



ARABOSAI Standards Committee

Guide to documenting audit work procedures
A guide for the Arab Organization of Supreme Audit Institutions

September 2022

"This guide was prepared by the working group within the ARABOSAI Standards Committee, which is responsible for Priority 4.2: *Supporting member SAIs in documenting their work in accordance with the requirements of the standards*. The working group is composed of representatives from the Audit Bureau of Jordan, the Court of Accounts of Morocco, the State Audit Bureau of Kuwait, and the Central Auditing office of Egypt."

Index	
Introduction	6
Chapter 1 The Framework.....	9
I.Goals of documentation process	8
II.Nature and characteristics of audit documents	9
III.Requirements documentation in accordance with national laws and regulations	10
IV.Requirements documentation in International Standards for Supreme Audit Institution	10
V.General Principles for Documenting Audit Procedures	12
VI.Strategic Level and General Documentation Policies	16
Chapter 2 Documentation of procedures in financial auditing.....	20
Section 1: Documentation of the Preliminary Audit Work.....	26
Section 2: Documenting the Audit Mission Planning	30
Section 3: Documenting the implementation of the audit process	36
Section 4: Documenting the reporting and follow-up phase	52
Chapter 3 Documenting procedures in Performance Audit	66
I.Audit planning process	74
II.Implementation of audit works	81
III.Completion and review	88
IV.Reporting	91
V.Follow-up procedures	94
VI.Storage procedures	96
Chapter 4 Documenting procedures in compliance audit.....	101
I.Pre-engagement stage	103
II.audit process planning	104
III.Implementation of audit works	108
IV.Evaluation of the evidence and formulation of conclusions	110
V.Reporting	111
5.Document follow-up procedures and save the topic	116

Chapter 5 Requirements in documentation which interest the Courts of Accounts.....	117
I. Specific Audits carried out by the Courts of Accounts	118
II. The special requirements of documentation provisions dictated by the lawsuits and prosecutions in front of the court of accounts.....	118
III. Additional Requirements in documentation of financial and compliance audit	121
IV. Documenting the discovery of facts Especially when conducting the audit	122
V. Documenting the elevation of actions with special nature to the higher management and/or referring them to criminal judiciary or guardianship authorities.	123
The Appendices	124
The Appendices	124

List of tables

Table No. 1: General and specific objectives of documentation.

Table No. 2: Classification of documentation requirements in INTOSAI Framework of Professional Pronouncements.

Table No.3: Main files that must be prepared and documented in compliance audit.

List of figures

Figure 1: Principles of documenting audit work.

Figure 2: Planning activities for the audit process.

Figure 3: Types of opinion in the auditor's report.

Figure 4: Documenting the performance audit process.

Introduction

General framework to Preparing a documentation guide audit work procedures

Subject and objectives of the guide

1. Documentation is a key requirement of quality control processes, as it ensures that auditors perform their audit tasks in accordance with professional standards and the defined terms of reference. Policies for maintaining written and electronic records, as well as the underlying information on which auditors base their conclusions and opinions, are therefore of critical importance. Reviewing and examining the documents prepared at the different stages of the audit process provides assurance that the audit is conducted in line with the requirements of professional standards.
2. The Arab Organization of Supreme Audit Institutions (ARABOSAI), through its Standards Committee, attaches particular importance to audit documentation as a cornerstone of credibility and professionalism. Audit documentation provides evidence of the planning, execution, and supervision of audit work in accordance with international standards and applicable legal and regulatory frameworks. It also constitutes the basis for forming audit findings and supporting the conclusions and recommendations presented in audit reports.
3. Given that ARABOSAI member SAIs are at different stages of developing systems for managing audit documentation-covering planning, implementation, and reporting-the need emerged for a *Guide to Documenting Audit Procedures* tailored to the regional context. In response, the Standards Committee launched this project under Priority 4.2: *Supporting member SAIs in documenting work in line with the requirements of the standards*. The initiative was incorporated into the tripartite Committee's 2020–2022 work plan, as proposed at its 14th meeting and endorsed by the Organization's Governing board.
4. This guide addresses the key requirements for documenting audit procedures in accordance with INTOSAI standards for financial, performance and compliance auditing. It also outlines practical approaches and methods for applying these requirements throughout the audit cycle.
5. The guide is intended to strengthen the commitment of Arab SAIs to documentation standards and to support the conduct of audits with professionalism and technical rigor. It provides practical guidance to assist SAIs in implementing effective audits that meet the documentation requirements of the standards. In addition, this guide complements the documentation provisions contained in other references developed by the Committee, such as the *Financial Audit Guide*, the *Quality Assurance Guide*, and additional guidance used by SAIs to apply audit standards.

Approach ; The adopted methodology

Guide Preparation Series

Guide Structure

Update the guide

6. This guide was developed from a comprehensive perspective that reflects the mandates of Supreme Audit Institutions (SAIs) and the audit cycle. It addresses documentation requirements across horizontal audit processes - such as strategic planning, programming and quality assurance - as well as within each type of audit and at all its stages. The guide presents an integrated methodology for applying documentation standards, defining their requirements in accordance with the INTOSAI Framework of Professional Pronouncements (IFPP), including the ISSAIs. Where necessary, explanatory notes are provided, together with practical approaches for applying these requirements throughout the audit cycle.

7. The *Guide to Documenting Audit Procedures* was prepared by the working group of the Standards Committee responsible for Sub-priority 4.2: *Supporting member SAIs in documenting work in accordance with the requirements of the standards*. The guide was formally approved by the Committee at its meeting held on September 2022 and subsequently endorsed by the governing Board at its meeting on December 2022.

8. The development of the *Guide to Documenting Audit Procedures* followed the principles, procedures, and measures approved by the Standards Committee. A participatory approach was applied throughout the process, enabling broad input from members of the working group, the Committee, and ARABOSAI's member SAIs in both the preparation and adoption phases¹.

9. The guide is structured into five chapters. Chapter One presents the general framework, including the objectives and principles of documentation, as well as the documentation of horizontal audit processes. Chapters Two, Three and Four address the documentation of audit work in financial, performance and compliance audits, respectively. The final chapter focuses on the documentation requirements of judicial SAIs.

10. The guide will be subject to periodic review and updating within three years of its dissemination to member SAIs and its publication on the Organization's website. Nevertheless, the Standards Committee may introduce amendments prior to this deadline when necessary, particularly to reflect emerging documentation requirements in the standards.

¹ The preparation of the guide went through the following stages and steps:

- Drafting of the guide by the relevant working group;
- Receive the views of the committee members and make the necessary amendments to the draft;
- Correspond with the devices and receive their comments and suggestions regarding the guide;
- Discuss the comments of the devices on the guide and make the necessary amendments to the version circulated to the devices;
- Adoption of the guide in its final form within the committee;
- Publish the guide on the organization's website.

Chapter 1: The Framework

I. Goals of documentation process

General Goals

11. Adequate documentation is essential at all stages of audit tasks. It facilitates planning, preserves evidence, documents and observations, and serves as a key source of information during the report drafting stage. Furthermore, it ensures organization and enables supervision, tracking, and review of the audit process by another auditor or reviewer, when necessary.
12. Proper documentation underpins the quality of audits conducted by Supreme Audit Institutions (SAIs). Quality constitutes a core element of credibility and a foundation of trust that SAIs aim to maintain. An effective quality assurance system requires concurrent or subsequent reviews of audit work to verify compliance with professional standards, including documentation requirements.
13. Documentation also supports SAIs in engaging with stakeholders who have direct or indirect audit authority. It enables external parties to understand the overall audit strategy, the nature of audit work performed, methodologies applied and approaches adopted to achieve the institution's vision and objectives.
14. For judicial SAIs, documentation plays a critical role in supporting the decisions of governing bodies, as members rely primarily on documented evidence when forming opinions on proposals submitted by appointed advisors.
15. Documentation also contributes to auditor training, professional development, and the enhancement of institutional expertise and organizational maturity.
16. Specific objectives of documentation for each audit task include:
 - Facilitating the planning and execution of audit tasks;
 - Accurately presenting the nature, objectives, and scope of the audit work performed;
 - Providing clarity on the audit process, its methodology, and the reasoning behind it;
 - Facilitating understanding of actions taken, their timing, scope, results, and supporting evidence, including the rationale for professional judgments and conclusions;
 - Ensuring efficiency and the persuasive quality of audit evidence;
 - Identifying the effects and outcomes of all actions executed.

General documentation objectives	Specific documentation objectives
Quality assurance of audit work	Facilitate the planning and execution of audit tasks
Enhance stakeholder confidence	Present the nature, objectives and scope of the audit work performed
Secure the decisions of the governing bodies in judicial SAIs	facilitate understanding the audit process including methodology, rationale, timing, scope, procedures applied, and results
Professional training and development	Support the sufficiency and persuasiveness of audit evidence
Enhance organizational experience and maturity	Identify and assess the effects of all actions executed

Table No. 1: General and specific objectives of documentation

II. Nature and characteristics of audit documents

17. Documentation includes all relevant information collected or produced throughout the audit process—before, during, and after the execution of the audit engagement. Audit documents form a direct link between the audit objectives and the procedures performed, and their nature depends on the stage of the audit to which they relate. Examples of such documentation include:

- Information relevant to identified risks and the manner in which they were addressed;
- Evidence of professional judgments or decisions made by the audit team;
- Material supporting observations or conclusions;
- Documentation demonstrating compliance with public policy, monitoring procedures, and applicable standards.

III. Requirements documentation in accordance with national laws and regulations

18. When fulfilling their mandates, Supreme Audit Institutions (SAIs) are subject to documentation requirements established by national laws and regulations. Updated legislative and regulatory frameworks provide rules and procedures that guide oversight assignments and establish principles ensuring that audit work is conducted in line with recognized standards.

19. In this respect, SAIs with a judicial mandate constitute a special case, as such institutions must:

- Define rules of evidence, determine their scope, and classify the means of verification, in addition to specifying requirements for the retention of documents;
- Conduct investigations in writing, including formal requests for information and inquiries;
- Document matters related to liability for acts of non-compliance and applicable statutes of limitation.

IV. Requirements documentation in International Standards for Supreme Audit Institutions

20. At the international level, audit documentation receives significant attention across all dimensions—strategic, organizational, and operational. The INTOSAI Framework of Professional Pronouncements (IFPP) allocates substantial guidance to this matter, through the International Standards of Supreme Audit Institutions (ISSAIs). These standards provide both general principles and specific requirements regarding audit trails and the proper documentation of audit work.

21. Table 2 below presents a general classification of documentation requirements as outlined in the INTOSAI Framework of Professional Pronouncements, structured according to the different levels of the framework:

Standard level	Examples of areas covered by professional editions	Examples of standards
General horizontal strategies	<ul style="list-style-type: none"> - Documentation of work related to the Authority’s strategic planning, operational planning, and subsequent reviews; - Documentation of elements pertaining to the quality assurance system; - Documentation of specific control policies, including those related to the prevention of corruption, bribery, and similar risks. 	INTOSAI P20 ISSAI 3200 GUID 5270
General policy for determining documentation requirements	<ul style="list-style-type: none"> - Definition of the rules of evidence, including the form, content, and extent of documentation required for all completed work; - Establishment of formal procedures for the retention and archiving of documents; - Specification of additional requirements concerning the confidentiality of information and documents, including their classification and methods of secure storage; - Adoption of procedures for handling confidential information in accordance with applicable standards; - Issuance of a general documentation policy for the Authority, encompassing professional guidance and auditors’ adherence to ethical requirements; - Application of the Authority’s documentation policy to external auditors and experts engaged in audit assignments. 	ISSAI 100 ISSAI 200 ISSAI 140 ISSAI 130
Practical and procedural paths for controls	<ul style="list-style-type: none"> - Documentation of the various stages of financial, performance, and compliance audits, including programming, planning, implementation, completion, review, reporting and follow-up. 	List of criteria ISSAI Levels 3 and 4
Special requirements	<ul style="list-style-type: none"> - Documentation requirements for judicial SAIs 	ISSAI 2230 ISSAI 4000 INTOSAI P50

Table No. 2: Classification of documentation requirements in INTOSAI Framework of Professional Pronouncements.

V. General Principles for Documenting Audit Procedures

Mandatory

Sufficiency, detail and comprehensiveness

Professional judgment consistent with the SAI's policy

22. Documentation control procedures are guided by a set of general principles, including: obligation, sufficiency, clarity and detail, comprehensiveness, the exercise of professional judgment consistent with the SAI's policies, relevance, proportionality, reliability, effectiveness, and efficiency.

23. Documentation should be established as a formal requirement, clearly reflected in the SAI's general policies, professional manuals, and quality control standards. The evaluation of auditors' work should include, among other elements, an assessment of compliance with documentation requirements, with appropriate consequences applied in cases of non-compliance.

24. The documentation requirements established by SAIs must be sufficiently detailed and comprehensive to ensure that auditors support their observations with complete and properly substantiated information and evidence, in line with the provisions of ISSAI 3000, paragraph 86.

25. The adequacy of documentation is assessed by considering the extent of information collected. The documentation must be sufficient to enable a reasonable person to be convinced that the audit observations and conclusions are sound, and that the related recommendations are valid and appropriately supported.

26. While the nature and volume of audit documentation in a given engagement depend largely on the auditor's professional judgment and the specific circumstances of the audit, auditors are nevertheless expected to comply with the SAI's documentation policies and with applicable professional standards in a consistent manner.

27. Certain aspects of audit documentation are particularly sensitive to the exercise of professional judgment, such as:

- Documenting the auditor's professional judgment in determining key audit matters—or concluding that there are no key audit matters to report—when ISA 701 applies (ISSAI 2230);
- Documenting the auditor's professional judgment in relation to conclusions regarding the authenticity of documents when additional verification procedures are performed;
- Documenting the professional judgment underlying the auditor's conclusions on the reasonableness of areas involving significant judgment, such as the appropriateness of material accounting estimates (ISSAI 2230).

relevance and proportionality

28. Conversely, the SAI's general documentation policy—and the applicable professional standards—should not prevent the audit team from including in the audit file any documents it considers necessary to adequately support the audit work.

29. The relevance of documentation depends on the nature and quality of the elements it contains, specifically on the extent to which they are logically and directly linked to the audit questions, criteria, and findings. In the absence of such a logical connection, the relevance of the documentation is undermined, and the supporting element should not be included among the evidentiary audit records.

30. In this regard, the appropriateness of the form and content of documentation in relation to the nature of the audit engagement depends on several factors, including:

- The size and complexity of the audited entity's activities;
- The nature of the audit procedures to be applied;
- The risks of material misstatements and significant findings;
- The importance of the persuasive evidence obtained;
- The nature and extent of identified misstatements;
- The audit methodologies and tools employed.

Reliability, effectiveness and efficiency

31. The process of documenting audit work should be carried out in a manner that ensures reliability, effectiveness, and efficiency.

32. The reliability of the elements forming part of the audit documentation depends on their quality, source, nature, and the specific circumstances under which they were collected. In this regard, documentation elements are considered persuasive and reliable if the same evidence is obtained through repeated testing or if the information is derived from multiple, independent sources.

33. On the other hand, the effectiveness and efficiency of documentation constitute a key determinant of the overall quality and performance of the audit. To achieve this, audit documentation should meet a set of conditions and follow best practices, including:

- Having a clear subject matter that allows for the description of the audit stages, objectives, and the focus of each procedure;
- Accurately identifying all sources of documents obtained (internal or external/third parties);
- Clearly recording the conclusions and results derived from persuasive evidence and arguments at each stage of the audit;
- Ensuring the audit scope is sufficiently comprehensive to enable an experienced auditor, with no prior knowledge of the engagement, to understand the relationship between the audit subject, applicable criteria, audit scope, risk assessment, audit strategy and plan, the nature, timing and extent of audit procedures performed, their results, the evidence obtained, the rationale behind key professional judgments, and the related conclusions;
- Ensuring that the nature of documentation is appropriate. For instance, documenting the evaluation of internal control should include a review of relevant documents, testing of the functioning and effectiveness of controls, as well as detailed tests, including the identification of items reviewed, their sources, and the selection criteria. Similarly, audits involving contracts or agreements with financial implications should include analytical summaries of such contracts along with copies thereof;
- Respecting the planned timetable for documenting each stage of the audit, noting that the collection and review of persuasive evidence must take place before the completion of the audit report.

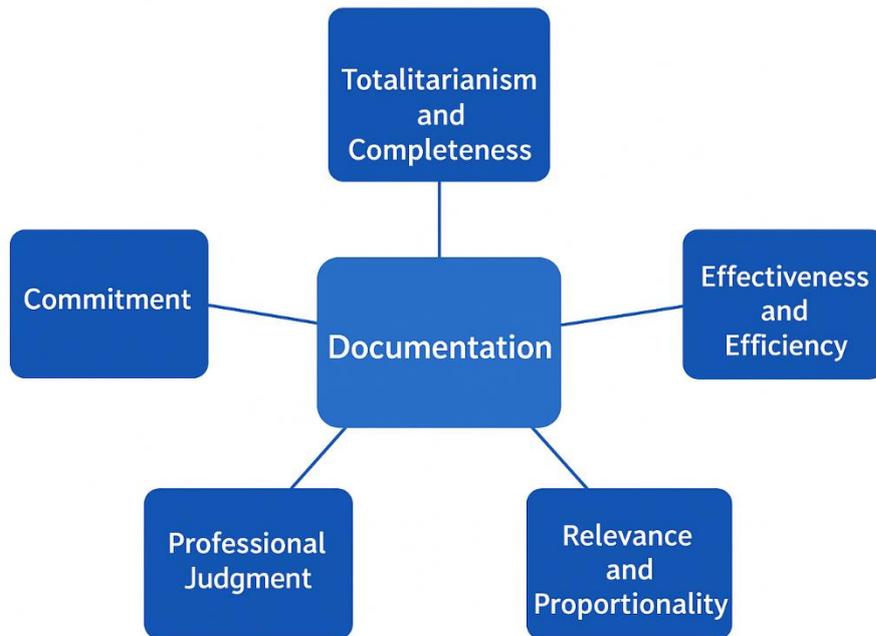


Figure No. 1: Principles of documenting audit work.

VI. Strategic Level and General Documentation Policies

34. The strategic level and general documentation policies encompass the various horizontal procedures and processes that frame the documentation of audit activities across all stages. Effective implementation of these policies ensures a common minimum level of compliance with documentation standards within the SAI.

1. Strategic Level

35. Strategic planning constitutes one of the most important management pathways for a Supreme Audit Institution. Regardless of the approach adopted in its preparation, the strategic plan—as well as all preliminary activities related to its development and subsequent actions aimed at its implementation—should be subject to appropriate documentation (ISSAI P20).

36. The operational plans of the SAI, which cover audit subjects for one year or more and derive from the strategic planning process, should also be properly documented (ISSAI 3200). Additionally, any revisions to the operational plans should be documented, taking into account the dynamic nature of the public sector and evolving priorities in public policies.

37. Similarly, any specific audit policies adopted by the SAI should be appropriately documented. For example, GUID 5270 stipulates that, with regard to auditing the prevention of corruption and bribery, the SAI should establish and document a reporting policy that includes clearly defined procedures and processes for collecting information, auditing data, assessing the relevance and reliability of information, obtaining final approval from competent authorities, and publishing the reports.

2. General documentation policies

Documentation Requirements Policy

38. General policies for documenting audit work in Supreme Audit Institutions encompass the various pathways, processes, and procedures aimed at defining documentation requirements and ensuring their effective implementation. This includes establishing operational rules and instituting quality control mechanisms.

39. Defining documentation requirements constitutes the foundation of any policy in this area. SAIs should have clear standards and requirements for documentation, specifying its form, content, and extent for all audit activities (ISSAI 100 and ISSAI 200). In addition, they should establish specific standards regarding rules of evidence (ISSAI 140) and formal procedures for document retention that comply with applicable laws and auditing standards, including defining the scope of retention, the unit responsible for maintaining documents, the duration of retention, and access procedures when necessary (ISSAI 130).

40. Furthermore, SAIs should maintain a vigilant documentation system that ensures the identification of special and emerging requirements, particularly those relating to the confidentiality of information and documents, their classification, storage methods, and procedures for handling sensitive information. Such policies should clearly define document types, responsibilities, procedures, and access rights for authorized personnel (ISSAI 130).

**Implementation of
the General
Documentation
Policy**

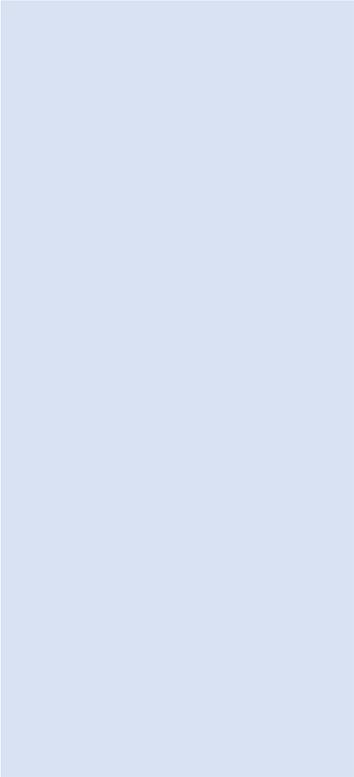
41. It is not sufficient for a SAI to have publicly declared policies covering the various aspects of documentation management; these provisions must be effectively implemented to achieve the intended impact of audit documentation.
42. First, the officially approved professional guidelines used to conduct audits within the SAI should explicitly and clearly specify documentation requirements at all stages of the audit process.
43. The SAI should also establish policies and procedures to ensure that auditors consistently comply with the officially approved documentation requirements, as well as ethical obligations to maintain the confidentiality of information contained in audit records at all times (INTOSAI P12).
44. Policies and procedures should be in place to ensure that auditors and external experts contracted by the SAI are subject to the same documentation policies applicable within the institution (ISSAI 140).

**Organizational
aspects**

45. When necessary, the SAI may establish a dedicated unit responsible for developing best practices in audit documentation. This unit oversees information monitoring to identify emerging documentation requirements, tracks compliance with the documentation standards established by the SAI, and evaluates the operational procedures for documenting audit activities.
46. In SAIs with a judicial nature, the registry departments are responsible for documenting all judicial procedures and processes. They ensure the tracking of case submissions, investigation activities, and the work of governing bodies, while safeguarding documents related to audit files.

**Aspects Related to
quality assurance**

47. Quality assurance consists of the set of measures and procedures applied during audit engagements and related reporting. In accordance with INTOSAI Principles 12 and 20 and ISSAI 140, Supreme Audit Institutions should have a formal, comprehensive, and integrated quality assurance system in place.
48. Documentation constitutes a fundamental determinant of quality. SAIs must ensure that their quality assurance system is capable of verifying compliance with officially approved documentation requirements.
49. In this regard, the quality assurance system enables all audit work to be subject to appropriate supervision and monitoring throughout the engagement. Among other objectives, it ensures the completeness of audit documentation (ISSAI 140). Engagement quality control reviews should, therefore, include verification of proper documentation of the audit process on a regular and systematic basis, at the conclusion of planning and execution phases, as well as during the finalization of audit work.

- 
50. Furthermore, as part of implementing the quality assurance system, SAIs should ensure that audit work is subject to subsequent internal or external review on a selective basis, which includes, among other elements, the audit documentation trail (ISSAI 140).
 51. According to the guidance of ISSAI 140, reports on the results of quality control reviews—whether concurrent or subsequent—should be submitted to senior management to provide them with the necessary information for corrective action.
 52. In some cases, SAIs may engage external entities to carry out audit activities due to the complexity of the audit domain or the lack of internal technical expertise. When this occurs, the SAI must ensure that the contracted firms have effective quality systems in place for documentation and overall quality control (ISSAI 140). In this context, supporting documents for audit work constitute an important asset of the SAI and must always remain its property, particularly those supporting work performed by an external entity under contract (ISSAI 140).

