

Overview of Caseware Audit International 2022

Caseware® International Inc. (Caseware) licences certain content for Audit International under an agreement with the Chartered Professional Accountants of Canada (CPA Canada). The content provides non-authoritative guidance on applying International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB).

The automated tools, forms, checklists, work programs and questionnaires provided in Audit International are useful practice aids that can save time and money while ensuring efficiency, effectiveness, completeness and consistency.

CPA Canada describes their ISA Engagement Forms as, *“designed to assist practitioners to perform high-quality, cost-effective audit, review and compilation engagements for small- and medium-sized entities (SMEs). These time-saving practice aids allow you to customize the forms and letters to meet the needs of individual engagements.”*

For further information on applying ISAs to various-sized entities, please see the IAASB articles, which are available on their website, www.ifac.org.

The practice aids have been designed for a small and medium-sized (SME) non-public company, and do not address the wide range of circumstances, risk factors or specific industry issues that may exist for a particular client or groups of clients (such as those operating in a specialised industry, government or non-profit organisation, complex IT environments, etc.). Additionally, there are limited practice aids for testing the operational effectiveness of controls. Consequently, the Audit International forms should always be tailored, based on professional judgement, to address the known facts and circumstances of each engagement.

The practice aids are updated for ISA requirements which are effective for periods ending on or after December 15, 2021.

The following ISAs have not been addressed in this product and other resources or professional standards should be consulted:

- ISA 720 (Revised) Auditor's Responsibilities Related to Other Information
- ISA 805 (Revised) Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement
- ISA 810 (Revised) Engagements to Report on Summary Financial Statements
- ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity

Audit Functionality and Workflow

Audit International makes your audit process more intelligent through the use of built-in Optimisation. The Optimisation and advanced visibility settings work behind the scenes to build the most appropriate work programs, checklists and forms based on criteria defined by the engagement team. Further tailoring of the individual work programs procedures will occur based on your assessment of risk of material misstatement at the financial statement and assertion level.

Audit International's audit workflow can be divided into three phases.

Phase 1 - Planning and Risk Assessment - Perform preliminary engagement activities including whether the engagement can or should be accepted; determine materiality; organise the audit to ensure attention is focused on key areas; identify/assess the risk of material misstatement in the financial statements through understanding the entity (including significant risks and design/implementation of relevant internal controls); conclude by summarising the risk assessments.

Phase 2 - Risk Response and Plans and Procedures - Design audit procedures that respond to assessed risks of material misstatement at the financial statement and assertion level; obtain sufficient appropriate audit evidence and assess results of any need for additional procedures.

Phase 3 - Completion - Communicate with management/ those charged with governance (misstatements, findings, material weaknesses and significant deficiencies and written representations), complete the audit file ensuring significant judgements and conclusions have been finalised and subsequent events reviewed and form an opinion on the financial statements.

Audit Documentation Approach

The ISA Engagement Forms include 'Narrative' or 'Procedures' documentation approaches. The Narrative documentation approach is designed primarily for use on smaller engagements by auditors who understand the ISA requirements. They omit many of the instructions and consideration points contained in the Procedures documentation approach.

The Narrative documentation approach can save audit time in situations where

- Completing the standard ISA engagement audit forms on smaller engagements would result in many “not applicable” responses; and
- An experienced auditor (familiar with all the ISA requirements) does not require the extent of guidance, detail or consideration points that are included on the standard ISA Engagement Forms.

The Narrative documentation approach would generally not be appropriate for

- Audits of larger entities or those with complex operations, high-value or numerous small transactions, or significant risk factors.
- Use by auditors who are relatively new to auditing or unfamiliar with all of the ISA requirements.

NOTES:

1. Compliance with ISA requirements is required regardless of what approach is used.
2. Auditors may choose to use a combination of Narrative/Procedures documentation approaches to complete forms.
3. Only one approach (Narrative or Procedures) should be completed for each aspect of the audit engagement. For example, to document decisions about Engagement risk assessment, either Narrative or Procedures documentation would be completed, not both.
4. When completing Narrative documentation, consider referring to the equivalent standard ISA Engagement Form for additional instructions and guidance on what is required by the ISAs.



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Disclaimer

These forms are designed to assist practitioners in the implementation of the International Standards on Auditing (ISAs) on the audit of small- and medium-sized entities. The forms are not intended to be a substitute for the ISAs themselves.

A Practitioner should utilise these forms in light of his or her professional judgement and the facts and circumstances involved in each particular audit.

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