partial claim is approved by HRDC. MIA will provide copy of the original invoice and will not issue a new invoice for the balance amount.
- If employer has made payment prior to grant approval, a refund will be made to employer subject to reimbursement received from HRDC. Refund will be made upon receipt of duly completed employer's EFT Form.
- To provide required information and/or documents after completion of event for the purpose of HRDC Claim within 7 working days upon receipt of MIA's notification.

CANCELLATION

Should the participant decide to cancel his/her enrolment, a cancellation policy shall be applied as follows:

- For written cancellation received with minimum seven (7) days' notice from the date of the webinar, no penalties will be imposed and full refund will be made to participants who have paid.
- For written cancellation received less than seven (7) days from the date of the webinar, an administrative charge of 20% of the registration fee will be imposed. Unpaid registrations will also be liable for a 20% administrative charge.
- No refunds will be made for written cancellations received on the day of the webinar or for participants who failed to join the webinar. Unpaid registrations will also be liable for full payment of the registration fee.
- Replacing registered participants is not allowed.
- Paid registration that is cancelled can opt to transfer the paid amount to future event(s) after deducting any applicable administrative charges.
- The transfer request to future event(s) should be confirmed by Corporate/Individual within three (3) days after cancellation otherwise the cancellation will be confirmed with refund action. Transfer request will not be entertained after the refund is processed.
- Corporate/Individual is required to top-up the balance amount if the amount to be transferred to the future event is insufficient.

- Any excess amount after transfer will be refunded to the Corporate/Individual's bank account as provided in the EFT form.
- Corporate/Individual is required to provide the EFT form each time when a refund is requested.

PARTICIPANT'S CLASSIFICATION AND INFORMATION

Category: Corporate/Individual

- Please select the participant classification carefully as it determines the fee payable. No alteration will be allowed upon registration.
- The information on Corporate/Individual provided shall be deemed true and correct. No alteration will be allowed upon registration.

METHODOLOGY, CERTIFICATE OF ATTENDANCE AND CPE CREDIT HOURS

- Live Q&As, quick polls/surveys will be carried out throughout the webinar.
- For selected webinars, pre and/or post course materials will be shared with participants.
- Self-assessment quizzes at the beginning as well as at end of the webinar will be given to enable participants to self-evaluate themselves on their learning performance and level of understanding of the programme content.
- Participants will be issued with an e-certificate of attendance and awarded CPE credit hours upon strict compliance of the following terms:**
 - Remain logged in at least 80% of the time allocated for the webinar,
 - Submit the post-course evaluation on learning outcome within 3 days after the completion of the webinar (late submission of the post-course evaluation will not be entertained).
- CPE credit hours will be credited into the MIA Member Services Portal within 14 days of the webinar for participants who have complied with all terms and conditions stipulated herein.
- Listening to pre-recorded webinar and/or reading from past webinar e-material shall not qualify as structured CPE credit hours.

COPYRIGHT

The materials of the webinar shall not be disclosed or used in any manner, either wholly or partially against any other parties and/or used in any manner, either wholly or partially as a defence by you and/or any other parties under any circumstances. The participants are therefore prohibited from reproducing any materials of this programme. All copyright and/or intellectual property rights in any relevant materials produced in this Programme will remain with the party who produced such materials. MIA disclaims responsibility for the materials of this programme. Neither the MIA, its Council or any of its Boards or Committees nor its staff shall be responsible or liable for any claims, losses, damages, costs or expenses arising in any way out of or in connection with any persons relying upon the materials provided during the webinar.

DATA PROTECTION

Information given by the participants to MIA is true, accurate and to the best of their knowledge. The participants have read and agreed with the Privacy Notice as stated on MIA's official website and therefore, allow MIA to collect, process, store and use the participants' data other than what is provided under the Personal Data Protection Act 2010.

EXCLUSION OF LIABILITY

This webinar shall not constitute an endorsement of the speaker(s) by MIA and MIA shall not be liable for whatsoever circumstances arising from any engagement between the speaker(s) and the webinar's participants.

DISCLAIMER

Malaysian Institute of Accountants (MIA) reserves the right to change the speaker(s), date(s), time(s) and to cancel the webinar should circumstances beyond its control arise. MIA shall not be responsible for any costs, damages or losses incurred by the participant due to the changes and/or cancellation. MIA also reserves the right to make alternative arrangements without prior notice should it be necessary to do so. Upon registering, you are deemed to have read and accepted the terms and conditions herein.

With immediate effect, enrolment for all CPE programmes will be

STRICTLY VIA ONLINE REGISTRATION ONLY

WEBINAR FEES PER MODULE

Member/Member Firm	RM 380*
Non-member	RM 580

* This discounted fee (reduced from standard fee of RM480 to RM380) is offered exclusively to MIA Members/Member Firms as part of the Institute's special efforts in supporting members on their CPE.

Preferred Payment: Pay with MIA-CIMB Affinity Credit Card.

WEBINAR DETAILS & REGISTRATION

Session 1 : 9.00 am – 10.30 am
 Session 2 : 10.30 am – 12.00 pm
 Session 3 : 1.00 pm – 3.00 pm
 Session 4 : 3.00 pm – 5.00 pm

Module 1 : 1 September 2023 (Friday)

Contact : Inda/Ely Susane
 Tel : 088 261 291
 Fax : 088 261 290
 Email : miakku@mia.org.my
 Address : Malaysian Institute of Accountants
 Lot 6, 2nd Floor, Block A,
 Damai Point Commercial Centre,
 Off Jalan Damai Luyang,
 88300 Kota Kinabalu

Module 2 : 11 September 2023 (Monday)

Contact : Hanis/Sylvia
 Tel : 04 261 3320
 Fax : 04 261 3321
 Email : miapng@mia.org.my
 Address : Malaysian Institute of Accountants
 Suite 3.4, Level 3,
 Wisma Great Eastern
 25 Lebu Light, 10200 Penang

Module 3 : 15 November 2023 (Wednesday)

Contact : Hanis/Sylvia
 Tel : 04 261 3320
 Fax : 04 261 3321
 Email : miapng@mia.org.my
 Address : Malaysian Institute of Accountants
 Suite 3.4, Level 3,
 Wisma Great Eastern
 25 Lebu Light, 10200 Penang

Module 4 : 11 December 2023 (Monday)

Contact : Siti Adam/Jonathan
 Tel : 07 227 0369
 Fax : 07 222 0391
 Email : miajbu@mia.org.my
 Address : Malaysian Institute of Accountants
 5.03A, 5th Floor Menara TJB
 No. 9, Jalan Syed Mohd Mufti
 80000 Johor Bahru

Module 5 : 21 December 2023 (Thursday)

Contact : Hanis/Sylvia
 Tel : 04 261 3320
 Fax : 04 261 3321
 Email : miapng@mia.org.my
 Address : Malaysian Institute of Accountants
 Suite 3.4, Level 3,
 Wisma Great Eastern
 25 Lebu Light, 10200 Penang