Chapter 2

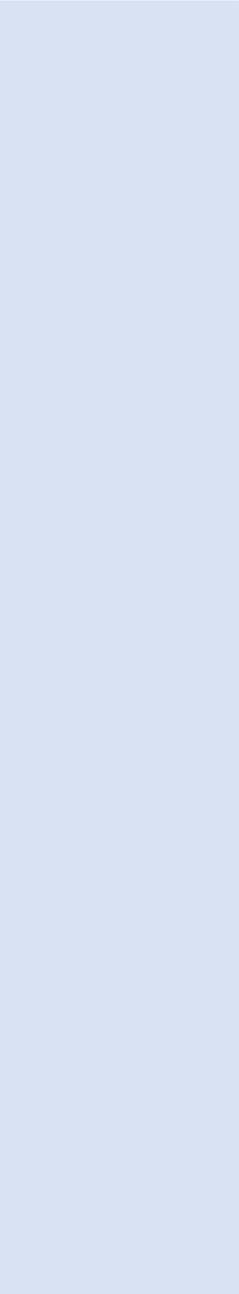
Documentation of procedures in financial auditing

Introduction

Compliance with Documentation

Importance of Documentation

53. The emergence of International Standards on Auditing (ISAs) and the subsequent ISSAIs for financial auditing, aligned with them and including annexes adapted for auditing public sector entities, has obliged auditors to comply with these standards. While the standards prescribe the audit approach to be followed—primarily the risk-based audit approach—they do not explicitly provide mechanisms for measuring risks. Furthermore, certain concepts, such as materiality and sampling, are addressed in the standards without specifying methods for their application, resulting in differences in interpretation among auditors. The Arab Organization of Supreme Audit Institutions (ARABOSAI) previously adopted the Financial Audit Guide to provide guidance for auditors of SAIs, aiming to standardize their performance. As a continuation of this work, the Standards Committee of ARABOSAI has prepared a complementary project in the form of the ARABOSAI Guide to Documenting Financial Audits.
54. It is noteworthy that this guide is designed for financial audits of entities applying an accrual-based accounting framework. The Organization also plans to issue separate documentation guides for compliance auditing and performance auditing.
55. Given the differences in laws governing auditing practices across Arab countries, additional legal requirements for each country must be considered. However, in general, these requirements are limited and should not hinder the use of this guide across all ARABOSAI member SAIs. Moreover, the guide can assist member SAIs in developing their own documentation guides while incorporating country-specific legal considerations.
56. ISSAI 2230, “Audit Documentation,” obliges the financial auditor to prepare audit documentation in a timely manner that provides the following:
- A sufficient and appropriate record serving as the basis for the audit report;
 - Evidence that the audit was conducted in accordance with auditing standards and that relevant laws and regulations were duly considered.
57. The importance of audit documentation is reflected in the following points:
- Sufficient and appropriate audit records, prepared in a timely manner, help the auditor enhance the quality of the audit engagement.
 - Assist the audit team in planning and performing the audit.
 - Support the audit team members responsible for supervision in guiding and overseeing the team, and fulfilling their audit responsibilities in accordance with ISSAI 2220, “Quality Control for Financial Audit Engagements.”

- 
- Enable the audit team to carry out its work within the framework of accountability.
 - Facilitate effective review and evaluation of the audit evidence obtained and assessment of conclusions before finalizing the auditor's report.
 - Maintain a permanent file of relevant information for future audit purposes.
 - Enable quality assurance teams to conduct quality control reviews of the audit engagement in accordance with ISSAI 2220.
 - Allow external expert auditors to perform independent examinations in compliance with legal, regulatory, and other applicable requirements.

Types of audit documentation files¹:

Permanent File

58. Audit documentation file are divided into:
59. Audit documentation files are classified into various types, with the permanent file being one of the most important. The permanent file contains records related to the audited entity from its establishment through its operational life. It is characterized by relative stability across different financial periods, with changes occurring only over extended periods. This file is essential for auditors and audit teams during different audit engagements. When an entity is audited for the first time, the permanent file is established and its contents completed to assist in planning the audit. The permanent file generally includes the following:
60. **Components of the Permanent File:**
1. **Constitutional and Organizational Documents, Laws, Regulations, Instructions, and Entity Records:**
 - a. Articles of incorporation, list of founders, and minutes of the first general assembly meeting.
 - b. Copy of the commercial registration and tax identification card.
 - c. Prospectus and documents related to the entity's registration in the capital market.
 - d. Bylaws and internal regulations of the entity.
 - e. Laws governing the audited entity, including any amendments.
 - f. General assembly and board of directors' resolutions or extracts with long-term impact.
 - g. Organizational structure, powers, and executive management appointment decisions.
 - h. Significant contracts and agreements extending beyond one year.
 - i. Loans extending over more than one financial period.
 - j. Historical data on accounting matters, such as provisions and movements of doubtful debts.
 - k. Copies of the entity's final financial statements for previous years and related audit reports.
 2. **Other Ongoing Information :**
 - a. Description of the nature of the audited entity's operations.

¹Arab Organization of Supreme Audit Institutions (ARABOSAI), Professional Standards Committee, Financial Audit Guide for Supreme Audit Institutions of Economic Public Sector Units, 2020, pp. 8-10.

Working File

- b. Internal control system file of the audited entity.
 - c. List of responsible personnel, signature specimens, delegated authority decisions, and contact points.
 - d. Audit programs.
 - e. Copies of correspondence and reports related to audits and management responses.
61. The current file contains all documentation related to the audit of the financial period, covering the preliminary stage, planning, execution, and reporting stages. The file is organized according to the sequence of the financial statements to facilitate reference and review. It is generally divided as follows:
- a. **Engagement Letter:** Assignment of the audit engagement to the auditor and the audit team.
 - b. **Declarations:** Copies of statements regarding the team's compliance with the professional code of ethics and conduct.
 - c. **Representation Letters:** Communications sent to the audited entity and their responses.
 - d. **Understanding the Entity:** Documentation related to understanding the audited entity's environment, analytical procedures during planning, identification of overall risks, assessment of control and inherent risks, sample size determination, and any adjustments made with their justifications.
 - e. **Materiality Assessment:** Determination and allocation of materiality and sample adjustments with explanations.
 - f. **Audit Plan (Program):** The audit plan for the current year, including any adjustments and the reasons for them.
 - g. **Financial Statements:** Preliminary financial statements provided by the audited entity and the final statements.
 - h. **Testing Programs:** Control testing and substantive testing programs.
 - i. **Audit Evidence:** Documentation obtained during the audit and discussions related to the evidence.
 - j. **Management Representations:** Management certificates, approvals, and correspondence with management and governance authorities.
 - k. **Questionnaires and Correspondence:** Discussions and communications concerning significant matters with management and others.
 - l. **Important Documents:** Copies of critical documents deemed necessary for retention by the auditor.
 - m. **Management Report:** Reports sent to the entity, detailed reports, and management responses.
 - n. **Audit Findings:** Evaluation of audit results, conclusions drawn, and analytical procedures applied.
 - o. **Final Financial Statements:** Adjusted final financial statements of the audited entity.

Notes Log

- p. **Final Audit Report:** The auditor's final report approved by the auditor and senior management of the Supreme Audit Institution.
- q. **Entity Branch List:** List of branches of the audited entity and their addresses.

The following should be applied when preparing the current file:

- i. **Indexing:** Linking financial statement items to working papers and testing programs.
- ii. **Audit Tick Marks:** Markings to assist in reviewing and analyzing the working papers.

62. Team Members' Reports Log

- **Purpose:** This log is designed to compile the reports of all audit team members, which include their key audit findings and conclusions.
- **Review and Acknowledgment:** Conclusions recorded in the team members' reports should be initialed or marked to indicate that they have been reviewed and acknowledged by the relevant parties.

Documentation considerations:

63. Audit work may be documented in paper form, on electronic media, or through other means. Examples of audit documentation include: audit programs, analytical procedures, memoranda on specific issues, summaries of significant matters, confirmation and representation letters, checklists, and correspondence concerning key issues.

64. Audit documentation provides evidence that the audit has been conducted in accordance with applicable auditing standards. However, it is neither necessary nor practical for the auditor to document every matter considered or every professional judgment made during the audit process. Likewise, it is not required for the auditor to separately document compliance with requirements that are clearly demonstrated within the audit working papers themselves.

65. The extent of professional judgment exercised during the performance of audit work and in evaluating the results is an important factor in determining the form, content, and level of detail

of documentation regarding significant matters within the audit. Documenting significant professional judgments made, where relevant, helps explain the auditor's conclusions and enhances the quality of professional judgment exercised. Such documentation is particularly important for those responsible for reviewing the audit documentation, including those conducting subsequent audits when examining matters of continuing significance.

66. The auditor shall prepare audit documentation in a manner that enables an experienced auditor, having no previous connection with the audit engagement, to understand the significant matters arising during the audit, the conclusions reached thereon, and the significant professional judgments made in reaching those conclusions.

67. Preparing a summary (sometimes referred to as a *completion memorandum*) and retaining it as part of the audit documentation—describing the significant matters identified during the audit and how they were addressed, or including cross-references to supporting audit working papers containing such information—can facilitate efficient and effective inspection and review, particularly in large or complex audits. In addition, preparing such a summary may assist the auditor in considering whether all significant matters have been addressed and whether, in light of the audit procedures performed and conclusions reached, there remains any objective of a relevant auditing standard that the auditor has not been able to achieve, which may prevent the auditor from achieving the overall objectives of the audit.

68. Audit documentation may include records prepared by the auditor, as well as other records such as minutes of meetings prepared by the entity's staff and agreed by the auditor. Among the other parties with whom the auditor may discuss significant matters are other employees of the entity and external parties, such as professionals providing advisory services to the entity.

69. Audit documentation in smaller entities is generally less extensive than in larger ones. Moreover, where the engagement partner performs all or most of the audit work, the documentation may not include matters that might otherwise need to be documented to inform, instruct, or provide evidence of review for other members of the engagement team. However, the auditor shall still comply with the fundamental requirement to prepare audit documentation sufficient to enable an experienced auditor to understand the work performed, since such documentation may be subject to review by external parties for regulatory or other purposes.

70. When documenting audit work, the auditor of a smaller entity may find it efficient and practical to record various aspects of the audit together in a single document, with appropriate cross-references to supporting working papers where necessary. Examples

of matters that may be documented together when auditing a smaller entity include: the understanding of the entity and its internal control, the overall audit strategy and audit plan, the determination of materiality, the assessment of risks, significant matters noted during the audit, and the resulting conclusions.

71. The auditor may also find it necessary to amend existing audit documentation or add new documentation as a result of observations arising from follow-up inquiries conducted by internal or external reviewers.

72. The time frame generally considered appropriate and sufficient to complete the assembly of the final audit file, in accordance with quality control requirements, should not exceed **60 days** after the date of the auditor's report. Although certain audits may take a longer period due to formal consultation procedures with the audited entity or with other parties, such procedures should not prevent the timely completion of the final audit file.

73. The retention period for audit documentation is usually no less than five years from the date of the auditor's report. However, there may be specific requirements mandating longer or shorter retention periods depending on applicable legal or regulatory frameworks.

74. If the auditor identifies information that is inconsistent with the conclusions reached on a significant matter, the auditor shall document how this inconsistency was addressed in forming the final conclusion.

75. In exceptional circumstances where the auditor deems it necessary to depart from a fundamental principle or a required procedure, the auditor shall document the reasons for such departure, as well as the alternative procedures performed and how they contributed to achieving the audit objective.

76. The completion of the final audit file after the date of the auditor's report is considered an administrative process. It does not involve performing new audit procedures or reaching new conclusions. However, it may include activities such as the removal of duplicate or superseded documents, organizing, indexing, and numbering working papers, and documenting audit evidence obtained, discussed, and agreed upon with audit team members prior to the date of the auditor's report.

Section 1: Documentation of the Preliminary Audit Work

77. The preliminary audit work, apart from initiating the

documentation process (i.e., opening the audit files), includes the following elements¹:

First: Fulfillment of the ethical and professional conduct requirements.

Second: Preparation of the engagement letter.

1- Documentation of Compliance with Ethical and Professional Conduct Requirements

78. The Code of Ethics and Professional Conduct sets out the fundamental principles of ethics and behavior required to achieve the objectives of the auditing and accounting profession. However, these principles may face various threats in practice. To mitigate many of these threats, audit institutions establish internal policies and controls — such as implementing staff rotation policies across departments within the SAI.

Among these policies are a set of forms and declarations that audit team members must complete before starting their audit engagements. These include:

- Information on the audited entity;
- Description of the audit engagement;
- A declaration of compliance with the principles of independence and the avoidance of conflicts of interest, in accordance with the officially adopted Code of Ethics and Professional Conduct for Auditors and Accountants.

Documenting access to audit documents, taking into account confidentiality requirements

79. ISSAI 2230 “Audit Documentation” does not specifically address the confidentiality of audit working papers, their secure storage, integrity, or accessibility and retrieval. However, ISSAI 2220 “Quality Control for Financial Audit” covers these matters within the responsibilities of the Supreme Audit Institution (SAI). It also establishes that related ethical requirements impose a permanent obligation on SAI personnel to maintain the confidentiality of information contained in audit documentation,

¹ Source: Arab Organization of Supreme Audit Institutions (ARABOSAI), Professional Standards Committee, Financial Audit Manual for Supreme Audit Institutions Auditing Public Sector Entities with an Economic Nature, op. cit.

unless the audited entity grants specific authority for disclosure, or there is a legal or professional duty requiring such disclosure.

80. Achieving an appropriate balance between confidentiality and transparency requires the exercise of professional judgment to clearly identify documents of a confidential nature and handle them accordingly, while allowing access when appropriate. SAIs should therefore follow their established policies and procedures concerning confidentiality. These may include specifying which working papers are to be treated as confidential, which can be made publicly accessible, clearly defining the limits of responsibility for permitting disclosure, and implementing customary measures to provide access when necessary.

81. When a public sector auditor intends to allow access to audit working papers, they should normally consult with relevant parties prior to disclosure. In such cases, the auditor must ensure that the parties permitted access observe the same level of confidentiality as required of the auditor.

2- Documenting the letter of understanding

82. In accordance with ISSAI 2210, “Agreeing on the Terms of Audit Engagements,” this represents an audit practice more aligned with private sector requirements. Auditors should assess certain circumstances before accepting an engagement, and based on this assessment, the auditor may either accept or decline the audit assignment.

83. Laws and regulations generally require Supreme Audit Institutions (SAIs) to perform a set of audit tasks. Consequently, a public sector auditor is typically not in a position to refuse or withdraw from an assigned audit engagement.

84. The purpose of conducting preliminary understanding activities is to help ensure that the auditor has considered any events or circumstances that could adversely affect their ability to plan and perform the audit, thereby reducing audit risks to an acceptably low level.

85. The engagement letter serves to inform the audited entity of its responsibilities regarding the preparation of financial statements in accordance with the applicable financial reporting framework. This includes presenting a true and fair view—where relevant—acknowledging the internal controls that management considers necessary to ensure financial statements are free from material misstatement, and providing auditors with access to relevant information, personnel, and any additional data requested by the auditors. Auditors ensure that these requirements are explicitly stated

Purpose of the Engagement Letter

Understanding Considerations

in the engagement letter and are clarified with management during the opening meeting of the audit engagement.

86. Although the terms of audit engagements performed by the Supreme Audit Institution (SAI) are generally governed by a statutory mandate and are therefore not subject to negotiation with the audited entity, the engagement letter is nonetheless useful for establishing a formal and shared understanding of the roles and responsibilities of both management of the audited entity and the SAI.

87. The engagement letter benefits both the entity and the auditor by reducing the risk of misunderstandings regarding the engagement. It also documents the existence of certain preconditions for the audit, which are the responsibility of management or those charged with governance. The letter specifies the objective and scope of the audit, the auditor's responsibilities toward the entity, and the form of the reports to be issued. It is preferable for this to be completed before starting the audit.

88. For recurring audit engagements, the auditor documents whether circumstances require a reconsideration of the engagement terms and whether the audited entity needs to be reminded of the current engagement conditions. The auditor should not agree to change the engagement terms unless there are reasonable grounds for such a change in light of the mandate and authority of the Supreme Audit Institution (SAI). Any changes to the engagement terms and the reasons for them must be documented.

89. The terms of audit assignments should document the applicable financial reporting framework.

90. In most cases, the financial reporting framework is established by laws and regulations. The auditor should only accept an engagement if they conclude that the financial reporting framework adopted by management is acceptable. If the auditor considers that the legally or regulatory prescribed framework is not acceptable, they must document the following actions:

- Notifying the competent authority;
- Influencing the development of standards through professional or regulatory bodies;
- Considering the responsibilities of management and those charged with governance.

91. The auditor or evaluator must document the conclusion reached regarding the acceptability of the financial reporting framework using an audit working paper template. This allows recording the risks that may lead to material misstatements in the financial

statements that can be identified during the assessment of the framework's acceptability.

92. Acceptance of the engagement, continuation of client relationships, and certain specific audit tasks include the review and documentation of:

- The integrity of owners, senior management, and those charged with governance;
- Whether the audit team is competent and has the necessary time and resources to perform the audit;
- The ability of the SAI and its audit team to comply with ethical and professional requirements.

93. If issues arise concerning any of these considerations, the audit team undertakes appropriate consultations and documents how these issues are resolved. If the engagement leader becomes aware of information that was previously available and relevant to the SAI's prior decisions regarding the audit, they must immediately report this information to ensure that necessary actions are taken.

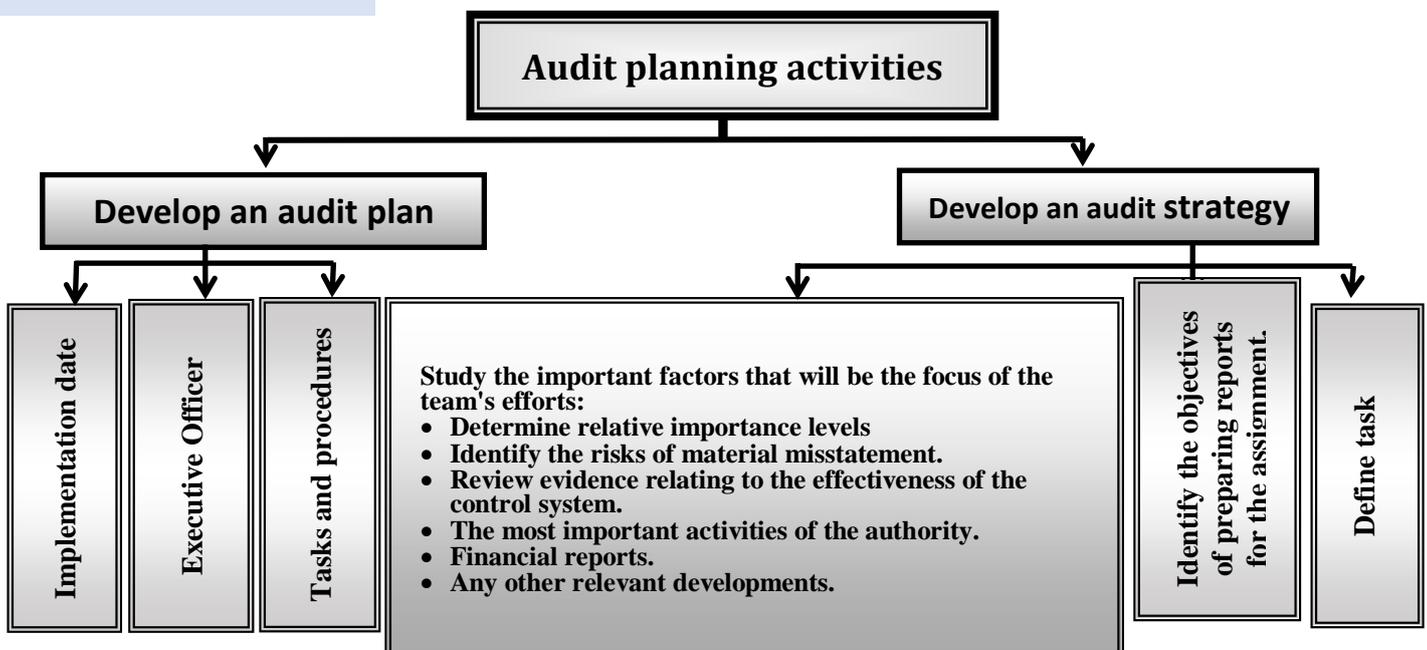
Section 2: Documenting the Audit Mission Planning

94. Planning activities are divided into two main sections:

[1] Develop the overall audit strategy by identifying the entity to be audited and initially identifying audit risks.

[2] Develop a review plan for the audit process to reduce audit risk to an acceptable low level.

The following figure shows the Control planning activities:



1- Planning Phase Documentation Considerations

95. The auditor should document the overall audit strategy and the audit plan, as well as any significant changes made during the audit process.

96. Documentation of the overall audit strategy records the key decisions necessary to plan the audit effectively and to communicate important matters to the audit team.

97. The auditor may summarize the overall audit strategy in a memorandum that contains the key decisions regarding the overall scope, timing, and conduct of the audit.

98. The auditor's documentation of the audit plan should be sufficient to show the nature, timing, and extent of the planned risk assessment procedures and any additional audit procedures at the assertion level for each significant class of transactions, account balances, and disclosures to address the assessed risks.

99. The auditor may use standardized audit programs or checklists. However, when such standardized tools are used, the auditor should apply them in a manner appropriate to the specific circumstances of the audit.

100. Documentation of any significant changes to the overall audit strategy and the detailed audit plan should include the reasons for the changes and the auditor's response to events, conditions, or audit findings that led to those changes.

101. The auditor may make significant changes to the overall audit strategy and audit plan due to significant changes in the entity's operations or as a result of identifying a material and relevant misstatement in the financial statements.

102. Recording significant changes in the overall audit strategy and audit plan, as well as the resulting changes in the nature, timing, and extent of planned audit procedures, provides a clear understanding of the final audit strategy and plan, and documents the auditor's appropriate response to significant changes occurring during the audit.

103. The form and extent of documentation depend on several factors, such as the size and complexity of the entity, materiality, the extent of documentation, and the circumstances of the specific audit engagement. These factors include:

- Any significant matters (e.g., the application of accounting principles, auditing standards, or reporting standards) and

how these matters influence the overall audit strategy and audit plan;

- Audit procedures planned to obtain sufficient and appropriate audit evidence regarding opening balances;
- Assignment of appropriately skilled and competent audit team members to address the expected material risks;
- Other procedures required by the SAI's quality management system, particularly for first-time audits.

2- Documenting the identification of the mission characteristics:

Identifying the unit organizational structure

104. The auditor shall ensure that the organizational structure of the audited entity is properly documented and included in the permanent audit file.

105. The auditor shall document the request made to management for a statement outlining any changes that have occurred in the organizational structure, as well as the entity's responses to such requests, and include these documents in the permanent audit file.

106. Furthermore, the auditor shall document the review of the organizational structure, any changes identified, and the expected implications of those changes on the audit process. The auditor shall also document team discussions and observations related to these matters and include such documentation in both the current and permanent audit files.

Documenting the study of previous financial statements

107. During the audit planning phase, the financial statements for the period under review are often not yet issued. Therefore, the audit team shall examine the previous financial statements, the audit reports related to them, and the budgets prepared by the audited entity for the upcoming period. The team shall also review and compare budgets from prior years with the corresponding final financial statements to assess the reliability of the entity's budgeting process. Furthermore, the team shall use analytical procedures and, where available, quarterly financial statements (audited or unaudited) to develop a preliminary expectation of the financial statements for the audit period.

108. The audit team shall document its analysis of key financial ratios derived from prior financial statements and the conclusions drawn from such analysis.

109. The audit team shall document the analytical procedures applied to prior financial statements—whether horizontal analysis (comparing trends over time) or vertical analysis (evaluating

relationships within financial statements)—and record the conclusions reached.

110. The audit team shall document its analysis of the relationship between prior budgets and actual financial results to assess the effectiveness of the budgeting process and determine the extent to which the current budgets can be relied upon.

111. The team shall document the projected financial statements prepared on the basis of the above procedures, as these projections will serve as a reference in estimating materiality levels.

3- Documenting communication with those responsible for governance and identifying the objectives and deadlines of special reports.

112. When the audit engagement includes related assignments, such as limited reviews of interim financial statements, examinations of tax declarations of the audited entity, or other tasks arising from delegated audit responsibilities requested by the entity's management or those charged with governance—provided such assignments are consistent with the audit mandate or organizational directives of the SAI.

113.the auditor shall document the following:

- The review and analysis of the reports required as part of these related assignments; and
- The schedule and nature of communications with the management of the audited entity and those charged with governance.

4-Document the important factors that will be the focus of the team's efforts.

114. The auditor shall document the required level of assurance, which is established in relation to the acceptable overall audit risk, as both elements are interdependent and collectively determine the extent and nature of audit work to be performed.

115.The auditor shall document the assessment of inherent and control risks, including the templates, forms, or models completed for this purpose, and the level of assurance assigned to different financial statement items. This documentation shall be prepared in accordance with ISSAI 2315 – *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*.

116.The auditor shall document the determination of materiality levels for both the financial statements as a whole and for individual balances or disclosures, taking into account estimated figures and the

determined level of assurance, as well as the performance materiality established for the audit. This process shall comply with ISSAI 2320 – *Materiality in Planning and Performing an Audit* (aligned with ISA 320).

117. The auditor shall also document the sampling methodology, including the determination of sample size and its distribution across financial statement items, in line with ISSAI 2530 – *Audit Sampling*.

5- Documenting the plan review

118. The auditor shall document the audit plan, which shall include the following elements:

- A description of the nature, timing, and extent of planned risk assessment procedures that are sufficient to evaluate the risk of material misstatement, as required by ISSAI 2315 – *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*.
- A description of the nature, timing, and extent of further planned audit procedures at the assertion level for each class of transactions, account balance, and disclosure considered material or significant, in accordance with ISSAI 2330 – *The Auditor's Responses to Assessed Risks*. The planning of these additional procedures shall reflect the auditor's decision regarding whether to test the operating effectiveness of internal controls, as well as the nature and timing of planned substantive procedures.
- Any other additional audit procedures that are required to be performed as part of the audit engagement in order to ensure compliance with applicable auditing standards.
- The audit plan shall also include details of supervisory tasks and internal review programs within the audit team, the expected team meetings, and meetings planned with the entity's management and those charged with governance.
- The audit plan shall be approved by the auditor and by the administrative and supervisory authorities responsible for overseeing the audit work. The Quality Control Unit shall be notified of the approved plan. Each audit team member shall receive a written briefing outlining their assigned responsibilities, the instructions to be followed during the audit, and the specific audit programs applicable to their assigned areas of work.

Section 3: Documenting the implementation of the audit process

1- Documenting the selection of audit samples¹:

119. The audit process shall begin with the selection of audit samples, which may vary depending on the nature of the item being tested. For items involving a limited number of transactions, the audit team shall perform a 100% examination of those transactions in order to reach a conclusion, and this decision shall be properly documented. For items that include a large number of transactions, the auditor shall determine the sampling method to be used. If a random sampling approach is applied, each element in the population must have an equal chance of selection. Based on the sample size determined during the planning stage, the first item in the sample shall be selected randomly, and the remaining items shall be selected using the predetermined sampling interval between population elements.

120. When the population of the item under examination is heterogeneous, either in terms of value or nature, it shall be stratified into sub-populations (strata), grouped according to either value or characteristics. Each stratum shall then be sampled in a manner consistent with its nature: For small strata, where the number of elements is limited, a complete examination may be performed. For larger strata, a sampling interval shall be determined, the first item selected randomly, and the remaining items chosen according to the established interval.

121. Regardless of the sampling approach applied, the sampling methodology and the selected sample items resulting from its application shall be fully documented in the audit working papers, in accordance with ISSAI 2530 – *Audit Sampling*.

2- Documentation of audit sample examination

122. The auditor shall document the examination procedures and the audit evidence obtained for the selected samples. Audit evidence may include:

- Documentary examination of the sample, including verification of the accounting treatment applied, recording in the books, and adherence to the internal control procedures designed for the item.
- Evidence obtained during or at the end of the financial period, such as physical inventories, whether surprise counts during the year or year-end counts, confirmations from external parties regarding account balances, certificates from

¹International Standards of Supreme Audit Institutions, Standard 2530 ISSAI, "Selection of Control Samples."

governmental authorities, bank confirmations from banks interacting with the entity, and other management representations.

123. Additionally, the audit team shall document any analytical procedures applied during the examination as supporting evidence, including the identification of relationships and patterns observed, and any further testing conducted based on the results of these analyses.

3-Considerations for documenting some inspection work

Documentation of Opening Balances and Subsequent Adjustments

124. The auditor shall document the examination of opening balances in the financial statements and verify their consistency with the closing balances of the preceding year. The auditor should also document the adjustments made by the entity after the final approval and audit of the financial statements, ensuring that these adjustments correspond with any modifications introduced by the approving authority. All such adjustments shall be fully examined and appropriately documented.

125. When auditing the financial statements of an entity for the first time, the auditor shall obtain and document sufficient and appropriate audit evidence to conclude that:

- The opening balances do not contain misstatements that could materially affect the financial statements of the current period.
- The prior year's closing balances have been properly carried forward or appropriately adjusted, where required.
- Accounting policies have been consistently applied, and any changes in accounting policies have been properly accounted for, disclosed, and presented in a clear and adequate manner.

126. If the auditor determines that the opening balances contain errors that have a material impact on the current period's financial statements, such findings shall be documented, and management shall be informed. The auditor shall request corrective action to appropriately adjust, present, and disclose the effects of such misstatements.

Considerations for documenting external confirmations (authentications)

127. The auditor shall document whether the use of external confirmations is necessary to obtain sufficient and appropriate audit evidence at the assertion level. The auditor should assess the risk of material misstatement at that level and determine how the planned audit procedures—including confirmations and other substantive procedures—will reduce the assessed risk to an acceptably low level.

128. When the auditor plans to obtain external confirmations for certain balances or other information, and management requests that the auditor not do so, the auditor shall document whether there are valid and reasonable grounds for such a request. The auditor shall obtain alternative audit evidence to support the validity of management's justification and

Considerations for documenting written statements

document the application of alternative audit procedures designed to obtain sufficient and appropriate audit evidence relevant to the matter.

129. When performing confirmation procedures, the auditor shall document the planning and supervision of the confirmation process, including the selection of recipients of confirmation requests, the preparation and dispatch of confirmation requests, and the receipt and review of responses to those requests.

130. If the auditor does not receive a response to a positive confirmation request, this fact shall be documented, along with the alternative audit procedures performed to obtain sufficient and appropriate audit evidence.

131. If the auditor concludes that neither the confirmation process nor the alternative audit procedures have provided sufficient and appropriate audit evidence regarding a specific assertion, the auditor shall plan and perform additional audit procedures to obtain the necessary evidence, and document both the rationale and the actions taken.

132. The auditor shall document the written representation obtained from management acknowledging its responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, and confirming that such statements have been duly approved. The written representation shall also include management's assertions regarding significant matters related to the financial statements, particularly in cases where sufficient and appropriate audit evidence cannot otherwise be obtained. The representation should cover the following elements:

- Management acknowledges its responsibility for the design and implementation of internal audit to prevent and detect errors and misstatements.
- Management believes that the effect of uncorrected misstatements, whether individually or in the aggregate, identified by the auditor during the audit, is immaterial to the financial statements as a whole. The representation should include a summary of such items or attach them as an annex to the written representation.
- Management acknowledges its responsibility for the design and implementation of internal control to prevent and detect fraud and irregularities.
- Management provides its assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Management discloses any known or suspected fraud affecting the audited entity that involves:
 - Management ;
 - Employees who have significant roles in internal audit;

Documentation considerations for Auditing Accounting Estimates

- Other parties, where the fraud could have a material effect on the financial statements.
- Disclosure of Allegations of Fraud – Management discloses any allegations of fraud or suspected fraud affecting the entity’s financial statements that have been communicated by employees, former employees, analysts, regulators, or other external parties.

133. Accounting estimates refer to the approximation of monetary amounts for certain items in the financial statements when precise measurement is not possible. Examples include estimates of the useful lives of fixed assets, impairment losses, accrued revenues, deferred taxes, construction contract provisions, warranty obligations, and fair value measurements.

134. When auditing accounting estimates, the auditor shall document the following:

- Document the type and characteristics of the estimate and the disclosures required under the applicable financial reporting framework.
- Document the auditor’s understanding and assessment of how management makes the estimate, including the methods, assumptions, and data used.
- Document the auditor’s verification of the mathematical accuracy and logical consistency of the computations supporting the estimate.
- Document the comparison between prior-period estimates and their actual outcomes.
- Where appropriate, document the auditor’s independent or neutral estimate prepared to compare with the management’s estimate.
- Document the auditor’s examination of subsequent events that provide audit evidence regarding the reasonableness of the estimates.
- Document the auditor’s overall assessment of the reasonableness of each accounting estimate, based on the auditor’s knowledge of the entity and its environment, industry practices, and consistency with other audit evidence obtained during the engagement.

Documentation Considerations for Inventory Observation

135. When inventory represents a material and significant item in the financial statements, the auditor shall plan and perform procedures to obtain sufficient and appropriate audit evidence regarding the existence and condition of the inventory. This shall include attending and supervising the physical inventory count, documenting the auditor’s observations, and obtaining and reviewing the inventory count records and related documentation prepared by the audited entity.

136. If the auditor is unable to attend the inventory count at the planned date due to unforeseen circumstances, the auditor shall:

- Plan to observe or perform the count at an alternative date;

Documentation Considerations for Litigation and Claims

- When necessary, plan and perform specific audit procedures to verify transactions occurring between the two dates, in order to ensure that the results of the alternative count remain valid.

137. When attendance at the inventory count is not practicable due to factors such as the nature, dispersion, or location of the inventory, the auditor shall:

- Document the reasons why attendance was not feasible;
- Document the alternative audit procedures performed to obtain sufficient and appropriate audit evidence regarding the existence and condition of the inventory;
- Assess whether such evidence is adequate to conclude that there is no limitation on the scope of the audit arising from the inability to attend the physical inventory count.

138. The audit team shall document the process of requesting that the management of the audited entity prepare a letter to the entity's legal counsel, to be sent through the auditor. In this letter, management requests the legal counsel to respond directly to the auditor, providing confirmation as to whether any litigation or claims exist, and, if so, outlining the legal status of such cases and the counsel's opinion on their potential implications for the entity.

139. When litigation or claims are identified—or when the auditor believes that such matters may exist—the auditor shall document direct communication with the entity's legal counsel to obtain the legal opinion.

140. The audit team may seek the assistance of an independent legal expert other than the entity's legal counsel. In such cases, the auditor shall document this.

Documentation Considerations for the Use of a Service Organization by the Audited Entity

141. The audit team shall document its assessment of how the audited entity's use of a service organization affects the entity's internal control system. This documentation should support the auditor's process in identifying and assessing the risks of material misstatement, designing and performing additional audit procedures as necessary, and determining the significance of the service organization's activities in relation to the audit and the auditor's understanding of the entity and its environment.

142. If the auditor concludes that the service organization's activities are significant to the audited entity and relevant to the audit, the auditor shall document the plan for obtaining an adequate understanding of the service organization and its environment, including its internal controls. This documentation should demonstrate how the auditor intends to identify and assess the risks of material misstatement and to design further audit procedures responsive to the assessed risks.

143. When the auditor intends to use the report of the service organization's auditor, the auditor shall document inquiries and

Documentation Considerations for the Audit of Related Parties

considerations related to the competence and professional qualifications of that auditor.

144. The auditor shall document the audit procedures performed to obtain sufficient and appropriate audit evidence regarding whether management has properly identified related parties, disclosed them appropriately, and accounted for material transactions with such parties in the financial statements.

145. The auditor shall document the examination of information obtained from those charged with governance and management concerning the identification of all known related parties, including the following elements:

- Review of prior-year working papers for the names of known related parties.
- Examination of the entity's procedures for identifying related parties.
- Inquiry into relationships between those charged with governance, key management personnel, and other entities.
- Review of shareholders' registers to identify major shareholders or obtain a current list of principal shareholders, where applicable.
- Review of minutes of general meetings, board meetings, and governance committees, as well as other relevant legal records.
- Inquiry with current or former auditors involved in the engagement regarding their knowledge of other potential related parties.
- Examination of the entity's tax returns and other information submitted to regulatory authorities.

146. The auditor shall obtain and document a written representation from management confirming the following:

- That the information provided concerning the identification of related parties is complete and accurate.
- That the disclosures regarding related parties in the financial statements are proper and comply with the applicable reporting framework.

147. The auditor shall document the study and evaluation of the internal audit function and its potential effect on the nature, timing, and extent of audit procedures.

Documentation Considerations for Using the Work of Internal Auditors

148. The auditor shall document an understanding of the internal audit activities to determine and assess the risks of material misstatement in the financial statements and to design and perform further audit procedures.

149. When the internal audit function's work relates to areas that are significant to the external auditor's risk assessment, the auditor shall document the evaluation of the internal audit's specific assignments and their relevance to the external audit.

Documentation of the Use of an Expert

150. When using the work of an expert, the auditor shall document the evidence obtained to conclude that such work is adequate and appropriate for audit purposes.

151. The auditor shall document the assessing of the expert's qualifications.

152. The auditor shall document evidence supporting that the scope and objectives of the expert's work are appropriate to achieve the audit's purposes.

153. Where the auditor's opinion is influenced or modified based on the expert's findings, the auditor shall document the evaluation of the appropriateness and sufficiency of the expert's work as audit evidence supporting that conclusion.

Documentation of Communication with those Charged with Governance

154. The auditor shall document the communication to those charged with governance of the audit findings and conclusions resulting from the audit of the financial statements.

155. The auditor shall document the identification of the appropriate individuals or bodies within the audited entity who are responsible for governance and to whom the audit results are to be communicated.

156. The auditor shall document the communication to those charged with governance of all uncorrected misstatements identified during the audit which management deemed immaterial, whether individually or in the aggregate, and their potential effect on the financial statements as a whole.

157. The auditor shall document the periodic communication of significant audit findings and issues arising during the audit of the financial statements, ensuring that those charged with governance receive timely information to enable them to take appropriate and responsive actions.

Documentation Considerations for Auditing Comparative Information and Corresponding Figures

158. Comparative information comprises amounts and disclosures included in the financial statements for one or more prior periods. Corresponding figures refer to comparative information where the prior period's amounts and disclosures are presented as an integral part of the current period's financial statements and are intended to be read only in relation to the current period's figures and disclosures.

159. The auditor shall document whether the financial statements include comparative information as required by the applicable financial reporting framework, and whether such information is appropriately presented. This includes:

- Documenting agreement of the comparative information with the amounts and disclosures presented in the prior period's financial statements.
- Documenting the reflection and consistency of accounting policies in the comparative information with those applied in the current period, or, where accounting policies have changed, documenting whether such changes have been properly accounted for, presented, and disclosed.
- Documenting the treatment of subsequent events that occurred in the current period and whether adjustments were made to the prior period's financial statements, and verifying that the comparative information agrees with the restated financial statements, where applicable.

160. When comparative financial statements or corresponding figures are presented, the auditor shall document the audit opinion for each period

for which financial statements are presented, including reference to the prior auditor's report and opinion, where relevant.

161. The auditor shall document written representations obtained from management for all periods referred to in the auditor's report to reaffirm that the prior written representations remain appropriate. For corresponding figures, written representations relate only to the current period's financial statements, as the auditor's opinion pertains solely to those statements that include the corresponding figures. However, the auditor shall obtain specific written representations regarding any restatement made to correct a material misstatement in the prior period's financial statements that affects the comparative information.

162. When the prior period's financial statements were audited by another auditor, the auditor shall document that the comparative financial statements were not audited by the current auditor, and include reference to the type of opinion expressed by the predecessor auditor, the reasons for any modified opinion, and the date of the predecessor auditor's report. Nevertheless, this does not relieve the current auditor from obtaining sufficient appropriate audit evidence that the opening balances are free from material misstatement that could affect the current period's financial statements.

163. If the prior period's financial statements were previously reported on with an unmodified opinion, and the auditor becomes aware of a material misstatement affecting those financial statements, the auditor shall document the communication of this matter to the appropriate level of management and to those charged with governance, unless all are involved in managing the entity. The auditor shall also request that the predecessor auditor be informed. If the prior period's financial statements are amended and the predecessor auditor agrees to issue a new report on the restated statements, the auditor shall report only on the current period. The auditor shall request management to amend the comparative figures accordingly; if management refuses, the auditor shall modify the current report appropriately to reflect the circumstances.

Documentation of
the Audit of Other
Information
Accompanying the
Audited Financial
Statements

164. Other information refers to financial or non-financial information (other than the financial statements and the auditor's report thereon) included in the entity's annual report. The annual report may consist of a single document or a combination of several documents that serve the same purpose.

165. The identification of the documents that constitute a source of other information—such as the annual report—is usually established through laws, regulations, or customary practices. In many cases, management or those charged with governance issue a set of documents that collectively form the annual report. However, in certain situations, it may not be clear which documents comprise or are included in the annual report. In such circumstances, the auditor's documentation should consider the timing

and purpose of the documents, the intended users, and any other relevant factors in determining which documents constitute or form part of the annual report.

166. When the annual report is translated into other languages pursuant to legal or regulatory requirements, or when multiple “annual reports” are prepared under different jurisdictions for entities listed in more than one country, the auditor may need to determine whether one or more of these reports form part of the other information. Local laws or regulations may provide additional guidance in this regard.

167. Preliminary announcements of financial results or prospectuses for securities offerings, including issuance circulars, do not constitute other information.

168. The auditor should document communication with management or those charged with governance regarding:

- The auditor’s expectations concerning the timely receipt of the final version of the annual report before the date of the auditor’s report, in order to complete the required procedures; or, if not possible, as soon as practicable and in any case before the entity issues such information.
- The potential implications if the other information is obtained after the date of the auditor’s report.

169. When other information is made available to users solely through the entity’s website, the version of the other information obtained directly from the entity—not from its website—is the relevant document for which the auditor performs the necessary procedures. The auditor is not responsible for searching for other information on the entity’s website, nor for performing procedures to determine whether the information is appropriately presented or electronically displayed there.

170. The audit of other information does not constitute an assurance engagement on that information, unless specifically required by law or regulation. Nevertheless, the auditor must read and consider the other information, since material inconsistencies between the other information and either the financial statements or the auditor’s knowledge obtained during the audit may indicate a material misstatement in the financial statements or in the other information itself. Either case could undermine the credibility of the financial statements and the auditor’s report, and potentially mislead users in their economic decision-making.

171. The auditor’s consideration of other information also assists in complying with the ethical and professional requirements that prohibit association with information the auditor believes to contain materially false or misleading statements, information prepared with gross

negligence, or omissions or concealments that render the information misleading.

172. The auditor shall document and perform the following:

1. Determine, through discussions with management, which documents constitute the annual report, and the planned form and timing of their issuance.
2. Establish appropriate arrangements with management to obtain the final version of those documents in a timely manner, preferably before the date of the auditor's report.
3. When some or all of the identified documents are not available even after the auditor's report date, request from management a written representation confirming that the final versions will be provided once available and before issuance by the entity, so the auditor can complete the necessary procedures.

173. The auditor shall document any significant inconsistencies identified between the other information and the audited financial statements.

174. When a significant inconsistency is identified, the auditor shall document whether the financial statements require amendment or whether the accompanying other information should be corrected.

175. If the auditor becomes aware, before the date of the auditor's report, of a material misstatement of fact in the accompanying other information, the auditor shall document discussions with management and those charged with governance. If the information is not corrected, the auditor shall consider the implications for the auditor's report and communicate with those charged with governance how the audit will address the uncorrected material misstatement.

176. If the auditor concludes that a material misstatement exists in the other information obtained after the auditor's report date, the auditor shall:

- Perform necessary procedures, depending on the circumstances, if the information is corrected; and
- Take appropriate action if the information is not corrected after informing those charged with governance—considering legal rights and obligations—and seek to draw the attention of intended users to the uncorrected material misstatement, as appropriate.

177. The auditor's report shall include a separate section—within "Key Audit Matters" or "Other Audit Matters," as appropriate—entitled "*Other Information*." This section shall state that management is responsible for the other information, identify the other information obtained before the date of the auditor's report, and the other information expected to be obtained thereafter, clarify that the auditor's opinion does not cover the other information and that the auditor does not express any

form of assurance conclusion thereon, describe the auditor's responsibilities for reading and considering the other information and reporting thereon.

178. When required by law or regulation to refer to the other information in a specific format or wording, the auditor's report shall include such reference, identify the other information obtained before the date of the auditor's report, describe the auditor's responsibilities with respect to the other information in accordance with the relevant legal or regulatory framework, and provide a statement describing the outcome of the auditor's work in this regard.

4- Documenting procedures for correcting misstatements identified during the audit

179. The documentation of procedures for correcting identified misstatements shall include the following steps:

[1] Aggregating all misstatements identified during the audit.

[2] Considering whether it is necessary to revise the overall audit strategy and audit plan if:

- The nature of the identified misstatements and the circumstances in which they occurred indicate the possible existence of other misstatements that, when aggregated with the misstatements accumulated during the audit, could be material; or
- The aggregate of misstatements accumulated during the audit approaches the determined materiality level.

[3] Performing additional audit procedures if management has corrected misstatements identified by the auditor, to determine whether any misstatements remain uncorrected. In this case, the auditor shall document :

- The circumstances encountered;
- The new or additional audit procedures performed, the audit evidence obtained, and the conclusions reached;
- When and by whom the correction was made, and—if applicable—who audited the correction.

[4] Communicating all misstatements accumulated during the audit to the appropriate level of management on a timely basis, and requesting management to correct those misstatements.

[5] If management refuses to correct some or all of the misstatements communicated by the auditor, the auditor shall document this refusal and the reasons provided.

[6] Documenting the auditor's correction of the effect of uncorrected misstatements, including reassessing materiality to confirm whether it remains appropriate in the context of the entity's actual financial results.

[7] Documenting the materiality of uncorrected misstatements, considering:

- The size and nature of the misstatements in relation to specific classes of transactions, account balances, or disclosures, and in relation to the financial statements as a whole;
- The effect of uncorrected misstatements related to prior periods on the current classes of transactions, account balances, disclosures, and the financial statements.

[8] Documenting the communication to those charged with governance regarding uncorrected misstatements—whether related to the current or prior periods—their potential effect on the auditor's opinion, and the auditor's request that they be corrected.

[9] Documenting the request for a written representation from management and those charged with governance regarding the materiality of uncorrected misstatements, accompanied by a summary of the items included therein.

5- Documentation of Overall and Specific Responses (at the Financial Statement and Assertion Levels)

180. The auditor shall document the overall responses adopted to address the assessed risks of material misstatement at the financial statement level, as well as the nature, timing, and extent of further audit procedures performed. The documentation shall also demonstrate the relationship between those procedures and the assessed risks at the assertion level, and include the results of the audit procedures performed—together with conclusions where such results are not clear.

181. When the auditor plans to rely on audit evidence obtained from prior audits regarding the operating effectiveness of control elements, the auditor shall document the conclusions reached

concerning the continued reliance on those controls tested in previous audits.

182. The auditor's documentation shall demonstrate that the information contained in the financial statements is consistent or reconciles with the underlying accounting records on which they are based, including disclosures—whether that information was obtained from the general ledger, subsidiary ledgers, or external sources.

The form, content, and extent of audit documentation are matters of professional judgment and are influenced by the nature, size, and complexity of the entity and its internal control system, the availability of information from the entity, and the audit methodology and technology employed in conducting the audit.

6- Documenting the analytical procedures in the comprehensive examination at the end of the audit work:

183. The auditor shall document the analytical procedures performed at or near the end of the audit when forming an overall conclusion as to whether the financial statements as a whole are consistent with the auditor's understanding of the entity. The documentation shall include the following:

- The analytical procedures that were performed;
- The results of those analytical procedures;
- The effect of the analytical procedures on the auditor's overall conclusion, including whether additional audit evidence was required;
- Any further audit procedures performed subsequent to the analytical procedures; and
- The final conclusions reached.

7- Documenting deviations from basic principles or necessary procedures:

184. In exceptional cases where the auditor deems it necessary to deviate from a fundamental principle or necessary procedure, he must document the reasons for non-compliance and document the alternative procedures that were implemented and how they contributed to achieving the audit objective.

8- Documenting quality control on audits:

185. The auditor shall document quality control measures throughout all stages of the audit, particularly in relation to supervision and review activities, as outlined below:

Supervision

- The engagement partner shall document responsibility for directing, supervising, and performing the audit engagement in accordance with professional standards and applicable legal and regulatory requirements, and for ensuring that the auditor's report issued is appropriate in the circumstances.
- Documented supervisory activities shall include, but are not limited to:
 - Follow-up the progress of the audit;
 - Considering the individual capabilities and competencies of engagement team members, ensuring that sufficient time is available to complete assigned work, and that instructions are clearly understood and properly implemented;
 - Addressing significant matters arising during the engagement, assessing their importance, and appropriately modifying the audit plan when necessary;
 - Identifying matters requiring consultation or consideration by more experienced team members.

The responsibilities for review shall be documented based on the principle that more experienced team members review the work performed by less experienced members. This includes assessing whether:

- The work has been performed in accordance with professional standards and applicable legal and regulatory requirements;
- Significant matters requiring further consideration have arisen;
- Appropriate consultations have taken place, with conclusions properly documented and implemented;
- The nature, timing, and extent of work performed require reconsideration;
- The work performed supports the conclusions reached and is appropriately documented;
- Sufficient and appropriate audit evidence has been obtained to support the auditor's report;
- The objectives of the audit procedures have been achieved.

186. Through the review of audit documentation and discussions with the team at or before the date of the auditor's report, the engagement partner shall be satisfied that sufficient and

appropriate audit evidence has been obtained to support the conclusions reached and the opinion to be expressed in the auditor's report.

Consultation

187. The auditor shall document consultations undertaken during the audit process, particularly with regard to:

- Appropriate consultation procedures for complex or contentious matters;
- The responsiveness of engagement team members to appropriate consultation, whether within the team or with other suitably qualified individuals inside or outside the SAI;
- Implementation of conclusions arising from consultations;
- Adequacy of documentation regarding the nature and scope of such consultations, including the conclusions reached and the agreements made with the consulted parties, as well as their implementation.

Documentation of consultation on difficult or contentious matters shall be sufficiently complete and detailed to enable an understanding of:

- The subject matter of the consultation;
- The results of the consultation, including decisions made, the rationale for those decisions, and how they were implemented.

Pre-Issuance Review

188. For audits of financial statements of listed entities, the engagement partner shall document the following matters:

- The appointment of the engagement quality control reviewer;
- Discussions of significant matters arising during the audit, including those identified during the engagement quality control review, with the reviewer;
- Evaluation of the objective review of significant professional judgments made by the engagement team and the conclusions reached in formulating the auditor's report. Documentation shall include:
 - Discussion of significant matters with the engagement partner;
 - Review of the financial statements and the proposed auditor's report;

- Review of selected audit documentation relating to significant judgments made by the audit team and the resulting conclusions.

Section 4: Documenting the reporting and follow-up phase

1- Documenting the reporting stage:

189. The auditor shall document his or her opinion in a written audit report, which must include the following key elements:

1. Title
2. Addressee
3. Auditor's Opinion
4. Basis for Opinion
5. Management's and Those Charged with Governance's Responsibilities for the Financial Statements
6. Auditor's Responsibilities for the Audit of the Financial Statements
7. Description of the Nature of the Auditor's Responsibilities
8. Other Reporting Responsibilities
9. Going Concern
10. Emphasis of Matter Paragraphs
11. Key Audit Matters
12. Other Matters Paragraphs
13. Name of the Engagement Partner
14. Auditor's Signature
15. Auditor's Address
16. Date of the Report

190. Considerations for Documenting Each Component of the Auditor's Report:

- **Title:** The title shall clearly indicate that it is the *Independent Auditor's Report* in order to distinguish it from reports issued by others, such as management, the board of directors, or other auditors who are not required to comply with the same ethical and professional requirements as an independent auditor.
- **Addressee:** The report is generally addressed to the shareholders or those charged with governance of the

entity whose financial statements have been audited, in the case of reasonable or limited assurance engagements over general-purpose financial statements. The applicable law, regulation, or the terms of the engagement may specify to whom the report is addressed. For special purpose engagements, the addressee is determined solely by the terms of the engagement.

- **Auditor’s Opinion (Introductory Paragraph):** The opening paragraph of the auditor’s report shall identify the entity whose financial statements have been audited and the specific financial statements that were subject to audit. It shall also include:

(a) Identification of each statement that comprises the complete set of financial statements;

(b) Reference to the summary of significant accounting policies and other explanatory notes;

(c) Identification of the date or period covered by the financial statements;

(d) Reference to the applicable financial reporting framework—whether a general-purpose or special-purpose framework. For special-purpose frameworks, the auditor shall describe the purpose for which the financial statements were prepared, to inform users of the context in which the auditor’s opinion is expressed, without limiting the auditor’s assessment. When the financial statements are prepared under two reporting frameworks, the auditor shall form a separate opinion on each framework and refer to both in the opinion paragraph.

(e) When the audited financial statements are included within a document containing other information—such as an annual report—the auditor may also indicate the page numbers on which the audited financial statements appear, to assist users in identifying the statements to which the auditor’s opinion relates.

(f) The auditor’s conclusion regarding the financial statements.

Types of Auditor’s Opinions

The auditor’s opinion on the financial statements may take one of four forms:

- **Unmodified (Clean) Opinion**
- **Qualified Opinion**
- **Adverse Opinion**
- **Disclaimer of Opinion**

These types of opinions are illustrated in *Figure 3: Types of Auditor’s Opinions* below.

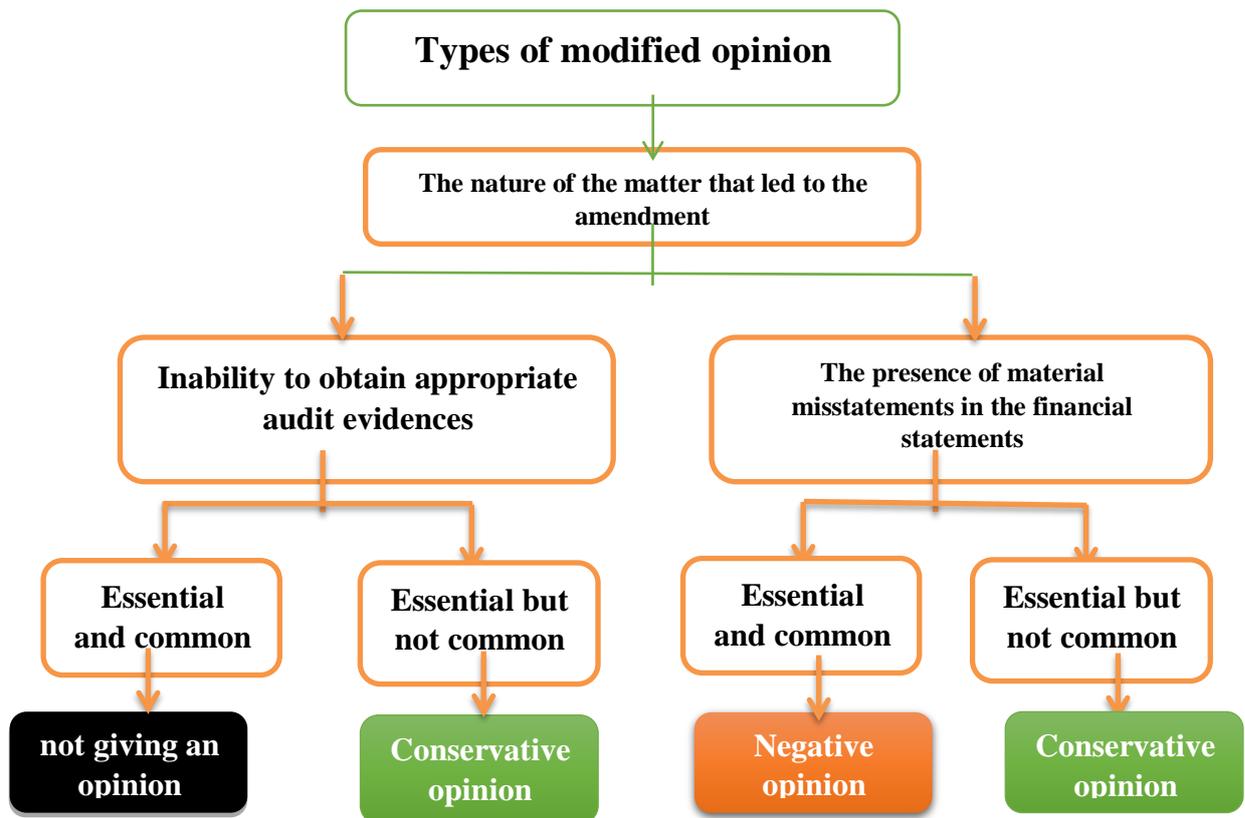


Figure 3: the types of opinions in the auditor's report

191. It is noteworthy that the term *pervasive* in this context is used to describe the effects of misstatements on the financial statements, or the possible effects of misstatements—if any—that have not been detected due to the inability to obtain sufficient appropriate audit evidence. Pervasive effects on the financial statements are those that, in the auditor's judgment:

- (a) Are not confined to specific elements, accounts, or items of the financial statements; or
- (b) If confined, represent or could represent a substantial portion of the financial statements; or
- (c) In relation to disclosures, are fundamental to users' understanding of the financial statements.

Accordingly, a misstatement is considered *material but not pervasive* if it does not exceed the established materiality threshold and is significant only in relation to the specific item or statement concerned.

The determination of which type of modified opinion is appropriate depends on two factors:

- The nature of the matter giving rise to the modification that is, whether the financial statements are materially misstated, or whether, in cases where sufficient appropriate audit evidence could not be obtained, they may be materially misstated; and
- The auditor's judgment regarding the pervasiveness of the effects or the possible effects of the matter on the financial statements.

Circumstances Leading to the Issuance of an Unmodified (Clean) Opinion

The auditor issues a **clean (unmodified) opinion** when he concludes that the financial statements present fairly, in all material respects, in accordance with the applicable financial reporting framework. Accordingly, the *Opinion* paragraph in the auditor's report should explicitly state this conclusion (Annexes No. 1, 2, 3, and 4 provide examples of unmodified reports).

When issuing an unmodified opinion, the auditor shall not refer to the work of any expert in the audit report.

Circumstances Leading to the Issuance of a Qualified Opinion

The auditor issues a **qualified opinion** when:

- After obtaining sufficient appropriate audit evidence, the auditor concludes that the misstatements, individually or in the aggregate, are material but not pervasive to the financial statements; or
- The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but concludes that the possible effects of undetected misstatements on the financial statements—if any—could be material but not pervasive.

The term *pervasive effect on the financial statements* refers to situations which, in the auditor's judgment, meet one or more of the following conditions:

- (a) The effects are not confined to specific elements, accounts, or items of the financial statements;
- (b) If confined, they represent or could represent a substantial portion of the financial statements; or

- (c) In relation to disclosures, they are fundamental to users' understanding of the financial statements.

In such circumstances, the auditor shall communicate to the entity's management the observations identified in the financial statements as a result of the audit work performed, requesting that necessary corrections be made, taking into account the nature of the misstatements.

If management agrees to make the corrections, the auditor performs additional audit procedures to confirm that, after adjustment, the financial statements are free from material misstatements. However, if new misstatements arise that maintain uncertainty regarding the value of the affected items, the auditor shall discuss the matter with those charged with governance and express a qualified opinion in respect of those items, clearly specifying the reasons for the qualification.

The *Opinion* paragraph should then state that, except for the possible effects of the matters described in the Basis for Qualified Opinion section, the financial statements present fairly, in all material respects, in accordance with the applicable financial reporting framework (Annexes No. 5 and 7 provide examples of qualified reports).

Circumstances Leading to the Issuance of an Adverse Opinion

The auditor shall express an **adverse opinion** on the financial statements when, based on the audit evidence obtained, he concludes that the misstatements, individually or in the aggregate, are material and pervasive to the financial statements (Annex No. 6 provides examples of audit reports containing an adverse opinion).

Disclaimer of Opinion

The auditor shall **disclaim an opinion** when he is unable to obtain sufficient appropriate audit evidence on which to base an opinion, and concludes that the possible effects of undetected misstatements on the financial statements could be both material and pervasive (Annexes No. 8 and 9 provide examples of audit reports containing a disclaimer of opinion).

When there is a limitation on the scope of the auditor's work that leads to either a qualified opinion or a disclaimer of opinion, the auditor's report shall describe the nature of such limitation and indicate the possible adjustments that might have been necessary had the limitation not existed.

Basis for Opinion

The heading “*Basis for Opinion*” may be expanded to include the words “*Qualified*” or “*Adverse*” as appropriate, in accordance with the provisions of **ISSAI 2705**.

This section of the auditor’s report shall state **the** auditing standards that have been applied in conducting the audit. It shall also explain that those standards require the auditor to comply with ethical requirements, and to plan and perform the audit to obtain a reasonable level of assurance that the financial statements are free from material misstatement—in the case of a full-scope audit of general purpose financial statements—or a limited level of assurance in the case of a limited review of interim financial statements, or the agreed level of assurance in the case of a special-purpose engagement.

If the auditor’s opinion is **modified** (qualified, adverse, or disclaimer) due to the inability to obtain sufficient appropriate audit evidence, the reasons for such limitation shall be presented in the *Basis for Opinion* section. Furthermore, the statement that “the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor’s opinion” shall be amended to reflect the auditor’s conclusion by adding the term “*qualified*” or “*adverse,*” as applicable.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for:

- The preparation of the financial statements in accordance with the applicable financial reporting framework;
- The internal control that management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- Assessing the entity’s ability to continue as a going concern, determining the appropriateness of using the going concern basis of accounting, and making the related disclosures, as applicable.

The responsibilities of those charged with governance of the audited entity shall also be described, including their oversight role with respect to the entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The report shall state that the auditor's objective is to obtain reasonable or limited assurance (as applicable) about whether the financial statements as a whole are free from material misstatement.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists.

Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The report shall include a description of materiality consistent with the applicable financial reporting framework.

Nature of the Auditor's Responsibilities

The auditor shall exercise **professional judgment** and maintain professional skepticism throughout the audit in accordance with auditing standards. The description of the audit process shall indicate that the auditor:

- Identifies and assesses the risks of material misstatement in the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains sufficient and appropriate audit evidence to provide a basis for the audit opinion;
- Obtains an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. When the auditor is also required to express an opinion on the effectiveness of internal control concurrently with the audit of the financial statements, the statement that "the auditor's consideration of internal control was not for the purpose of expressing an opinion on its effectiveness" shall be omitted;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the entity's ability to continue as a going concern. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;

- Evaluates the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

When auditing consolidated financial statements, the report shall additionally clarify that:

- The auditor is responsible for obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements;
- The auditor is responsible for the direction, supervision, and performance of the group audit, and remains solely responsible for the audit opinion.
- The auditor shall refer to having communicated with those charged with governance regarding, among other matters: The planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit;
- Compliance with relevant ethical requirements regarding independence, and communication of all relationships and other matters that may reasonably be thought to bear on the auditor's independence, including the related safeguards applied;
- Matters that were of the utmost significance in the audit of the current period's financial statements, in the case of audits of listed entities or other entities as required, which have been determined as key audit matters in accordance with ISSAI 2701—unless disclosure of such matters is precluded by law or regulation, or the auditor determines that public disclosure would have adverse consequences outweighing the public interest benefits of such communication.

The auditor's responsibilities for the audit of the financial statements shall be described within the body of the report or, where permitted by law or regulation, by reference to an appendix or a relevant website of an appropriate authority,

provided the report clearly indicates where such a description can be found.

When the auditor issues a disclaimer of opinion, the report shall include the statement: “Because of the matters described in the Basis for Disclaimer of Opinion section, the auditor was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.”

Reporting on Other Legal and Regulatory Requirements

A separate section shall be included in the auditor’s report addressing other reporting responsibilities that are in addition to the auditor’s responsibilities under the auditing standards.

Going Concern

In accordance **with** ISSAI 1570 – Going Concern (April 2018), the auditor shall determine whether sufficient and appropriate audit evidence has been obtained regarding the appropriateness of management’s use of the going concern assumption in preparing the financial statements. If a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern, the auditor shall include in the report a description of the factors giving rise to such uncertainty and indicate that inquiries were made of management regarding:

- Management’s assessment of the entity’s ability to continue as a going concern, and
- Management’s plans to address any conditions or events that may pose a threat to the entity’s continued operation, together with the auditor’s view on the adequacy of those plans.

Emphasis of Matter Paragraph

Such paragraphs shall begin with the phrase “*Without qualifying our opinion*” and shall refer to a matter that is appropriately presented or disclosed in the financial statements and, in the auditor’s judgment, is of such importance that it is fundamental to users’ understanding of the financial statements.

This paragraph shall not include matters that would require modification of the auditor’s opinion on the financial statements, nor shall it serve as a substitute for a modified opinion or for disclosures required in the financial statements. It shall also not include matters that have been communicated

with those charged with governance and are reported as Key Audit Matters.

The paragraph may be placed before or after the section on Key Audit Matters, in accordance with the provisions of **ISSAI 2706**.

An Emphasis of Matter paragraph is required in the following situations:

- When the financial reporting framework prescribed by law or regulation is not acceptable, but the use of such framework is required by law or regulation.
- To draw users' attention to the fact that the financial statements have been prepared in accordance with a special purpose framework.
- When facts become known to the auditor after the date of the auditor's report and a new or amended report is issued (subsequent events).

The auditor may also consider including an Emphasis of Matter paragraph in certain cases where it is not required, such as:

- Uncertainty concerning the outcome of exceptional legal or regulatory proceedings.
- A significant subsequent event occurring between the date of the financial statements and the date of the auditor's report.
- Early application (when permitted) of a new accounting standard that has a material impact on the financial statements.
- A major catastrophe that has had, or continues to have, a significant effect on the entity's financial position.

Key Audit Matters

This section shall be included in the auditor's report on a complete set of general purpose financial statements of audited entities listed on a stock exchange, or when required by law or regulation. However, this section shall not be included when the auditor expresses a disclaimer of opinion, unless such inclusion is mandated by law or regulation.

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the current period financial statements. These matters are selected from those communicated with those charged with governance and are identified based on their relative

significance, the nature and level of risk associated with them, and their potential impact on users' decisions.

Key audit matters typically include:

- Items assessed as having a higher risk of material misstatement;
- Areas of the financial statements involving a significant degree of uncertainty and requiring important management judgments, such as accounting estimates; and
- The effect of significant events or transactions on the financial statements.

Each key audit matter shall be presented under a separate subheading, and for each matter, the auditor shall include:

- The reason why the auditor considered the matter to be of most significance in the audit; and
- How the matter was addressed in the audit.
- The auditor shall communicate with those charged with governance regarding the matters determined to be key audit matters, or confirm that no such matters exist for the current audit period.
- The inclusion of a Key Audit Matters section does not substitute for disclosures required in the financial statements, nor does it imply that the financial statements are more reliable as a result.
- Unless required by law or regulation, the auditor shall not include a Key Audit Matters section in the report when a disclaimer of opinion is expressed.

Other Matters Paragraph

The Other Matters paragraph may include issues that:

- Relate to audit planning and scope, when reporting on such matters is required by law or regulation, or when the auditor judges it necessary to communicate them although they were not discussed with those charged with governance or included as Key Audit Matters;
- Concern the auditor's inability to withdraw from the engagement due to a limitation imposed by management on the scope of the audit, explaining the potential effects of the inability to obtain sufficient appropriate audit evidence and the reasons for not being able to withdraw;
- Are required or permitted by law, regulation, or generally accepted practice to be included to provide additional context regarding the auditor's

responsibilities in relation to the audit or the auditor's report itself.

- When the Other Matters section includes more than one subject relevant to users' understanding of the audit, the auditor's responsibilities, or the report, subheadings may be used for clarity.
- Where applicable, the auditor's report shall also include a statement indicating that another set of financial statements has been prepared by the same entity under a different general-purpose framework (for example, one under national standards and another under international standards).

If both frameworks are considered acceptable and the auditor has been engaged to audit both sets of financial statements, the report shall make reference to the auditor's separate report on the other financial statements.

Name of the Engagement Partner

The name of the auditor responsible for conducting the audit of the audited entity shall be included in the report. In some cases, the name of the head of the department or division under whose supervision the audited entity falls may also be required, in accordance with the applicable laws and regulations of the Supreme Audit Institution (SAI). However, if disclosure of such information would pose a threat to the safety or independence of the responsible individual, the auditor shall notify those charged with governance accordingly.

Auditor's Signature

The auditor's signature may include both the engagement partner responsible for the audit of the entity's financial statements and the approval of the head of the department or unit concerned, as determined by the SAI's internal regulations and applicable legal framework.

Auditor's Address

The auditor's address is normally that of the SAI or the address of the competent audit department, as prescribed by the SAI's internal rules and regulations.

Date of the Auditor's Report

The auditor's report shall be dated no earlier than the date on which the auditor has obtained sufficient and appropriate audit evidence to support the opinion expressed on the financial statements.

This date shall also be subsequent to the completion of the entity management's preparation of the final financial statements and related disclosures, and the acknowledgment by those with recognized authority of their responsibility for those statements.

2- Documentation of Follow-up

192. Effective mechanisms for documenting the follow-up of recommendations issued by SAIs shall be established and maintained. These mechanisms include the following:

- Documenting the submission of SAI reports to the legislature, one of its committees, or to the board of directors of the audited entity, as appropriate, for presentation and follow-up on specific recommendations to ensure the implementation of corrective actions.
- Documenting the SAI's internal follow-up procedures designed to verify that audited entities have appropriately addressed the audit observations and recommendations, in addition to those made by the legislature or its committees, or by the boards of directors of the audited entities.
- Ensuring that the SAI submits its follow-up reports to the legislature, one of its committees, or to the board of directors of the audited entity, as appropriate, for their consideration and action, even in cases where the SAI possesses its own statutory authority to conduct follow-up and impose sanctions.
- Documenting the adoption by the SAI of objective and transparent standards, processes, and methodologies for follow-up, through the establishment of effective mechanisms that ensure audited entities properly address audit findings and recommendations, as well as those issued by the legislature. The SAI's follow-up procedures should allow audited entities to provide information on corrective measures taken or to justify the reasons for not taking such actions.

Chapter 3

Documenting procedures in Performance Audit

Introduction

1. International standard definition ISAAI 300 In Item No. (9) performance control is: "phrase on to examine Independent and objective Trusted To him Why then? She was Government pledges, or Its systems, or Its operations, or Its programs, or its

activities, or Its institutions It works According to principles Economy Efficiency and effectiveness gesticulate if it was areas for improvement".

2. Performance audit also seeks to:¹
 - presentation Visions Analytical New (analysis Wider or Deeper or Destinations consideration New);
 - Empowerment Owners interest the different ones from examining on Information Current In the picture better;
 - presentation opinion or conclusion independent Official Based on to Evidence censorship;
 - presentation Recommendations Based on to analysis results Censorship.
3. This chapter aims to achieve the following goals:
 - Organizing and standardizing work documentation procedures among various performance audit teams and ensuring that the methods adopted between them are implemented in a consistent and homogeneous manner.;
 - To provide a practical training tool for auditors, whether new to the audit field or experienced in other audit fields or in the field of performance auditing, on how to collect and maintain audit documentation in the process of documenting performance audit procedures.;
 - Facilitating the management and monitoring of the stages of implementing audit assignments, by specifying the documents for all work procedures that must be followed at each stage of the audit, reducing potential audit risks when implementing assignments, and ensuring that the control documents collected for all types of control provide evidence on which the auditor can rely to reach a conclusion about achieving the overall objective of the audit assignment.;
 - Helping to evaluate the professional performance of audit teams, considering the chapter as a model working methodology that can be adopted as a reference in evaluating the documentation methods used in carrying out tasks.;
 - Help on Establishing quality control standards at various stages of the audit mission through: Providing evidence

¹ ISSAI 300/10 Basic Principles of Performance Auditing.

that the audit mission was planned and implemented in accordance with the requirements of the Supreme Audit Institution and applicable legal and regulatory requirements.¹

4. As in other types of audit, the results of performance audits must be reliable, enabling users of audit reports to make appropriate decisions based on the findings, analyses, and recommendations presented by the auditor in their report. Documenting audit work is one of the most important elements supporting the methodology of the audit work performed and the results reached by the auditor. The process of documenting audit work is linked to all stages of the audit process. Therefore, it is essential for the auditor to provide audit documentation that supports the work performed and the results reached.
5. And It is essential for the auditor to attach importance to supporting all audit work with adequate documentation, as this is an essential part of quality control, as it guarantees that the audit work is carried out satisfactorily and achieves the audit objectives. In addition, adequate documentation of audit work can determine the form of good practice for similar audit operations in the future, as it reflects the degree of professional development of the Supreme Audit Institution and its auditors.
6. In addition to the importance of the audit documentation process for users of reports, documenting the audit process in a complete and detailed manner would allow any experienced auditor who does not have knowledge of the audit subject to have a clear understanding of the nature of the audit work carried out, its timing, scope, and results, and the audit evidence obtained to support the results, conclusions, and recommendations.².
7. It is essential for the auditor to realize that the procedures for documenting audit work in performance audit are not limited to one stage., rather, the importance of documentation extends to each stage of the control process according to the following form:

¹Central Concepts of Performance Control GUID 3910/100
2ISSAI 3000/87 Performance Control Standards



handout number 4: Documenting the stages of the performance audit process.

I. The previous stage of the control process

1. Strategic planning for performance audit operations:¹

8. It falls under planning performance audit missions according to INTOSAI, within the framework of strategic planning that mainly includes: Important future trends to be followed in selecting performance audit assignments in the medium and long term.
9. In this context, the database of proposed audit topics related to these issues constitutes an important source and a basic link between strategic planning and annual planning in a way that makes the interests of Supreme Audit Institutions As the highest audit institution in the state In line with the strategic aspirations of the state, this is done through:
 - Providing a robust database for performance audit management to determine the strategic direction for future audit coverage.
 - Identifying and selecting audits likely to lead to improved accountability and management in the government sector.
 - Developing a written and approved audit strategy that is achievable given anticipated and available resources.
10. Within the framework of strategic planning for performance auditing, a written, approved, and periodic work plan must

¹Attachment No. (1) General methodology for performance control in the Supreme Audit Institution.

be prepared over a period of several years (three years), including the topics of performance audit assignments.

11. ISAAI 3000/89 emphasizes that the selection of performance audit topics must be based on research to identify risks and issues and, consequently, select the most appropriate auditable topics. This research process, upon which the medium- and long-term plan is based, must be documented in the audit team's permanent file.
12. The work plan is prepared by issuing a decision from the Supreme Audit Institution's senior management to form a multi-year work plan preparation team, specifying the distribution of roles among audit team members and the timeframe for completing the plan. The plan must be based on three pillars: audit assignments, capacity development, and communication with stakeholders.
13. Minutes of the work plan preparation team meetings must be approved to document the discussions and conclusions reached regarding the accomplishments of the previous work plan and the proposals for the future plan.
14. The task force responsible for preparing the work plan compiles and sorts the proposed regulatory tasks from various sources and studies the feasibility of implementing them according to the performance audit methodology, by collecting and storing documents electronically. The file folder consists of the following documents:
15.
 - Assignments from the senior management of the supreme auditing institution.
 - Annual financial audit reports from the supreme auditing body.
 - Regulatory sectors within the supreme auditing body.
 - Minutes of the legislative authority.
 - National development plan.
 - Media coverage regarding topics of interest to the supreme auditing institution.
 - Proposals from the relevant audit teams regarding performance control.
 - Topics issued by international organizations related to performance audit.

16. The process and mechanism of identifying and assessing risks is a fundamental element in selecting audit topics.¹Therefore, all records and assessment bases carried out by the team responsible for selecting audit topics must be recorded, documented and preserved.
17. The team is responsible for preparing the medium- and long-term plan are considered the most important source for documenting the reasons for selecting audit topics. They should also be a reference for documenting those high-risk topics that were not included in the plan due to their incompatibility with the mandates of the Supreme Audit Institution.
18. By official decision, a team is formed to prepare the annual operational plan, specifying the team's tasks and the timeframe for completing the plan.
19. The team responsible for preparing the annual plan compiles the audit tasks carried over from the previous annual plan and suggestions from management members, gathers all documents in the team's file, and selects tasks from the multi-year work plan.

2. Preparing a proposal for the annual performance audit plan:

20. The annual plan preparation team holds regular meetings that are documented with official meeting minutes, and keeps and collects documents in an electronic folder, which includes the following:
 - A schedule of the audit tasks intended to be implemented for the multi-year work plan, the previous annual plan, and proposals for various sources.
 - Objectives and examination axes for the audit tasks for each proposed supervisory task.
 - A distribution schedule for the audit tasks among work teams and identifying the leaders and members of the teams for the approved audit tasks.
 - A draft of the annual plan for the audit tasks including (at a minimum) the following:
 - o Name and number of the audit.
 - o Objectives and examination axes.

- o Expected return from the examination.
- o The entity being examined.
- o Type of examination.
- o Audit team members.
- o Source of the audit and the expected start date. The annual plan preparation team holds periodic meetings, which are documented in official meeting minutes. The documents are stored and collected in an electronic folder, which includes the following:

- Schedule of planned audit tasks for the multi-year work plan, previous annual plan, and proposals from various sources.
- Objectives and review axes for audit tasks for each proposed audit task.
- A schedule for distributing audit tasks to work teams and identifying team leaders and members for approved supervisory tasks.
- Draft annual plan for audit tasks including (at least) the following:
 - o audit name and number.
 - o Objectives and themes of the examination.
 - o Expected return from the examination.
 - o The entity being examined.
 - o Type of examination.
 - o Audit team members.
 - o expected start date.

21. It is essential that the final draft of the annual plan (the strategic plan) is documented. through its approval by senior management and through publishing that plan on the institution's website.

3. General guidelines

22. Regarding the contract letter and acceptance of the audit assignment, in the case of performance auditing in the public sector, the auditor does not have the option to refuse. And if the

audit assignment is not accepted, an official letter must be issued to assign the audit assignment, such that this letter includes the conditions of the audit assignment in terms of its objectives, scope, responsibilities of the auditor, the entity being audited, and other matters of interest to the parties dealing with the audit team and the beneficiaries of its report.

23. It is necessary to obtain a declaration from management acknowledging its responsibility regarding the comprehensiveness of financial or non-financial reports related to the auditing task, ensuring that they fairly present the entity's situation and that the reports relevant to the audit are free from material misstatements. Additionally, it is essential to obtain a written agreement enabling the auditor to access information and individuals within the entity, as well as any information requested in order to fulfill the assigned audit task.
24. The commitment of the team members responsible for the ethical requirements related to the activities before and during the performance audit process is confirmed. These are the same requirements that the auditor must adhere to throughout all stages of the audit process, which are regulated by the ISAAI 30 standard – Code of Ethics. This is achieved through a model specifically designed to declare compliance with the rules of professional ethics and adherence to the requirements of professional conduct.
25. When any threat arises that may compromise the ethical requirements mentioned in International Standard No. 3910, Section 14 – whether before or during the audit tasks, a written assessment model must exist, approved by the audit team members, their leader, and the supervisor of that team. This model should include a statement of the main risks that could affect the auditor's independence and the preventive measures that the team leader and supervisor will adopt to overcome these risks.
26. The head of the team responsible for the audit mission is required to officially and in writing disclose any deficiencies or shortcomings observed in the team's composition regarding professional competency and practical experience as outlined in the international standard ISSAI 3000:63,75. An official form shall be filled out in this regard, affirming the expertise and professional competencies of the team members, as the

homogeneity and integration of the team significantly impact the subsequent phases of the audit process, whether in the planning stage of audit or in executing the audit process, writing reports, and other stages

27. It is essential to initiate the auditing process by issuing an official formation of a working team led by a team leader with job titles and professional competence, working in harmony and understanding with each other, and preparing an official matrix that documents the requirements for teamwork among team members with the highest efficiency.
28. Furthermore, team members must submit a declaration according to the approved forms in their SAI regarding conflicts of interest before starting any of the stages of the performance audit process.

I. Audit planning process

1. Collecting information on the subject of the audit engagement and the audited entity

29. It is essential to initiate the audit process with the issuance of an official formation of a work team led by a team leader with specific job titles and professional competence, who operate in harmony and understanding with one another. An official matrix documenting the requirements for teamwork among team members at the highest level of efficiency should be established.
30. It is important for the audit team to agree on a method for organizing and managing audit documentation from the outset of the audit assignment and throughout the implementation phases to ensure that appropriate audit documentation is collected and retained in accordance with the policies and procedures of the Supreme Audit Institution.¹

¹Guide to the Implementation of the International Standards of Supreme Audit Institutions on Performance Auditing - October 2020 INTOSAI

31. The most important documents and working papers that must be kept and documented during the planning phase of the performance audit engagement are the following, for example, but not limited to:¹
- Index of information contained in the file.
 - A memorandum of all major decisions and communications documenting decisions, activities implemented, and internal and external communication during the planning phase of the audit mission.
 - Statement of independence of those charged with the audit.
 - The audit plan includes the scope, methodology, and plans for collecting audit evidence.
 - Document initial meetings with the entity to explain the audit mission and clarify its objectives and methodology.
 - Summaries or copies of important legal documents, agreements, and meeting minutes.
 - Information regarding the industrial and economic environment of the entity subject to audit, and the legal environment within which the entity operates.
 - Evidence about the planning process includes audit programs and any changes to them.
 - Evidence of the auditor's understanding of the accounting system and the internal control system.
 - Evidence about assessments of inherent risks, control risks, and any changes thereto.
 - Evidence about the auditor's opinion on internal audit work and the conclusions he reaches.
32. The process of collecting data, documents and papers is considered the most importance, within the initial survey process², This requires paying full attention to it, as it will provide many advantages, the most important of which is helping to understand the activity, providing sources for control standards, and being able to conduct some initial tests., These documents are divided into several types:
- **Legal documents:** It is considered one of the most important documents required due to their general and binding nature, such as the legislation regulating the sector or the activity of the entity subject to audit, the executive regulations, as well as the relevant ministerial decrees,

decisions, and circulars, the decisions of the boards of directors, in addition to the contracts and agreements concluded between the entity and its various clients.

- **Financial and accounting documents:** The approved financial reports related to revenues, expenses, cash flows, assets, liabilities, profits, losses and related accounting entries, as well as the reports issued by the entity's internal and external auditors, are considered a primary source for information, through the indications it provides about the important activity centers in the region and helps in identifying the essential issues and topics in its activity.
- **Regulatory documents:** This type of document includes everything related to the organizational structures of entities, including defining the responsibilities and job descriptions of their departments and employees, and how they are distributed across work centers, as well as work procedure manuals and manuals for using automated systems.
- **Documents related to planning activities:** Related to the strategic and annual objectives, plans, and programmes of the entity or activity subject to oversight, as well as future studies and feasibility studies of projects and programmes.
- **Documents related to the implementation and follow-up of activities:** Represents achievement reports, activity reports, follow-up and audit reports, minutes of meetings of the relevant committees, and anything that indicates the status of implementation of programs and plans related to the subject of the audit.
- **Documents related to activity evaluation:** Surveys to survey customer or beneficiary opinions, as well as studies to evaluate the impact of programs and projects, in addition to official statistical data that can be obtained in the field.
- **Other related documents:** The confidential nature of the assignment may require requesting special documents, reports or data that would: An Completing other documents that may highlight issues that require examination by auditors.

2. Conducting initial interviews with the officials concerned with the audit subject or the audited entity

33. When conducting preliminary interviews aimed at understanding the entity and its environment and the circumstances in which it operates, meeting minutes should be prepared to document these interviews and kept in the permanent file for the audit subject (the entity being audited).

3. Documenting the examination and evaluation of the internal control system

34. In the internal control system evaluation stage, the auditor must prepare a detailed report on the evaluation mechanism and its elements, and the results of that evaluation must be documented, preserved, and can be referred to as evidence when needed. The most important elements that must be in the report includes the following:
- Information systems for laws, accounting and financial reporting.
 - Understand control activities.
 - The nature of control tests.
 - The effectiveness of control activities.
 - Related control risks.
 - Directions and guidelines related to system testing.

4. Identify and assess risks

35. The risk register prepared and approved by the risk management department of the relevant authority for the audit task is one of the most important documents that should be retained by the audit team, as it is relied upon by the auditor to prepare the risk matrix in order to evaluate and prioritize audit topics according to their importance and level of risk.
36. If the risk identification process is fully based on the efforts of the audit team, it is also necessary to include in the documentation of the control process all documents that demonstrate the basis followed in the assessment, whether through workshops or brainstorming, SWOT analysis, Risk Verification Diagram (RVD), or through surveys.

- 
37. It is essential for the auditor to have an active anticipation of potential supervisory risks, along with a contingency plan to address and mitigate those risks, ensuring that documentation is in place on how these risks will be handled should they arise. (3000:52 ISSAI).
 38. It is essential to document the risk assessment process and identify high-priority risks, which are usually evaluated by measuring the impact of the event and the likelihood of its occurrence within a specific timeframe. Documentation in this case is done through an approved risk management matrix.

5. Effective communication with stakeholders

39. Effective communication with the relevant entity or entities concerned with the subject of the audit and stakeholders throughout the auditing process, including the planning stage of the audit process, should be documented with official correspondence or certified meeting minutes as much as possible (3000:55 ISSAI).
40. Notifying the concerned entity about the performance audit topic, its objective, standards, and questions should be clear and explicit, free from any ambiguity or omission of facts, to create a basis for exchanging views and avoiding misunderstandings, as well as to facilitate the oversight task (3000:57 ISSAI).

6. Fraud risks

41. The audit team is required to collect the documents and records related to the preliminary analyses conducted on all risks associated with the initial study of activities and processes most likely to be exposed to fraud risks, ensuring that this process includes documentation of the factors that influence those risks.

7. Expert support (ISAAI 3000:65)

42. The performance audit, with its three elements of economy, efficiency, and effectiveness, along with the variety of activities covered by the audit, requires the assistance of specialists from within or outside the supreme audit authority.²³⁵ An expert is defined as a person or institution that has sufficient skills, experience, and knowledge in a specific field of expertise, making their opinion a supporting and complementary reference to the professional opinion of the auditors.
43. The decision to seek assistance is primarily determined by the audit team that will carry out the task by submitting a documented request to the senior management of the supreme audit institution, requesting the assistance of a specialist expert in a field relevant to the audit task.

44. The expert must commit to providing all necessary declarations that document their compliance with the regulations established by the supreme audit institution and ensure that their work is objective, and their working methods align with the objectives and policies of the supreme audit institution.
45. All procedures for hiring an expert must be documented and included in the working papers. The report issued by the expert remains the property of the Supreme Audit Institution, and the audit teams remain responsible for issuing professional opinion.
46. All procedures for obtaining expert assistance must be documented and included in the working papers, and the report issued by the expert remains the exclusive property of the higher auditing body, while the audit teams remain responsible for issuing the professional opinion.

8. planning and the program Auditing

47. It is important for auditors to prepare a written audit plan.¹Each audit task has a role to guide the work and ensure that the audit task is properly designed. The form and content of the audit plan may differ depending on the audit task, as:
The audit team prepares a plan and program. Audit and document it According to the following:
 - Establishment Law of Supreme Audit Institution, And related laws.
48. Control guides and issued forms or approved by the Supreme Audit Institution and automated. A draft audit plan document is prepared, which includes the main directions for the audit and the processes necessary to guide the audit team, and should include the following:
 - The knowledge and basic information necessary to understand the subject of control and the entities being controlled.
 - The objective(s) of the control, questions, standards, scope, and the time period to be covered (audit mission planning matrix).
 - Results of the risk assessment.
 - Methods for collecting evidence and conducting control analysis.
 - Work implementation plan, including key

tasks, timelines, milestones, and resources (including team members and the extent of the need for external expertise) (ISSAI 3920:58).

49. The audit team prepares the audit plan and program to achieve the following purposes:
 - Documentation of audit procedures performed.
 - Specify the planned audit procedures in sufficient detail to serve as a guide for audit team members to ensure efficient and effective performance.
 - Assist in delegating, supervising, reviewing, and assigning responsibility for the supervisory work of team members.
 - Coordinate the implementation of planned audit procedures.
50. In addition to the importance of documenting the proposed design of the audit plan, it is necessary that the audit plan and program for the assignment be approved by the supervisor and senior management of the Supreme Audit Institution in accordance with the mandates granted in this regard. (ISSAI 3000:104).
51. The head of the auditing team must document all procedures for modifying the program and the procedures for presenting it again to management for approval. This documentation, in this case, includes all procedures for continuously developing the auditing program, whether in terms of the content of the audit work by adding goals and additional audit tests that have proven to be important to add, or in terms of the timeline and resources used by reassessing the needs in light of recent developments, especially in the case of important topics that must be communicated to management and discussed in a timely manner without waiting until the audit task is completed.

II. Implementation of audit works

52. The auditor documents important matters before, during, and after the execution of the audit work, which provide evidence to support their opinion, as well as evidence that the audit process has been conducted in accordance with international auditing standards. Documentation refers to the working papers prepared by the auditor or obtained and retained due to

their relation to the audit process, and these working papers can be in the form of information stored on paper, films, electronic means, or any other medium. Timely documentation.

1. **Real-time documentation appropriate¹**

53. The auditor must prepare sufficient audit documentation for the audit process to enable an experienced auditor, as well as an auditor without prior knowledge of the audit work, to understand the nature, timing, and extent of compliance of audit procedures with the relevant standards and applicable legal and regulatory requirements, the results of those procedures, and the audit evidence obtained alongside important issues arising during the audit, and the conclusions reached regarding them along with significant professional judgments made by the auditor to arrive at those conclusions.
54. Preparing working papers and proper documentation for audit work in a timely manner is important for several reasons, as it achieves the following:
 - It confirms the auditor's opinion and reports and supports them.
 - It serves as a source of information for preparing reports or responding to any inquiries from the concerned authority regarding the audit issue.
 - It serves as evidence of the auditor's adherence to audit standards.
 - It facilitates planning, supervision, and review.
 - It aids in the professional development of the auditor.
 - It helps ensure that work is performed satisfactorily.
 - It provides evidence of completed work for future reference.
 - Adequate documentation is considered a part of the professional development of the supreme audit institution, and it defines the good practice of similar audit tasks in the future.
55. In the case that the entity fails to provide the required documents within the specified time after being given the necessary grace period, it is advisable to document their request in the form of a dated letter addressed to the relevant authority regarding the oversight officially so that this

¹Fundamental Principles of Financial Auditing ISSAI 200 paragraphs 70, 71, Performance Auditing Standards ISSAI 3000 paragraphs 86, 87, 88.

document serves as evidence of the unavailability of the information when requested during the audit process. Additionally, the escalation procedures regarding this matter should be documented for the senior management of the SAI.

2. Form and content of working papers¹:

56. The auditor should prepare working papers in a complete and detailed manner to provide an overall understanding of the audit process, and to establish a sufficient amount of supportive evidence for the audit findings.
57. The auditor must record information related to the planning of the audit process in the working papers, in addition to documenting the nature, timing, and scope of the audit procedures performed, as well as recording the results and conclusions drawn from the evidence obtained. The working papers should contain the auditor's justification for all important matters that require the auditor to make judgments and conclusions about them. In areas that include basic inquiries or difficult judgments, the working papers should include the relevant facts that were known to the auditor at the time conclusions were reached.
58. The working papers and all documents related to the methodology and fieldwork results are considered essential documents that are as important as what will be included in the audit report. Therefore, it is necessary to collect and preserve all those documents during and after the completion of the audit process. ISSAI (3100 :114).
59. The size of working papers is considered a matter of professional judgment, as it is neither necessary nor practical to document all matters reviewed by the auditor. When estimating the volume of working papers to be prepared and retained, it is beneficial for the auditor to consider the essential issues that should be provided for another auditor who has no prior experience with that audit process in order to provide an understanding of the audit

¹International Standard on Auditing Documentation 230 Documentation Form and Content of Working Papers Paragraphs 5-11

that took place and the basis relied upon for making key decisions, rather than knowing the details of the audit process through discussions with the auditors who attended the working papers.

60. The form and content of the working papers are influenced by many factors, including:
- The nature of the assignment.
 - The format of the auditor's report.
 - The nature and complexities of the audited entity's operations.
 - The nature and condition of the accounting system and internal control system of the audited entity.
 - The need in certain cases for direction, supervision, and follow-up of the work performed by assistants.
 - The specific methodology and techniques used during the audit process.
61. It is designed and organized working papers to meet the conditions and requirements of the auditor for each audit. The use of standardized working papers (message templates and standardized organization of working papers) may help improve the efficiency of their preparation and follow-up. Working papers also facilitate the process of assigning work and provide means for monitoring its quality.
62. In order to improve the efficiency of the audit, the auditor may use tables, analyses, and other documents prepared by the audited entity. In such cases, the auditor must ensure that these materials have been prepared properly, and then Keep a copy of it as evidence for the audit mission.
63. It is necessary for the auditor to ensure that the working papers, during the implementation phase of the audit work, include the most important information, evidence and indications that support what was accomplished during that phase, and the most important thing it includes is:
- Transaction and balance analysis.
 - Analysis of important ratios and trends.
 - A record of the exact timing, and scope of audit procedures performed, and the results of those procedures.
 - Evidence that the work completed by the assistants was supervised and followed up.

- Identify the names of the auditors performing the audit procedures, and when they were completed.
- Copies of communications with auditors, experts, and third parties.
- Copies of letters or memoranda relating to audit matters that were communicated or discussed with the audited entity, including the audit notification letter, significant weaknesses, and the internal control system.
- Evidence relating to deviations recorded in light of audit standards
- Letters received from the entity subject to audit specifying the names of specialists dealing with auditors.
- Copies of the financial statements and the auditor's report.

3. **To implement Document inspection**

64. Maybe to Indicate that supervisory guidance on documenting the selection processes for the methods used for implementation a Inspection work so that the auditor is directed to include the working papers of the inspection method if it was built on the examination of samples, the method of selecting the sample and the characteristics of that sample.

4. **Interviews**

65. It is to be ensured as much as possible when conducting personal interviews or holding technical meetings related to certain tests or aimed at obtaining clarifications or confirmations, that these interviews and the information they contain are officially documented through meeting minutes, in case the information contained therein is to be relied upon.

5. **Financial and statistical analysis:**

66. It is natural and very important to document all financial and statistical analysis processes and to retain them along with all financial statements and data that were relied upon in the analysis process.

6. Conducting surveys

67. Due to the importance of the survey method and the heavy reliance on it in performance monitoring operations, it is necessary to keep all the questionnaire papers as well as the statistical results for analyzing that questionnaire, which was relied upon in extracting the professional results and performance Control Report Counter.

7. Additional evidence

68. Based on the risk assessment conducted during the planning phase, the auditor must ensure during the inspection and audit process to collect further evidence and supporting documents and to document them within the working papers in the following cases:
- There are high risks associated with control procedures.
 - The increasing importance of the issue from the financial, social and political aspects (3000:83, 3100:109ISSAI).
 - Poor compliance, transparency, and governance and the questioning. (3100:109ISSAI)
 - There is a need to deepen judgment in the performance of audit or evaluation of results;
 - The presence of evidence of significant relative importance (having a significant impact on conclusions regarding the regulatory objectives).

8. Use of resources

69. It is essential that all the audit team's use of the resources allocated for the audit mission be documented in full detail, as well as the working hours for all individuals of the team, and this documentation may be electronic or in the form of special working papers within important events. (ISSAI 3920).

9. Supervision and follow-up

70. All supervision and follow-up work must be documented.¹ The review of audit work is conducted by multiple levels within the Supreme Audit Institution, depending on the accuracy and sensitivity of the steps followed and the degree of difficulty and complexity of the work required to be carried out.
71. All follow-up work must also be documented in accordance with the approved timetable for completing the audit assignment and compared with the actual period. This is to identify any delays in the progress of the assignment and take the necessary measures to avoid delays that may affect the completion of the assignment on the scheduled date.
72. It is also necessary to inform senior management in of the Supreme Audit Institution periodically updates on developments in the progress of auditing the audited entities through periodic meetings or monthly activity reports, and informing them, when necessary, of difficulties and problems that may affect the normal course of work, which necessitates requesting intervention when necessary to resolve these problems in order to complete the task within the specified deadlines.

10. Quality control

73. Documenting the aforementioned supervisory and follow-up work by senior management levels ensures high quality and reliability in the professionalism and objectivity of the inspection and audit procedures at various stages of the audit process, from the beginning of the planning process through the performance of the audit and up to the issuance of the report.²
74. All formal or informal consultative meetings held within a single team, between audit teams, or with specialists within or outside the SAI must be documented, as such consultation enhances quality, improves the application of professional judgment, reduces risks and errors, and leads to sound conclusions at all stages of the audit process.³

¹INTOSAI 3000 Standard ISSAI Paragraph 66.

²Central Concepts of Performance Control GUID 3910/101,102

³Central Concepts of Performance Control GUID 3910/103

75. In compliance with the principles contained in the international standard ISSAI 140 Regarding quality control, it is necessary to select a contractor from outside the audit team to prepare a documented report on his review of quality control regarding all stages and procedures of the highly important audit mission, so that the evaluation includes all procedures of the audit process in all its stages and the mechanism for identifying risks, selecting topics, completing audit operations, issuing important judgments, and the results included in the report.¹

III. Completion and review

1. Collecting evidence

76. It is a process that should preferably be parallel to the examination and auditing activities, where initial results should be documented with evidence and necessary means of proof to support audit results and to justify the findings and recommendations that will be included in the audit report.
77. The INTOSAI ISSAI 300:38 standard states that sufficient, appropriate, and reasonable evidence should be obtained to support the auditor's judgment and conclusion regarding the organization, or programs, activities, or functions being audited.
78. The ISSAI 3100:115, 118 standard emphasized that auditors must have a deep understanding of techniques and procedures for collecting, storing, and protecting evidence.
79. When selecting methods and procedures, consideration should also be given to the quality of evidence, which must be sufficient, relevant, and of reasonable cost.
80. The auditor is keen to include the working papers during the stage completion and review of all the auditor's conclusions related to aspects of the audit process, including how to address exceptional and unusual matters, if any, discovered through the auditor's procedures.

¹Central Concepts of Performance Control GUID 3910/104

2. Varieties evidence

81. Audit evidence is divided into several categories and is characterized by a number of specifications that must be met to support the audit findings, which are:
- **Physical evidence:** This type of evidence is recorded in documents such as reports, minutes of visits, or inspection reports, and may be accompanied by audio and visual aids such as photographs and videos (while observing legal restrictions imposed by some entities) or documentary evidence such as drawings and maps or physical evidence such as samples and models of materials and goods.
 - **Documented evidence:** Documented evidence includes everything that is supported by a paper document such as letters, contracts, and minutes, or an electronic document such as data from automated records and their statements.
 - **Analytical evidence:** These are the conclusions, comparisons, and inferences drawn by the auditor through financial or statistical analyses they perform, representing rational and logical evidence. These analyses should be correct and significant, and the auditor must demonstrate the method used to arrive at these conclusions.
 - **Oral evidence:** is all information that reaches the knowledge of the auditor regarding the performance of the audited entity or related to the audit subject, which can benefit the auditing process after verifying its credibility. The sources of this evidence are usually testimonies, interviews, and statements from a known and reliable source within the audited entity, and such evidence is only relied upon if it is obtained in written form and certified.

3. Evidence specifications

82. Evidence must be sufficient, acceptable and significant.¹:
- **sufficient:** It is the set of sufficient evidence that allows anyone to reach conclusions similar to the results reached by the auditor. Determining a sufficient amount of evidence sometimes requires the use of statistical methods to determine the sample size that allows the

¹*INTOSAI Standard 300ISSAI Paragraph 38.

*International Standard on Auditing No. 230ISA

conclusions to be generalized and the results to be confirmed.

- **Acceptable:** For evidence to be valuable, it must be reliable, credible, and accurate to the highest degree, without raising doubts about its validity and reliability.
- **Significant:** The relationship between the information contained in the evidence and the conclusion drawn must be a logical and associative relationship, and the evidence must be so strongly supportive of the conclusion that drawing conclusions contrary to the intended conclusions is unlikely., Otherwise, the information is useless and should not be relied upon as evidence., One of the general rules adopted to prove strength and reliability is: The evidence is that:
 - Documents with a known source, signature, and date are more reliable than documents with an unknown source or unsigned or undated documents.
 - Evidence from multiple sources is more reliable than evidence from a single source.
 - Evidence from a good control system is more reliable than evidence from a weak internal control system.
 - Evidence resulting from observation, observation, and physical examination is more reliable than evidence transmitted transparently. Or issued from indirect sources.
 - Original documents are more reliable than copies.
 - Recent documents are more reliable than documents from long ago.

4. Analysis operations

83. The analysis operations carried out by the auditor after completing the examination, auditing and compilation process. The data documents must be preserved and made available within the audit process documents, due to its importance in credibility and transparency to the auditor's work and mechanism, analysis and conclusions. (3100:114)ISSAI

5. Consistency between the objectives of the audit engagement and the auditor's conclusions

84. Since paragraph 125 of the ISSAI 3000 standard emphasizes the necessity of consistency between the objectives, questions, results, and conclusions of performance audit tasks, it is essential that all of this is supported by documents and working papers that can be referred to for comparing what has been derived by the auditor from the results with the objectives of the audit process.

IV. Reporting

1. The importance of issuing the report

85. INTOSAI defines the audit report in general as: “A set of the auditor’s opinions and observations on the financial statements obtained as a result of a financial audit, a compliance audit, or a performance audit.” The audit report derives its importance from the importance of the main objectives of performance auditing and the extent to which they are achieved. Thus, no audit process or task can be completed without issuing a detailed report on the results of the audit process.
86. The general framework for the performance audit report must be built to achieve what is stated in the general standards for all types of auditing and provide audit documents by describing the standards of the auditing task carried out and the operations. The analytical approach adopted, the conclusions drawn, and how they were reached.
87. Documenting the audit work at the reporting stage goes beyond merely confirming the validity of the facts. The report must include a balanced and fair study of all the different questions and viewpoints accepted and rejected by the auditor regarding the audit topic.

2. Specifications related to the report format

88. INTOSAI has set several specifications related to the report's format, which it recommends adherence to in order to ensure the report's credibility. These specifications are as follows:
- Writing a written, documented, and classified report.
 - Insert date and signature.

- State the purpose and scope of the audit...
- Mention the organizational units of the entity subject to audit. Or concerned with the subject of censorship and the audit period.
- Legal authorization reminder to the Supreme Audit Institution.
- Mention the standards and methods adopted in the examination...
- Include all data and information except for confidential information related to personal data of individuals or data related to the supreme audit institution.

3. Methodology for formulating the report's findings and recommendations

89. It consists of audit report is a set of findings and recommendations on the audit work on the performance of the audited entity. In general, or on a specific subject that has been audited, the audit result consists of basic elements that must be available to ensure credibility, objectivity and significance in presenting the results of audit work.¹It is as follow:

- Event description.
- Mention the standard.
- Provide reason.
- Highlight the impact.
- Then the recommendation is formulated.

4. General guidelines for preparing the report

90. Considering that the audit report is the most important document documenting all stages of the examination and audit process for the subject of performance auditing, the report must therefore be comprehensive, convincing, easy to read, balanced, and submitted in a timely manner. (ISSAI 3000:116).

91. The consistency between the audit results and its objectives must be taken into account, so that the objectives and questions of the audit mission are answered. If it is not

¹INTOSAI 3000 Standard ISSAI paragraphs 126,127.

possible to provide those answers, the reason for that must be explained. ISSAI 3000:124).

92. Since the aim of performance audit is to measure the performance of the audited entity, the report must include the necessary recommendations to address the weaknesses (:1263000ISSAI).
93. When documenting, it is advisable to establish a linking system between the references of the audit report and the working papers, which facilitates the beneficiary of the report must review everything that supports the auditor's judgment and conclusion in the report. ISSAI (3100:117).

5. Report documentation and issuance mechanism

94. The first draft of the report must be supported by working papers and evidence and submitted for approval in accordance with the established mechanism and the powers granted by the Supreme Audit Institution.
95. The opinion and comments of the audited entity on the audit results, conclusions and recommendations must be documented and preserved before the report is officially issued within the working papers, due to its importance in issuing a balanced, objective report. ISSAI (3000:120,130).
96. The performance audit report must also include the auditor's opinion and the views of the entity subject to audit. ISSAI (3000:131)
97. If the comments of the audited entity included new information that led to an amendment to the audit report, then these amendments must be referred to and included in the working papers for documentation to enhance the principle of transparency regarding the reasons for introducing changes to the draft report or not. ISSAI (3000:132).
98. All supervisory reviews and other quality control safeguards at the reporting stage must be documented. ISSAI (3000:86, 3100:114).
99. One of the most important objectives of the audit process is to inform stakeholders, others, and the public of the results of the performance audit mission. This requires the distribution and publication of the final report approved by

- the Supreme Audit Institution to all beneficiaries, with the exception of confidential information. ISSAI (3000:133).
100. Document and maintain correspondence and emails related to the report to and from officials of the audited entity or an external party involved in the audit. ISSAI (3100:114).

V. Follow-up procedures

101. Takes over supreme Audit institution carrying out follow-up work on his previous reports, as he is responsible for organizing and documentation a comprehensive mechanism to follow up on the implementation of recommendations, including the implementation of tasks when necessary.(According to the importance of the recommendations and in light of the Supreme Audit Institution's audit of a significant number of entities,(It was not possible to carry out field follow-up missions for all reports and recommendations)aims to return to the same party that was previously audited and followed up operation procedures that took it to implement the recommendations contained in previous reports.
102. One of the procedures that help in planning this process is requesting an action plan. Accompany response to the report from the audited entity, including details recommendation implementation procedures, responsible person, and time frame can also be placed. Periodic follow-up procedures (e.g., monthly) by sending forms that include the status of implementation of recommendations. It includes documentation. Statements authorities concerned with the subject censorship in a way official about the expected procedures to complete implementation he recommendations so that the device by making careful use of its resources in implementing follow-up tasks and avoiding reaching conclusions indicating either that the authorities have not implemented the recommendations or that their implementation is slow.
103. Documenting the process of following up on the results of the control process on the disease and the recommendations it included through issuing a report to the legislative and executive authorities and the public is of great importance

in enabling the relevant authorities to hold government departments accountable, and encourages the government entity to take the SAI's reports more seriously, as well as highlighting the role and importance of reports Censorship performance and rich positive. ISSAI (3000:136, 3920:152).

1. Implementation of follow-up work for previous tasks¹

104. In addition to the entity's formal responses to the report's findings and recommendations, when follow-up work begins, a meeting must be held with official minutes or an official letter must be sent to the audited entity to inform them of the implementation of the report's recommendations.
105. The entity's statements cannot be satisfied. Rather, its statements must be supported by supporting documents and data to serve as evidence for the auditor, as is the case during the inspection and auditing phase.
106. If necessary, and inspections, field visits, and personal interviews are conducted to verify the validity of the entity's statement, the auditor must document all such operations and record them as official evidence.
107. Regarding recommendations that were not implemented, an official statement must be obtained from the entity subject to the audit regarding the reasons for non-compliance, to be included in the follow-up report.

2. Preparing follow-up reports

108. The report is prepared including:
 - Comment on the Authority's response regarding the recommendations contained in the report supreme Audit institution previously reported to her, including recommendations (implemented, under implementation, not implemented).
 - Preparing a section on the results and recommendations of the follow-up work.

¹. INTOSAI Standard on Performance Audit Procedures ISSAI 3920, Clause No. 152.

- The auditor must specify in his report whether following up on a recommendation requires a new audit engagement. ISSAI (3000:141).
109. The initial draft of the report must be supported. With papers work and evidence and lifting for accreditation according to the mechanism followed and the powers granted by the Supreme Audit Institution, and after approval, a copy of the approved follow-up report will be received. To the party concerned with the audit to be distributed and published for owners the interest. ISSAI (300:42).

VI. Storage procedures

1. Confidentiality, safekeeping, retention, and ownership of working papers¹

110. Performance audit reports reflect an assessment of the audited entity sectors and its senior management, as well as their achievement of the desired objectives and their compliance with strategic plans or lack thereof. Here lies the importance of the auditor maintaining confidentiality and safeguarding working papers and evidence supporting the results of the audit mission in accordance with auditing standard 230.
111. Working papers must be retained for a sufficient period of time to comply with legal, regulatory, administrative and professional requirements for record keeping, whether after the completion of the audit or after the completion of follow-up work. ISAAI (3100:118).
112. Since performance auditing involves a significant expansion in the collection of personal data or information, it is necessary to keep that information secure and sufficiently confidential, considering that such information is highly sensitive. ISSAI (3100:115).

¹International Standard on Auditing Documentation 230 Confidentiality, Safe Custody, Retention, and Ownership of Working Papers Paragraphs 13, 14

113. Working papers are considered audit property, and although parts or extracts from working papers may be sent to the entity under audit at the auditor's discretion, they do not replace the accounting records of the entity being audited.
114. In addition to what has been explained in the previous sections regarding the documents and procedures that need to be documented, by the end of the audit process, the auditor must ensure that key records related to performance auditing are documented and preserved, including: a. Details of the audit plan and methodology, b. Results of fieldwork, c. Communication and feedback with the audited entity, d. Review resulting from supervision, and other quality control procedures. ISSAI (3100:114).

2. Permanent file

115. Permanent file must contain of all documents related to the audit subject as well as the audited entity, it is generally characterised by stability between different financial periods, or the change in it occurs over relatively long periods. These documents are divided into the following:
 - Legal documents: These are among the most important documents required due to their general and mandatory nature, such as the legislation regulating the sector or activity. The subject of censorship or the entity subject to oversight and executive regulations, as well as the relevant ministerial decrees, decisions, and circulars, and the decisions of the boards of directors, in addition to the contracts and agreements concluded between the entity and the various parties dealing with it.
 - Financial and accounting documents: Approved financial reports related to revenues, expenses, cash flows, assets, liabilities, profits, losses, and related accounting entries, as well as reports issued by the entity's internal and external auditors, are considered a primary source of information, through the indications they provide about the entity's important activity

centers and help in diagnosing the essential issues and topics in its activity...

- Organizational documents: This type of document includes document related to the organizational structures of entities, including defining the competencies and job descriptions of their departments and employees, and how they are distributed to work centers, as well as work procedure manuals and manuals for using automated systems...
- Documents related to activity planning: related to the strategic and annual objectives, plans, and programs of the entity or the activity subject to oversight, as well as future studies and feasibility studies for projects and programs...
- Documents related to the implementation and follow-up of activities: These include achievement reports, activity reports, follow-up and audit reports, minutes of meetings of the relevant committees, and anything that indicates the status of implementation of programs and plans related to the subject of the audit...
- Documents related to activity evaluation: questionnaires to survey customer or beneficiary opinions, as well as studies to evaluate the impact of programs and projects, in addition to official statistical data that can be obtained in the field...

3. Working Papers File (Current File)

A- Electronic folder structure¹

116. The main folder should consist of administrative documents, background materials, planning materials, evidentiary evidence, evidence analysis, draft report, and

¹ Guide to the Implementation of the International Standards of Supreme Audit Institutions on Performance Auditing - October 2020 INTOSAI

follow-up report. Documents should also be collected and stored electronically for easy storage and retrieval. The structure of the electronic folder should be based on the needs of the audit team and in accordance with proper procedures to maintain the confidentiality of documents and working papers and their secure storage.

B- Organizing working papers in the current file

117. The working papers file is of great importance to the performance audit. This file contains all the documents collected before, during, and after the audit mission. It includes all the documents and records related to the progress of the audit mission, including the audit forms that were prepared and the evidence that was collected. The working papers generally represent the link between the field work and the audit report. Therefore, they should be complete, organized, and sufficiently detailed, enabling the audit process to be understood and followed through at all its stages and steps.

C- Requirements for working papers

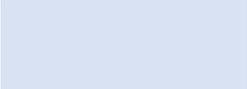
118. The working paper file must be responsive to the specifics of the audit mission, general controls must be adhered to ensure the expected effectiveness of working paper files. One of the general features of working papers is that they must be:

- Easy to review.
- Arranged in logical sequential order.
- Complete, accurate and clear.
- Of known origin and bearing the name of the issuing authorities.
- Related to the audit topic.
- Updated and with dates of issue.
- Preserved in a way that preserves its confidentiality and safety from damage and loss.

D- Methodology for organizing assignment files and paper worksheets

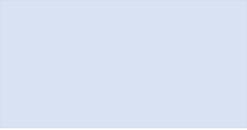
119. The documents and working papers are organized into task files according to order (Index) predetermined.¹ And following this order, working papers should be numbered according to the following:
- All worksheets under each section of the file must be numbered.
 - Each topic must be listed under its relevant section, and all audit steps must be signed by the auditor and dated with the dates they were performed.
 - The working paper prepared by the auditor must include many basic elements as shown in Attachment No. (6)-Working paper indexing form.
 - If there are procedures in the audit program that have not been implemented for any reason, a working paper must be prepared showing the reasons for not implementing them.
 - Unnecessary copies should be avoided and only the working papers prepared for them should be kept in a file other than the working papers file when the need for them is determined, provided that they are disposed of upon completion of the audit work and issuance of the final report.
 - All audit findings in the working papers must be linked to the findings in the first draft of the audit report.
 - Do not use pencil in working paper files.
 - No working paper should be retained on auditors' computers after they have been completed. This paper should be stored in the working papers file. Auditors must also ensure that all items related to completed audit tasks are clear of auditors' computers before they begin other audit tasks.
 - Each person responsible for the task must review the working papers of the audit team members and work

¹Attachment No. (9) is a form for indexing the working papers file.



to correct and amend them as necessary in accordance with established procedures.

E- Methodology for organizing electronic audit files and worksheets



In parallel with paper files, assignment worksheets are stored in electronic format in designated folders. (Folders)In the automated interior network of Supreme Audit Institution.

Chapter 4

Documenting procedures in compliance audit

1. The auditor should prepare audit documentation in sufficient detail to provide a clear understanding of the work performed, the evidence obtained, and the conclusions reached. The auditor should prepare audit documentation in a timely manner and update it throughout the audit process and document the supporting evidence for the observations before issuing the audit manual.
2. The purpose of documenting the audit work performed is to enhance transparency regarding the work performed to enable an experienced auditor who does not have prior knowledge of the audit assignment to understand the important issues that arise during the audit assignment and the conclusions/opinions. Audit documentation includes the following:
 - Explanation of the topic of censorship.
 - Risk assessment, audit plan and strategy, and associated documents.
 - Methods applied and audit period covered.
 - The nature, timing, scope and extent of the audit procedures implemented.
 - The results of the completed audit procedures and the evidence obtained.
 - Evaluate audit evidence supporting observations, conclusions, opinions, and recommendations.
 - The judgments/estimates made during the course of the audit to reach the conclusions.
 - Communication with the audited entity and its responses.
 - Moderator reviews and quality control assurances.
3. Documentation should be sufficient to demonstrate how the auditor determined the audit objective and subject matter, the criteria and scope, as well as the reasons for choosing a particular audit approach. For this purpose, documentation should be organized to enable a clear link between observations and supporting evidence to be assessed.
4. The auditor should also establish appropriate procedures to maintain the confidentiality and integrity of audit documents, and to retain them for a period sufficient to

meet legal, regulatory, administrative and professional requirements for record and file preservation and for follow-up work on the audit process.

5. The main files that must be prepared and all related documents must be kept through the implementation of each stage of the audit mission as follows:

Current file	Planning phase
Current file	Implementation phase
Current file	Evaluation phase
Current file and it is transferred to the permanent file.	Reporting stage

Table No. 3: Main files to prepare and keeping its documents under compliance control.

I. Pre-engagement stage

6. When determining the audit subject to be measured and evaluated, and the relevant audit criteria derived from the basic legislation established by law makers (rules and regulations, treaties and agreements, code of professional conduct), the following documents are prepared and kept in the audit file:
 - **Memorandum of Understanding** It is a document directed to the audited entity and contains data related to the nature and scope of the audit mission, the audit approach, the timeframe, and the format of the report. It also specifies the responsibilities of the audited entity with regard to providing the data necessary to complete the mission and the equipment related to the work of the audit mission team.
 - **Commitment to the Code of Ethical Conduct** A document demonstrating the extent to which the

audit team adheres to the code of professional conduct approved by the Supreme Audit Institution.

- **View previous audit files** A document that includes the audit team's commitment to reviewing the permanent files related to the audited entity, which were prepared within the framework of audit missions completed in previous years and which constitute background information on the department, as well as the audit observations reached in light of previous audits.

II. audit process planning

7. The auditor should develop and document an audit strategy and an audit plan that describe the method completion of the audit process In order to produce appropriate reports in the circumstances, what resources are necessary to do so, and the time frame to accomplish it.

1. Comprehensive audit Strategy

8. The audit strategy is the basis for determining whether audit can be carried out, and describes Strategy. The audit plan describes what will be done, while the audit plan describes how it will be done.
9. The audit team is responsible for documenting the following data related to the audit strategy:
 - The objective, subject, scope, criteria and other characteristics of compliance audit, taking into account the powers and mandates of the Supreme Audit Institution.
 - Type of assignment (certification assignment, or direct reporting assignment).
 - The level of assurance that will be provided.
 - Distribute work to the audit team, including any need for experts.
 - Communicate with the regulated entity or those charged with governance.
 - The report, and the party to whom the report will be submitted, and the deadline.

- Entities covered by the oversight process.
- Relative importance assessment.

2. Audit plan

10. It is the most important stage of the audit process and a requirement of international standards, as without proper planning, the risks will increase, which will make the audit non-compliant with the standards, and will not provide a sufficient or effective amount of evidence to support the professional opinion, and the audit will be ineffective and costlier, it may lead to conflict between the team of the supervisory authority and the entity subject to review.
11. It is important to follow a consistent approach to collecting and documenting key information that is essential to proper audit planning. The audit plan documentation process serves as a record of the effective performance of audit procedures so that the plan can be reviewed and approved. The plan documentation also includes any significant changes in the overall audit strategy and the detailed audit plan, the reasons for the significant changes, and the auditor's response to the events, conditions, or results of the audit procedures that resulted from these changes.
12. The audit plan includes documenting the following:
 - The nature and timing of the audit plan, the extent of planned control procedures and the timing of their implementation.
 - Assessing risks and internal controls relevant to the audit topic.
 - Control procedures in place to address risks.
 - Potential audit evidence that will be collected during the audit process.
13. Within the framework of compliance audit, the auditor should clearly identify and document the target users and the responsible party...
14. When starting to implement the planning process procedures, planning documents are prepared and all data, information and procedures related to planning are documented as follows:

- Legal basis for the audit: where the tasks and powers of the Supreme Audit Institution are documented,
- Objective and scope of the audit: The main objective of conducting an audit engagement within the framework of compliance auditing is documented, which is to provide the target users with information about whether the audited entity is following parliamentary decisions, laws, legislative texts, policies, codes and agreements that constitute the relevant references regulating the subject of auditing/the entity that will be audited. The scope of the audit is also defined and documented. (The period to be covered by the audit) including a reference to the audit procedures to be prepared and designed to obtain audit evidence.
- Understanding the activity of the audited entity and identifying and assessing risks related to the nature and activity of that entity, where information is collected and documented about:
 - The establishment of the audited entity, the nature of its work, its main activities, its headquarters, its subsidiaries, and its major investments, as well as the relationships between the audited entity and related parties.
 - The audited entity's funding sources and the legislation governing the financing process, debt structuring and management, borrowing sources, and the rights of owners and shareholders. A statement of the person responsible for the audited entity's accounts and financial transactions, who must sign to certify their accuracy and proper presentation, and who is responsible for its financial transactions before Parliament.
 - the strategy plan for the audited entity, including its strategic objectives and activities related to achieving those objectives, as well as performance indicators to measure actual performance efficiency and identify deviations.

- The organizational structure of the audited entity, its management, the duties and powers of its board of directors, obtaining a copy of the delegation of powers and distribution of responsibilities, and a copy of the board's decisions, which should be reviewed and evaluated. The main and subcommittees, the duties and powers of each committee, and a summary of the most important committees (members, their duties, separation of duties, and allowances received) are also included samples of the commissioners' signatures are also included.
- Any threats that affect the position of the audited entity in the future, whether external or internal factors.
- The basic legislation regulating the audited entity's work, government, monetary, and tax policies that impact its work, important administrative decisions, and minutes and documentation of board meetings.
- Financial summaries related to budgets, financial statements, and external audits.
- Relative importance levels are the basis for audit planning, and are re-evaluated throughout the audit process, in addition to documenting the relative importance considerations in terms of nature, context, and value.
- Corporate Governance Requirements (Appropriate Practices) to manage risks, a robust and independent oversight system, a code of professional conduct, a whistleblowing policy, and integrity, openness, and accountability measures.
- Evaluating the internal control systems related to some of the main departments and activities in the department, such as (organizational procedures, the financial department, purchasing and supplies, human resources, information systems), and

evaluating the work of the internal control units and the extent of reliance on them.

- Identify and document the proposed audit approach, whether based on substantive examinations or systems and controls.
 - Audit programs, which represent a detailed, logical list of audit procedures required to achieve the required audit objective and enhance the auditor's conclusions/opinion regarding compliance with the applicable standards.
 - Timeline to accomplish audit work and report issuance.
 - All accessories related to the planning process.
15. The risks of material errors and fraud are identified and assessed throughout the planning process, and the assessment results are documented according to forms prepared for this purpose. As it is necessary observe comprehensive quality control procedures when implementing planning procedures, so that roles and responsibilities are clearly documented.

III. Implementation of audit works

16. The auditor must perform audit procedures to obtain sufficient and appropriate audit evidence to formulate a conclusion at the chosen level of assurance, which requires him to do the following:
- Determine the required confirmation level, because the confirmation level chosen is what determines:
 - **The nature and source of necessary evidence**, as the nature of evidence varies depending on the type of audit tasks. For limited assurance, the evidence is often derived from analytical procedures and tests, whereas the auditor in reasonable assurance tasks needs to use all control techniques.
 - **Sufficiency of evidence to formulate a conclusion**, as the auditor needs more evidence when formulating a reasonable assurance conclusion than when they want to formulate a conclusion for a limited assurance task.

- o **Sufficiency of evidence:** a measure of the quantity of evidence necessary to support audit observations and conclusions. When evaluating the sufficiency of evidence, the auditor needs to consider whether the evidence obtained is sufficient to convince an informed person that the observations are reasonable.
- o **Relevance:** a measure of the quality of evidence and includes:
 - Reliability/Significance of evidence: the extent to which the evidence is logically and substantively related to the issue being addressed.
 - Validity of evidence: based on the extent to which the evidence forms a reasonable and meaningful basis for measuring what is being evaluated.
 - Reliability of evidence: refers to the extent to which the audit evidence has been collected and produced in a transparent and reproducible manner. The auditor's selection of appropriate treatments for the assessed risks. These responses include designing control procedures that address the risks, such as in-depth (material) control procedures and testing of control controls.

17. The evidence-gathering process continues until the auditor is confident in the existence of sufficient and appropriate evidence to support the agreed-upon level of assurance and to support the auditor's conclusions or opinion. The amount of evidence required is related to the risk of control (the greater the risks, the larger the amount of evidence required). As for the quality of the evidence, the higher the quality, the less evidence is needed.
18. The auditor should choose a set of audit techniques that enable him to formulate a conclusion at the selected level of assurance, where the auditor can gather evidence in one of the following ways:
 - Observation.
 - Examination.
 - Seeking information (inquiry).
 - External confirmations.
 - Reperforming.
 - Recalculation.
 - Substantive tests.

- Testing the key control measures.
 - Analytical procedures.
19. The auditor should use audit samples when appropriate to provide a sufficient quantity of items to draw conclusions about the group from which the sample was taken. When establishing a control sample, the auditor takes into account the purpose of the control procedure and the characteristics of the group from which the sample will be taken.

IV. Evaluation of the evidence and formulation of conclusions

20. The auditor should compare the evidence obtained with the audit standards for formulating the observations noted that lead to audit conclusions, and should do the following:
- The auditor evaluates the evidence he has collected and the opinions of the parties using professional judgment/assessment and skepticism.
 - The auditor assesses whether there is sufficient and appropriate control evidence to formulate a conclusion.
 - The auditor should consider the relevance of the evidence collected to the audit observations in order to arrive at an objective and balanced view.
 - The auditor determines whether he is able to formulate a conclusion, perform further procedures, or modify his opinion due to scope limitations by evaluating the scope of the work performed (If it was enough/not enough).
21. Based on the observations made and the relative importance, the auditor should draw conclusions about whether the subject of the audit complies in all respects of relative significance with the applicable standards, and should do the following:
- The auditor should assess whether the observations made are significant enough to conclude that the subject of the audit is sufficient in all respects of relative importance.
 - The auditor should consider that relative importance can include the amounts concerned (monetary amounts) or

other quantitative measures such as the number of employees or relevant entities, etc.

- The auditor should take into account the focus on the programs and their sensitivity (for example, whether it is a subject related to public interest) or within the needs of the legislative authority or the nature of the relevant references.
22. The auditor should communicate the level of assurance provided in a transparent manner, so as to give the intended users confidence in the audit results by explaining how the observations and conclusions were reached in a thoughtful and balanced manner.
23. For direct reporting engagements, the auditor needs to implicitly indicate whether the conclusions are provided with limited or reasonable assurance, while for attestation engagements, the level of assurance will be conveyed through the appropriate use of the audit opinion in accordance with the approved standards...
24. The auditor must keep and archive the following documents during the completion and review stages:
- Audit Subject.
 - Risk assessment.
 - audit strategy and audit plan.
 - Applied methods, scope, and the time period covered by the control.
 - Nature of the control procedures implemented, their timing, and scope.
 - Results of the applied control procedures and control evidence.
 - Evaluation of control evidence.
 - Estimates made during the control process including professional consultations and their rationale.
 - Communication with the body being audited and their response.
 - Supervisory reviews.
 - Preventive actions taken.

V. Reporting

1. Conclusion formula in the audit report

25. The auditor should report the conclusion in the audit report. The conclusion may be expressed as an opinion, a

conclusion, an answer to specific audit questions, or recommendations.

2. Opinion

26. It is a clear written statement to the auditor, expressed in a standardized form, either modified or unmodified, and it is stated in the audit report whether the cases of non-compliance are widespread/multiple.

27. Opinion is usually used in certification missions in the following forms:

- **Unadjusted opinion:** It is used when no significant instances of non-compliance have been identified, and the opinion form – in a reasonable assurance assignment – is as follows: The following: "In our opinion [The subject of the audit in the audited entity] adheres to [the applicable standards] in all aspects of relative importance.
- **Modified opinion:** It is used in the following cases:
 - a- Important cases of non-compliance: according to the extent of non-compliance, which leads:
 - Qualified opinion (if the deviations from non-compliance are significant but not numerous).
 - Contrary to "opposing" opinion (if the deviations from non-compliance are significant and numerous).
 - b- Specify (restrict to) the scope: Depending on the level of specificity, it may result in: have nothing the following:
 - Qualified opinion (if the auditor is unable to obtain clear and sufficient audit evidence about compliance with the references and the potential effects are significant but not exhaustive).
 - withhold (abstain from) E(Initial) Opinion (if the auditor is unable to obtain clear and sufficient audit evidence regarding compliance with the references and the potential effects are significant and comprehensive).

3. Nature of the report

28. The report is one of the main parts of the audit. In certification engagement and direct reporting engagement, the results must be clear enough. To remove risks of misinterpretation, and the auditor must prepare a written report containing the audit observations that were identified, and opinions conclusions and recommendations in an appropriate and applicable format.
29. The auditor must prepare a report based on the principles of completeness and objectivity, timeliness, accuracy and right to reply:
 - The principle of completeness requires the auditor to consider all significant audit observations before issuing the report...
 - The principle of objectivity requires that the auditor exercise professional judgment and professional skepticism in order to ensure that the report is actually accurate and that the way in which the results and conclusions are presented is significant, fair and balanced...
 - The principle of just-in-timeness means preparing a report at the right time to be relevant to the target users...
 - The principle of accuracy and consultation requires checking the validity of the facts with the audited entity.
 - The principle of the right of reply means including the answers of the responsible party when appropriate and giving the answers and their own evaluations of those answers.

4. Report structure

30. The auditor must report counter using the following report structures which are available depending on the audit assignment assigned as the following:

Report Structure for Direct Report Assignments

The executive summary (report) of the work performed and the methods used is used to help the intended users understand the auditor's conclusions and to provide a brief explanation to the external reader of how the assignment was

carried out and the laws, legislation, rules and regulations that were used to accomplish the audit assignment.

The report should include the following elements (not necessarily in this order):

- The address
- Determine the standards adopted in carrying out supervisory work
- Executive Summary (if applicable)
- Description of the subject and scope of the audit task (extent and limits of the audit process)
- Regulatory standards.
- Explanation and justification of the methods/techniques used
- Results
- Conclusions based on answers to specific questions or opinions
- Audited entity's answers (if applicable)
- Recommendations (if necessary)

Report structure for certification engagement :

31. Compliance audit results can be reported together with financial statements audit, and the SAI then verifies that requirements have been met either through compliance audit elements or as part of financial audit elements. Recommendations are often not included in the reports, and recommendations can be issued separately in a letter to management...
32. The report should include the following items (not necessarily in this order):
 - The address
 - Consignee
 - Description of information about the audit subject
 - Scope and limits of the audit, including the time period it covers.
 - Responsibilities of the responsible party and the auditor
 - Audit standards
 - Determine audit criteria and assurance level
 - Summary of work completed and methods used
 - Conclusion/Opinion

- Responses from regulatory authorities (as needed)
- Report date
- The signature

Additions to the report structure - for supreme audit institutions with judicial authority:

33. The auditor must take into account (add) the role of the Public Prosecution or those responsible for handling judicial matters within the audit body and must include - as necessary - in both direct reports and certification mission reports the following elements:

- Identify the responsible party and the entities subject to supervision.
- Responsible persons and their responsibilities.
- Determine the standards adopted in carrying out the supervisory work.
- Auditor responsibilities.
- Summary of work completed.
- Processes, paths, etc. involved Non-compliance and illegal acts

It includes:

- Description of the observations and their reasons
- Violated/Breached Legislation (Control Standards)
- Consequences of non-compliance and potential illegal actions
- Responsible persons and their explanations for actions that constitute non-compliance or illegal conduct
- Auditor's professional judgment
- The value of the losses/misuse/waste arising and the amount due resulting from personal liability
- Any actions taken by the responsible persons during the audit to compensate for losses/misuse/waste?
- Arrangements made by the administration regarding acts that constitute non-compliance or illegal acts.

5. Document follow-up procedures and save the topic

34. The auditor must decide to follow up opinions/Conclusion/Recommendations for cases of non-compliance in the audit report whenever appropriate, which is represented by doing the following:
- The linear follow-up of the issues raised in the audit report and the measures taken by the regulated entity for correction.
 - Preparation of an additional report in case it is found that the measures taken by the regulated entity for correction are insufficient.
 - Continuously follow up on corrective actions.
 - Evaluating corrective actions and the extent to which observations have been corrected, with the aim of informing the audited entity and report users of the effectiveness of corrective actions. The auditor relies on this to plan future audit assignments.
 - Follow up on previously reported cases of non-compliance as well as those identified during the audit mission. Current and special circumstances, and follow-up may include the issuance of legally binding reports or judicial decisions.
 - Save the topic if all notes are corrected.
 - The auditor should record these observations and consider them as part of the potential risks to be relied upon when planning future audits.

Chapter 5

Requirements in documentation which interest the Courts of Accounts

I. Specific Audits carried out by the Courts of Accounts

35. Supreme Audit Institution with Judicial Functions is a special model of supreme audit institutions, distinguished from other institutions by its mandate to exercise judicial audit over the legality of the accounts and management actions carried out by public managers and other officials responsible for managing public funds and funds similar to them.
36. Also, these SAIs, in addition to the normal audit and review functions, perform: With a job Punishment for the schemers public officials when they commit violations that require their responsibility to be raised or when the violations committed by them cause harm to a public body¹.
37. And you want this function protects the proper management of public affairs, as well as the interests of the audited entity, and consequently, the interests of the public authorities and citizens, through full or partial redress for any damage that may be inflicted on a public entity. Judgments and decisions issued by judicial SAIs are, first, preventive in nature, contributing to the protection of public funds and establishing transparency and integrity in the field of public management. Second, they are punitive in nature, manifested in redressing financial damage by raising the responsibility of public managers (payment of a fine from their financial assets, restitution of amounts of illegal expenditures and lost revenues, or amounts of deficits recorded in public funds and accounts).².
38. Judicial audit conducted by judicial SAIs are characterised by the fact that they are conducted exclusively by judges and in accordance with procedures and measures established by law that govern lawsuits and prosecutions before the accounting courts.

II. The special requirements of documentation provisions dictated by the lawsuits and prosecutions in front of the court of accounts

¹ This function is exercised based on internal referrals and directly when the agencies discover acts punishable by law in the course of the inspections they conduct, or based on external referrals when cases in this regard are brought to them by external parties legally qualified to do so.

² INTOSAIP50.

Documenting trial procedures

39. Given their functions and judicial procedures, documentation by judicial SAI is particularly sensitive. They must document all procedures rigorously, accurately, and comprehensively for the following reasons:
 - The possibility of invalidating judicial decisions issued by the Supreme Audit Institution in the event of failure to comply with certain obligations;
 - The publication of some judicial decisions requires that they be protected in advance from anything that challenges the material and legal facts they raise;
 - probability the impact of judicial decisions issued by the Supreme Audit Institution on the career path of the persons being prosecuted, as the employing entity may take this penalty into consideration in the subsequent stages of the person's career;
 - Public authorities and citizens rely on the reliability of the public financial system and the integrity of public employees and agents to ensure the quality of the judicial decisions of the Authority.
40. In light of the above, and in addition to the documentation requirements arising from the exercise of non-judicial function (performance audit and financial audit, etc.), the SAI which has the judicial functions, is therefore obliged to comply with several other documentation requirements that are closely linked to the principles, procedures and measures governing the exercise of judicial powers, such as documenting procedures that demonstrate respect for the principles of a fair trial and the notification and implementation of judicial decisions.
41. The sixth principle states: For INTOSAI P50, the Supreme Audit Institution must ensure a fair trial for persons' subject to judicial duties in accordance with legal procedures. This principle requires the institution to demonstrate its compliance with all requirements that constitute a guarantee of a fair trial under applicable laws. In particular, the institution

Reporting and Implementation Documentation Requirements

must have a policy for documenting procedures related to:

- Defining the rules of evidence, their scope and classification of their means;
- Fast news the details of the nature of the complaints recorded against the followers;
- Investigation procedures, particularly hearings, expertise, requests for information and obtaining information in writing;
- End sufficient time to review and provide the necessary means to prepare the defence, especially ensuring that the followers are informed of all documents and information submitted by the concerned parties and presented to the court;
- Public trial ;
- Basis penalties are based on sufficient evidence and circumstantial evidence, particularly with regard to liability for acts of non-compliance (adherence to regulations);
- Depletion the judicial procedure within a reasonable period, the ceiling of which shall be determined by the Authority;

Respecting the requirements related to the holding and conduct of sessions, the deliberation process and the ruling.

42. The eighth principle states: INTOSAI P50 states that the exercise of judicial functions consists of issuing judicial decisions that are notified and implemented, so that the personal liability of the person subject to them is effectively invoked.
43. Actually the Supreme Audit Institution shall notify judicial decisions according to specific procedures and document this in an appropriate and effective manner. In this regard, the files submitted to the entity must include evidence that those subject to the Institution's procedures have received the observations, objections, and decisions. Follow-up. Archived files must also include evidence of

notification and implementation of interim and final rulings.

III. Additional Requirements in documentation of financial and compliance audit

44. INTOSAI standards specify some requirements. Additional information on documenting financial and compliance audit in judicial supreme audit institutions.
45. In Finance audit, the standard ISSAI 2230 stipulates that this type of body must define the rules of evidence, their scope, and processes, as well as additional requirements for document retention when auditing and adjudicating public body accounts. The same standard also stipulates that the SAI must establish strict procedures and measures for classifying means of evidence.
46. As for compliance audit, ISSAI 4000 Standard for Supreme Audit Institutions with the following requirements:
 - That judges conduct investigations in writing when required by national law;
 - Requests for information and inquiries shall be made in writing if required by national law;
 - The auditor in the judicial SAI shall take the necessary measures to obtain sufficient and appropriate evidence regarding liability for acts of non-compliance (adherence to regulatory regulations);

- The judge/auditor of the judicial SAI shall take the necessary measures to obtain sufficient and appropriate evidence regarding liability for illegal acts (such as fraud);
- The examining judge in the judicial SAI shall take the necessary measures to obtain sufficient and appropriate evidence regarding the applicable limitation period.

IV. Documenting the discovery of facts Especially when conducting the audit

47. The judges of supreme audit institutions / judicial nature/ must pay due attention to documenting facts and actions that go beyond the nature of the audits they conduct, given the legal consequences that result from them.
48. Then, if they discover fraudulent risks or acts that may constitute criminal or disciplinary violations, or elements that constitute de facto mismanagement, judges must study and evaluate them, begin documenting them immediately, and prepare complete files for submission to the deliberative bodies in draft reports.
49. Some best practices in this field are as follows:
 - Documenting the discovery of actions by preparing minutes or detailed notes or special reports as required (depending on the case) on the subject show specifically:
 - The facts and violations that may have been committed;
 - References to texts and materials that have been violated;
 - The people involved should be followed up and their characteristics and functions should be indicated;
 - Create special files within the necessary supporting documents relating to potential violations that will subsequently enable the examination of actions and the determination of those that may warrant prosecution, as well as the identification of persons who may be prosecuted;
 - Documentation decisions the deliberative bodies thereof.

V. Documenting the elevation of actions with special nature to the higher management and/or referring them to criminal judiciary or guardianship authorities.

50. In case of discovering facts that may be subject to judicial or disciplinary follow-up, the authorities shall make referrals to the competent parties in accordance with the procedures and legal provisions stipulated.

51. In this regard, the authorities ensure proper documentation of:

- Urgent case referrals, when necessary, to the senior management of the agency (before presenting the facts to the bodies) to take the appropriate actions;
- Detailed minutes of decisions made by the deliberative bodies;
- Internal referrals to the public prosecution at the agency;
- Documentation of submissions (along with files) to the concerned parties in accordance with legal provisions.

The Appendices

The Appendices

Financial Audit Appendices

Planning Phase Appendices

Data of the audit edentity

1- Name of the entity being audited:.....

2-Address:.....

3-Branches:...

4- Commercial Register:...

5- Tax card:.....

6-Other:.....

7- Legal form:.....

8- Names of persons responsible for governance:

Person's name	Job	Phone number

9- Statement of shareholders of the audited entity:

The name	Is he an employee of the entity being audited?	Is it within the management of the entity being audited?	Is he a major shareholder?	Contribution rate	Other information

10- Any general information about the audited entity or any of Those Charged with Governance (TCWG) (TCWG):

...

11- Organizational structure and brief description of the activity of the entity being audited:

..

12- Was the entity subject to audit at the beginning of the activity (within the previous five years?) Yes / No

If yes, specify the start date of the activity.

13 financial statements (previous three years) and their audit reports.

Is financial information available for the previous three years? Yes/No

If the answer is no, specify why:...

14- Any other information:

..

Audit mission statement

Audit edentity:...Fiscal year:.....

Prepared by:.....Date:.....

Reviewed by:.....Date:.....

1- The financial period covered by the financial statements:.....

2- Nature and scope of the audit process:.....

3- The accounting framework applied by the entity subject to audit:.....

4- financial statements audit end date: //

5- Is the entity subject to control affiliated with a holding company:.....

6- Specify the name of the holding company, if any:.....

7- Does the holding company issue consolidated financial statements:.....

8- Identify the affiliates included in the consolidated lists, if any:.....

9- Are there accounting treatments specific to the industry to which the audited entity belongs: Yes / No

10- Briefly explain the special treatments:.....

11- Does the audit task require specialized knowledge or the assistance of an expert: Yes / No

If the answer is yes, specify the appropriate action:.....

12- Statement of the names of the audit team:

- **Department Manager:...**
- **Auditor's direct supervisor:.....**
- **Auditor:.....**
- **Audit team:**

Person's name	Job grade	Phone number
---------------	-----------	--------------

Pledge of commitment to independence and no conflict of interest

According to the INTOSAI Code of Ethics and Conduct for the Accounting and Auditing Profession

First: Commitment to the requirements of the Code of Ethics and Professional Conduct approved in accordance with the decision no. [Number] number (xxx) for a year [Year]:

I have reviewed the approved Code of Professional Ethics and Conduct in accordance with xxxxxxxx

I acknowledge that I am committed to the terms of the Charter regarding participation in the audit mission:.....

Second: Pledges related to threats to independence:

- I pledge that neither I nor any of my family members, even close ones, have any personal interest in the aforementioned audited entity or any of its management members.
- I pledge that I have not become aware of any circumstances that would lead to a conflict of interest with the audited entity: xxxxxxxx.
- I hereby declare that I have not become aware of any circumstances that would pose a threat to my independence when I was assigned to participate in the audit of the entity being audited.
- I pledge that if there are circumstances or relationships that may threaten my independence after signing the above declaration, I will inform the higher supervisory level.

- I acknowledge that I am aware that if I violate the independence requirements and procedures contained in the Charter and Ethics of Professional Conduct approved in accordance with the decision no. [Number] For a year xxxxx. I am subject to the disciplinary penalties stipulated in the SAI's regulations (bylaw).

The name:.....

Job:...

The signature:.....

the date: //

Type of opinion in the auditor's report for the past year

Audit edentity:...Fiscal year:.....

Prepared by:.....Date: //

Reviewed by:.....Date: //

[1] Specify the type of opinion in the auditor's report for the past year:

- Unmodified opinion.
- Qualified opinion: A list of reservations to the opinion is attached.
- Adverse opinion.
- Disclaimer of opinion: the reason for abstaining from expressing an opinion.

* In the event of a report other than unmodified, the inherent risks increase and thus the expected risks of non-detection increase and thus the size of the audit sample increases.

[2] Does the fiscal year report include any indication of the existence of indicators that threaten the continuity of the entity being audited? If so, a statement explaining these indicators, what the management of the entity being audited has done in this regard, and the auditor's opinion on these procedures should be attached.

* If there are indicators that threaten the continuity of the entity being audited, the inherent risks increase. Therefore, the auditor must take measures to consider whether these threats continue or not, and the measures taken by the entity being audited to confront them increase the inherent risks, and thus the estimated risks of non-detection increase, thus increasing the size of the audit samples.

[3] In the case of an Unmodified opinion report with Emphasis of Matter paragraphs:

Identify those paragraphs:

..

Sample Audit Engagement Letter

This letter is a sample engagement letter for general purpose financial statements, in addition to the considerations contained in the INTOSAI standard, and may need to be modified according to the circumstances and requirements.

The recipient: (To the management representative or Those Charged with Governance (TCWG) (TCWG) in the entity subject to audit)
the date:

Greetings,

With reference to the Supreme Audit Institution (SAI) carrying out its oversight duties, the financial statements for (Name of the audited entity) and (Names of the affiliated entities) are subject, starting from (date) and for the year ending on () to audit by the Supreme Audit Institution (SAI) in accordance with the Supreme Audit Institution (SAI) Law No. [Number] of the year xxxx. This letter aims to provide a brief overview of:

- 1- Conditions of the audit mission, the nature of annual auditing and its limits.
- 2- Responsibilities of the Supreme Audit Institution (SAI) in annual auditing.

The following is a presentation of the terms of the audit mission. This letter remains valid until a new audit mission letter is issued.

Objective(s) of the audit process:

The objective(s) of annual audit are: The following

- 1- Expressing an independent opinion on the financial statements of (Name of the entity being audited) which was prepared in accordance with (the applicable financial reporting framework).
- 2- Additional objectives related to, for example, (compliance with laws or internal control systems).

Auditor responsibilities:

We will conduct the audit process in accordance with the law of the Supreme Audit Institution (SAI) and the INTOSAI audit standards.

Applied regulatory standards: This section is aligned with the INTOSAI Framework of Professional Pronouncements (IFPP), including relevant INTOSAI-P, ISSAI, and GUID pronouncements.

We will perform an audit in accordance with auditing standards, which require compliance with professional ethics requirements, planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The audit includes conducting a test examination of documents and evidence supporting the amounts and disclosures contained in the financial statements. The procedures applied depend on the auditor's professional judgment, including assessing the risk of material misstatement in the financial statements, whether due to fraud or error. The audit also includes evaluating the accounting policies applied and significant estimates made by management, as well as the integrity of the presentation of the financial statements. Given the nature of the tests and limitations inherent in the audit process, and those limitations inherent in any accounting system or internal control system, there must remain unavoidable risks and significant and significant misstatements that remain undetected. In our risk assessment, we examine the internal control systems surrounding the preparation of the audited entity's financial statements in order to design audit procedures appropriate to the circumstances, but not in order to express an opinion on the effectiveness of the audited entity's internal control system. However, we are expected to send a separate letter regarding any significant weaknesses in the design or implementation of the internal control system for preparing financial reports that have become known to us during our audit of the financial statements. Specifically, we refer to the INTOSAI auditing standards within the IFPP.

Although our audits are not required to report on the following items, we will report them if we become aware of them during our audit:

A- Inefficient performance of operations.

B- Cases of violation of laws or powers granted to the entity subject to oversight.

C - Cases of misuse or uneconomical use of resources.

The report:

It may be necessary to amend the report in light of the findings of the audit process.

Independence:

Our ethical requirements require us to remain independent of the audited entity, and we hereby affirm our independence in relation to this audit process. This means that we do not, in fact and on the surface, have any interest that could be considered inconsistent with integrity, objectivity, and independence, regardless of its actual impact.

Responsibilities of management and Those Charged with Governance (TCWG) (TCWG):

We will conduct our audits based on the understanding that management and, where appropriate, Those Charged with Governance (TCWG) (TCWG) acknowledge and understand that they are responsible for:

A- Preparing and presenting financial statements in a fair manner in accordance with the current financial reporting framework.

b- Internal control as determined by management to be necessary to enable the preparation of financial statements free from material misstatements, whether due to fraud or error.

C - Enabling us to:

- Access to all information that management perceives to be relevant to the preparation of the financial statements, such as records, documents, etc.,

and additional information that we may request from management in order to conduct the audit process.

- Unrestricted access to persons within the audited entity from whom we determine it is necessary to obtain audit evidence.

Management's Written Representations:

We will ask management to provide us with written confirmation of the assurances given to us regarding the audit process as part of our control process.

Other relevant information:

- Legal deadlines for completing reports.
- Contact information.
- Any other matters to help promote effective communication.

Acknowledgement of the terms of the assignment:

Please acknowledge receipt of this letter and understanding of the terms of the audit assignment by signing a copy of this accompanying letter in the designated space and returning it to the relevant department.

Best regards,
the signature

Auditor's name

The terms of the audit assignment are agreed upon and acknowledged by (signatory) on behalf of (name of audited entity).

the signature:
Job:

Illustrative Representation Letter (Template)

The following explanatory letter contains written representations required by this Standard and other applicable auditing standards for audits of financial statements. It is assumed in this explanatory letter that the applicable financial reporting framework is International Financial Reporting Standards, and that the requirement in the Auditing Standard (2570) To obtain a written statement is not appropriate, and there are no exceptions to the required written statements. If there are exceptions, the statements will need to be amended to reflect these exceptions.

(Establishment copies)

(To the auditors of the financial statements) (the date)

We submit this letter as it relates to your review of the financial statements of the XYZ Company for the fiscal year ending December 31, 2000, for the purpose of expressing an opinion on whether the entity's financial statements fairly and clearly present, in all material respects, the financial position on December 31, 2000, the results of its activities and its cash flows for the

financial year ending on that date and the extent of their agreement with (reference to the applicable financial reporting framework).

We confirm our responsibility for the fair presentation of the financial statements in accordance with (reference to the applicable financial reporting framework).

In this regard, and according to the best information available to us, we declare the following:

Statements relevant to the entity being audited are added here. These statements may include the following:

- * There are no violations by any of the members of the Board of Directors or employees who have an influential role in the accounting and internal auditing that would have a significant impact on the financial statements.
- * We have placed at your disposal all accounting books, financial documents, supporting data, and all minutes of the General Assembly and Board of Directors meetings (especially those held on...)
- * We confirm the completeness of the data provided regarding the identification of related parties.
- * The financial statements are free from any material and significant misstatements, including omissions.
- * The audited entity has complied with all its contracts with third parties that could have a significant and significant impact on the financial statements.
- * There is no breach of regulatory and supervisory requirements that could have a significant impact on the financial statements if they occur.
- * The following items have been recorded and adequately and appropriately disclosed in the financial statements:
 - (1) The identity of the related parties, balances and transactions with them.
- (b) Losses resulting from purchase or sale commitments.
 - (c) Agreements and options to repurchase previously sold assets.
 - (2) The assets of the establishment are mortgaged as security for others.
- * We do not have any plans or intentions that would significantly affect the book values of assets or liabilities or their classification in the financial statements.
- * There are no plans to discontinue any production lines or other plans or intentions that would result in stagnant or excess inventory, and no inventory has been valued at a value higher than its expected net realizable value.

- * The entity subject to audit owns all of its assets free of any mortgage or liability other than what was disclosed in the financial statements in Note No.....
- * We have recorded or disclosed in an appropriate manner all liabilities - actual and potential - and all guarantees provided to others have been disclosed in Note No.....to the financial statements.
- * There are no events subsequent to the balance sheet date that require adjustment or disclosure in the financial statements or any related notes, other than what was disclosed in Note No.
- * The audited entity's claim was settled for a total amount of..., which had been appropriately accounted for in the financial statements. There are no outstanding or non-final claims that may result in potential liabilities that must be taken into account or disclosed.
- * There are no formal or informal compensation arrangements for any of our cash or investment accounts, and except as disclosed in Note... to the financial statements, we do not have any other credit arrangements.
- * We have recorded or disclosed appropriately in the financial statements our share repurchases agreements and options, as well as our share capital held for options, warrants, transfers and other requirements.

Chief Executive Officer / Financial Director

**Planning phase appendices
In financial audit**

Horizontal analysis of the balance sheet

Audited entity:.....Fiscal year: /

Prepared by:.....Date: / /

Reviewed by...Date://

Item	Foundation year 2014	2015		2016		2017	
	value	value	ratio	value	ratio	value	ratio
<u>Assets</u>							
Fixed assets							
Projects under implementation							
Intangible assets							
Investments in subsidiaries							
Financial investments available for sale							
Deferred tax assets							
Stock							
Clients, receivables and debtors							
Receivables from holding and affiliated companies							
Advance payments							

investments at fair value through profit or loss							
Cash and bank balances							
Total assets							

- The ratio is calculated by dividing the value of the item in the year by its value in the base year.

Continue the horizontal analysis of the balance sheet.

Item	Foundation year 2014	2015		2016		2017	
	value	value	ratio	value	ratio	value	ratio
Owners' equity							
Paid-up capital							
Reserves							
Retained earnings (accumulated profits/losses)							
Profit (or loss) for the year before distribution							
<u>liabilities</u>							
Bonds							
Loans from banks							

Loans from holding and affiliated companies							
Other long-term liabilities							
Provisions							
Bank over draft							
Suppliers, Payables and Other Creditors							
Payables to holding and affiliated companies							
Other short-term liabilities							
Total equity and liabilities							

Horizontal analysis of the income statement

Audit edentity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:..Date://

Item	Foundation year 2014	2015		2016		2017	
	value	value	ratio	value	ratio	value	ratio
Sales/Revenue							
Cost of sales/cost of generating revenue							
Selling and distribution expenses							
Gross profit							
Investment income							
Other gains and losses							
Other revenues							
Provisions no longer required							
Administrative and general expenses							
Financing expenses							

Provisions recognized							
Impairment losses							
Other expenses							
Earnings before tax							
Income tax expense							
Net profit							

Vertical analysis of the balance sheet

Audited entity:.....Fiscal year: /

Prepared by:.....Date: / /

Reviewed by:..Date: / /

Item	2016		2017	
	value	ratio to total assets	value	ratio to total assets
<u>Assets</u>				
Fixed assets				
Projects unde rimplementation				
Intangible assets				
Investments insubsidiaries				
Financial investments available for sale				

Deferred tax assets				
Stock				
Clients, receivables and debtors				
Receivables from holding and affiliated companies				
Advance payments				
investments at fair value through profit or loss				
Cash and bank balances				
Total assets				

Continue the vertical analysis of the balance sheet

Item	2016		2017	
	value	Ratio to total equity and liabilities	value	Ratio to total equity and liabilities
Owners' equity				
Paid-up capital				
Reserves				
Retained earnings (accumulated profits/losses)				
Profit (or loss) for the year before distribution				

<u>liabilities</u>				
Bonds				
Loans from banks				
Loans from holding and affiliated companies				
Other long-term liabilities				
Provisions				
Bank over draft				
Suppliers, Payables and Other Creditors				
Payables to holding and affiliated companies				
Other short-term liabilities				
Total equity and liabilities				

Vertical analysis of income statement items

Audited entity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:..Date://

Item	2016		2017	
	value	ratio For total sales	value	ratio For total sales
Sales/Revenue				
Cost of sales/cost of generating revenue	(xx)		(xx)	
Selling and distribution expenses	(xx)		(xx)	
Gross profit	Xx		Xx	
Investment income	X		X	
Other gains and losses	X		X	
Other revenues	X		X	
Provisions no longer required	X		X	
Administrative and general expenses	(X)		(X)	
Financing expenses	(X)		(X)	
Provisions recognized	(X)		(X)	
Impairment losses	(X)		(X)	
Other expenses	(X)		(X)	
Earnings before tax	Xx		Xx	
Income tax expense	(X)		(X)	
Net profit				

Inherent Risk Analysis

Form No. 5 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: //

Reviewed by:.Date://

Element: Industrial Conditions Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low 20%	Medium 50%	High 80%	Medium 50%	High 80%
1- The nature of the market in which the entity being audited operates in terms of the degree of growth and stability.					
2- The type and strength of competition in the market.					
3- Stability of demand for the product and its strategy for the consumer.					
4- The relationship between supply and demand for a commodity in the local market or the international market.					
5- Availability of a competitive advantage for the local industry market.					
6- The extent to which the state provides protection measures for local industry.					
7- The degree of stability of industrial product prices.					
8- The degree of elasticity of demand and supply for industrial products.					
9- The ability of the audited entity to comply with industry conditions.					

Inherent Risk Analysis

Form No. 5 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: //

Reviewed by:.Date://

Element: Industrial Conditions Relative weight of the element: 10%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low 20%	Medium 50%	High 80%	Medium 50%	High 80%
10- Seasonality of activities according to industry conditions.					
11- The degree of complexity and technological diversity of the industry.					
12- The degree of industry dependence on energy and the availability of its sources.					
13- Availability of specialized labor and other production elements.					
14- The impact of labor organisations on industry.					
15- The extent of the existence of quality control procedures in commodity markets.					
16- The impact of consumer protection associations.					
Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: %. etc.					

Inherent Risk Analysis

FormNo. 6 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: //**Reviewed by:.Date: //**

Element: General economic and legislative conditions. Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level riskscore	
	Low	Medium	High	Medium	High
	20 %	50%	80 %	50%	80 %
1- The extent to which legislation and regulations directly impact the organisational and production processes of the entity and the degree of their stability.					
2- The extent of the impact of government policies on the activities of the entity being audited: <ul style="list-style-type: none"> - Monetary policies, including foreign exchange controls. - Financial policies. - Financial incentives (e. g., government assistance programmes). - Customs tariffs and trade restrictions. 					

Inherent Risk Analysis

FormNo. 6 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: / /**Reviewed by:.Date: / /**

Element: General economic and legislative conditions. Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level riskscore	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
3- The impact of legislation and regulations related to direct supervisory activities related to production.					
4- The impact of the regulatory framework of the industry.					
5- The impact of other external factors that affect the activity of the entity being audited, including: - The general level of economic activity (e.g., recession, growth). - Interest rates and availability of financing. - Inflation and currency revaluation.					
6- The effects of taxes to which the audited entity is subject.					

Inherent Risk Analysis

FormNo. 6 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: / /**Reviewed by:.Date: / /**

Element: General economic and legislative conditions. Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level riskscore	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
7- The impact of environmental requirements that affect the industry and the activity of the entity being audited.					
8- The degree of legislative and economic stability in the countries where there are projects, branches, subsidiaries and investments.					
Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: %. etc.					

Inherent Risk Analysis

FormNo. 8 Planning Stage

Auditedentity:.Fiscalyear:/

Preparedby:.Date://

Reviewedby:.Date://

Element:Operatingconditions. Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
1- The degree of diversity in Sectors of activity.					
2- The ability of the audited entity to carry out all stages. And production methods.					
3- The impact of the audited entity's delivery methods. Products and services.					
4- The existence of plans for expansion in operational activity.					
5- The extent of stability in operational activity.					
6-ExistenceOperationsthat have been reduced or have plans to do so.					
7- Is there Joint ventures have the same operating activity?					
8- The existence of joint projects with suppliers and their impact.					
9- Availability of trained workers to carry out production work.					

Inherent Risk Analysis

FormNo. 8 Planning Stage

Auditedentity:.Fiscalyear:/

Preparedby:.Date: //

Reviewedby:.Date://

Element:Operatingconditions. Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
10- The stability of raw material markets.					
11- The extent to which the audited entity is exposed to a shutdown due to the unavailability of raw materials or labor.					
12- The extent of accreditation of the audited entity Onthe services of experts.					
13- Availability of experts in the local market.					
14- The suitability of the appointment policies of the entity under audit.					
15- The effects of wage levels on the economics of the entity under audit.					
16- The impact of union pressures.					
17- The impact of pension systems and post-retirement benefits.					
18- Effects of applied incentive systems.					

Inherent Risk Analysis

FormNo. 8 Planning Stage

Auditedentity:.Fiscalyear:/

Preparedby:.Date: //

Reviewedby:.Date://

Element:Operatingconditions. Relative weight of the element: 10%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
19- The effectiveness of research and development activities.					
20- Impact of research and development activities.					
Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: %. etc.					

Inherent Risk Analysis

Form No. 9 Planning Stage

Audited entity:.Fiscal year:/

Prepared by:.....Date: //

Reviewed by:.....Date://

Element: Marketing conditions. Relative weight of the element: 10%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
1-What is the reputation and impact of the audited entity's products?					
2- What is the nature of marketing trends,					

Inherent Risk Analysis

Form No. 9 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Marketing conditions. Relative weight of the element: 10%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
marketing strategy, objectives and their effects?					
3- What is the market share and influence of the entity being audited?					
4- The nature of the relationship with competitors Andits impact on the entity being audited?					
5- The degree of availability of foreign markets for products and the volume of exports.Fromit?					
6- What is the degree of stability of external demand for products?					
7- What is the impact of pricing policies on operations and competition?					
8- Does the audited entity use e-commerce?					
9-How diverse and stable are online sales?					

Inherent Risk Analysis

Form No. 9 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Marketing conditions. Relative weight of the element: 10%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
10-Implications of marketing activities through e-commerce?					
Table Summary Risk assessment at the financial statement level: %Risk assessment at item level: Item.: % Item.: %. etc.					

Inherent Risk Analysis

Form No. 10 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: //

Reviewed by:.Date: //

Element: Investment and financing conditions. Relative weight of the element: 15%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
1- Does the entity have acquisition activities and their impact on its business and economy?					
2- Are there trends towards undertaking merger activities and their impact on the activity and economics of the audited entity?					

Inherent Risk Analysis

Form No. 10 Planning
Stage

Audited entity: Fiscal year: /

Prepared by: Date: //

Reviewed by: Date: //

Element: Investment and financing conditions. Relative weight of the element: 15%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
3- The impact of the activities that the audited entity has gotten rid of?					
4- What is the degree of diversity of investments and their expected impact on the activity and economics of the entity being audited?					
5- What are the effects of expected securities transactions?					
6- What is the impact of the planned capital investment activities and their feasibility studies?					
7- Are there investments in facilities that are not included in the assembly process, and what are the reasons for that and its impact?					
8- The effect of the debt structure?					
9- Is there a limit? Debt-related agreements, restrictions on them, guarantees for them, their financing arrangements, and their impact on the audited entity.					
10- Is there? Rented properties and their impact?					
11- Is there? Rented factories and the expected effects?					
12- Is there? Equipment rented and used in the activity?					

Inherent Risk Analysis

Form No. 10 Planning Stage

Audited entity:..Fiscal year: /

Prepared by:..Date: //

Reviewed by:..Date: //

Element: Investment and financing conditions. Relative weight of the element: 15%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
13- Ownership structure Their nationalities and the impact of that?					
14- Is there? Stakeholders, nature of these relationships and their impact?					
Table Summary Risk assessment at the financial statement level: %Risk assessment at item level: Item.: % Item.: %. etc.					

Inherent Risk Analysis

FormNo. 11 Planning Stage

Audited entity:.....Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Management's assessment and financial statement preparation framework. Relative weight of the element: 15%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
1- Evaluate the efficiency and integrity of the audited entity's management?					

Inherent Risk Analysis

FormNo. 11 Planning Stage

Audited entity:.....Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Management's assessment and financial statement preparation framework. Relative weight of theelement:15%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
2- The extent of suitability The framework used to prepare the financial statements?					
3- Appropriateness — What revenue recognition basis is applied?					
4- Relative weight For items that are accounted for at fair value?					
5- The extent of diversity suitability In stock and turnover rates?					
6-OccasionLocationsof the audited entity's warehouses and storage conditions?					
7-SizeDebts, liabilities and foreign currency transactions and their expected impact on business results.					
8-ElementsImportantin industry (for example): loans and investments in banks, customer accounts and inventory in industrial companies, and research and development in pharmaceutical companies.					
9- Adequacy of accounting treatments for unusual or complex transactions,					

Inherent Risk Analysis

FormNo. 11 Planning Stage

Audited entity:.....Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Management's assessment and financial statement preparation framework. Relative weight of theelement:15%

Field of under standing	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
including those in conflicting or novel fields.					
10- The extent to which the presentation and disclosure in the financial statements are consistent with the applicable accounting framework.					
11- The relative importance of balances exposed to embezzlement and fraud.					
12- The relative importance of items that depend on estimation.					
13- Risks of problems identified by previous audits.					
Table Summary Risk assessment at the financial statement level: %Risk assessment at item level: Item.: % Item.: %. etc.					

Inherent Risk Analysis

Form No. 12 Planning Stage

Audited entity: Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Objectives, strategies and related business risks Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
1- Objectives of the entity being audited.					
2- Industry development risks (potential business risks such as the audited entity's lack of personnel or expertise to deal with changes in the industry).					
3- New product and service risks (potential business risks could be, for example, increased product-related liabilities)					
4- Business expansion risks (potential business risks that may arise from inaccurately estimating demand).					
5- Risks of new accounting requirements (potential business risks such as incomplete or improper implementation, or increased costs).					
6- Regulatory requirements risks (potential business					

Inherent Risk Analysis

Form No. 12 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.....Date: //

Reviewed by:.....Date: //

Element: Objectives, strategies and related business risks Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
risks such as increased exposure to legal risks).					
7- Current and anticipated financial requirements (potential business risks may include loss of funding as a result of the audited entity's inability to meet its liabilities).					
8- IT usage risks (potential business risks such as system incompatibility with operations).					
9- Risks of strategy implementation, particularly risks that may lead to new accounting requirements (potential business risks may be incomplete or improper implementation).					
Table Summary Risk assessment at the financial statement level: %Risk assessment at item level: Item.: % Item.: % . etc.					

Inherent Risk Analysis

Form No. 13 Planning Stage

Audited entity: Fiscal year: /

Prepared by: Date: / /**Reviewed by: Date: / /**

Element: Measuring and examining the entity's financial performance

Relative weight of the element: 10%

Field of understanding	Risk score at the financial statement level			Item-level risk score	
	Low	Medium	High	Medium	High
	20%	50%	80%	50%	80%
Important ratios and operating statistics.					
1- Key performance indicators.					
Employee performance measures.					
2- Incentive wage policies.					
3- Forecasting reports, budget estimates, and variance analysis.					
4- Analyst reports and rating reports Credit.					
5- Competitor analysis.					
6- Development of financial performance from one period to another (revenue growth, profitability, and financial leverage).					
Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: % . etc.					

Form No. 14 Planning Stage

Understanding the audited entity and its environment and measuring the inherent risks at the financial statement level

Audited entity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:..Date://

Field of understanding	Relative weight	Inherent risk level			Finale valuation
		20%	50%	80%	
Industry conditions	10%				
General economic and legislative conditions	10%				
Nature of the entity being audited	10%				
Operating conditions	10%				
Marketing conditions	10%				
Investment and financing conditions	15%				
Management Evaluation and Financial Statement Preparation Framework	15%				
Objectives, strategies and related business risks	10%				
Measuring and examining the financial performance of the entity	10%				

Total	
--------------	--

Considerations for using inherent risk analysis models:

- The scores are totaled and divided by the number of items and the result is rounded to the nearest risk score.
- For items that are not included in the item-level risk column (Medium or High), their risk assessment for that item is considered (Low).

Form No. 15 Planning Stage

Understand the audited entity and its environment and measure the inherent risks at the item/... level.

Audited entity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:.....Date://

Field of understanding	Relative weight	Inherent risk level			Final evaluation
		20%	50%	80%	
Industry conditions	10%				
General economic and legislative conditions	10%				
Nature of the entity being audited	10%				
Operating conditions	15%				
Marketing conditions	15%				
Investment and financing conditions	20%				

- The items included in this table are consistent with the items in the financial statements of the audited entity.

Internal Control Risk Analysis

Form No. 17
Planning Stage

Audit edentity:.Fiscal year:/

Prepared by:.Date: //

Reviewed by:.Date://

Element: Control Environment Relative weight of the element: 10%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
<p>Application of integrity and ethical values:</p> <p>1- Does the management work to instill and apply integrity and ethical values through actions and words?</p> <p>2- Are there rules of ethical conduct in the audited entity?</p> <p>3- Are incentives and temptations for unethical behaviour being avoided?</p>					

<p>Commitment to efficiency: 5- Does the management take into account the levels of efficiency for jobs that require specific levels?</p>					
<p>Contribution of Those Charged with Governance (TCWG) (TCWG) (TCWG): 6- Are there periodic meetings for Those Charged with Governance (TCWG) (TCWG) (TCWG)? 7- Are the members of the governance committees experienced and qualified? 8- Is the formation of the Audit Committee independent? 9- How sufficient is the participation of Those Charged with Governance (TCWG) (TCWG) (TCWG) and their scrutiny of activities?</p>					
<p>Management philosophy and operating style: 10- Are business risks identified by management and managed appropriately? 11- Is management's choice of accounting policies and accounting estimates consistent with the proper presentation of the financial statements? 12- Does management intend to make material amendments to the financial statements that are inconsistent with fair presentation? 13- How responsive is management to financial reports?</p>					
<p>Organizational structure: 14- Does the organisation's organisational structure constitute the framework through which its activities</p>					

<p>are planned, implemented, monitored and examined?</p> <p>15- Does the organisational structure of the entity being audited show how authority, responsibility, and relationships are distributed between departments?</p>					
<p>Human Resources Policies and Practices:</p> <p>16- Are there job descriptions for the entity being audited and time and movement studies for those jobs?</p> <p>17- How adequate is the mechanism for identifying competencies for each job?</p> <p>18- Do the appointment policies and procedures work to appoint the competent people for the positions needed by the entity being audited?</p> <p>19- How adequate are the procedures for familiarizing new employees with the tasks required of them?</p> <p>20- Does the entity being audited rely on specialization or job rotation, and how successful is this policy?</p> <p>21- How adequate are training and skills development policies?</p> <p>22- How adequate are the reward and punishment policies in the audited entity?</p> <p>23- How appropriate is the career promotion policy followed by the entity under audit?</p> <p>24- How adequate are the social services and medical care systems for workers?</p>					

Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: % . etc.

Internal Control Risk Analysis

Form No. 18 Planning Stage

Audited entity:..Fiscalyear: /

Prepared by:..Date: //

Reviewed by:..Date: //

Element: Risk assessment procedures Relative weight of the element: 10%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
<p>Risk management mechanism: 1- Does the audited entity have a department specialized in identifying, evaluating and addressing risks, and what is its level of efficiency? 2- If the answer is no, does each department and division of the audited entity address its risks independently?</p>					
<p>risk assessment: 3- Have the objectives been determined at the level of the entity being audited as a whole and at the level of each department, division and activity in relation to the process? Financial reporting? 4- Have events that affect activities related to the financial reporting process been identified?</p>					
<p>Risk assessment:</p>					

Internal Control Risk Analysis

Form No. 18 Planning Stage

Audited entity: Fiscal year: /

Prepared by: Date: / /

Reviewed by: Date: / /

Element: Risk assessment procedures Relative weight of the element: 10%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
5- Has the likelihood of risks occurring been assessed? 6- Has the impact been determined for each possibility?					
Risk management measures: 7- What policies does the audited entity apply to address risks (reducing/sharing/accepting)? 8 - How efficient was the risk management process faced by the audited entity in the past, and how consistent was it with the studies prepared by the risk management department?					
Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: % . etc.					

InternalControl Risk Analysis

Form No. 19 Planning Stage

Auditedentity:.Fiscal year: /

Prepared by:.Date: //**Reviewed by:.Date: //**

Element: Information Systems Relative weight of the element: 40%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
1- How adequate and effective are the existing information and reporting systems?					
2- Have the categories of transactions in the audited entity's operations that are significant to the financial statements been identified?					
3- Have the procedures that take place within both IT systems and manual systems been defined?					
4- Is there an accounting manual? And how appropriate is it?					
5- Does the audited entity implement a costing system that serves its purpose? And to what extent does it contribute to decision-making?					
6- Is there a reconciliation between cost data and financial data?					

Internal Control Risk Analysis

Form No. 19 Planning Stage

Audited entity: Fiscal year: /

Prepared by: Date: / /

Reviewed by: Date: / /

Element: Information Systems Relative weight of the element: 40%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
7- Do communication processes include communicating and understanding the roles and individual responsibilities related to the internal control system over the financial reporting process?					
Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: % . etc.					

Internal Control Risk Analysis

Audited entity:..Fiscal year: /

Prepared by:.....Date: //**Reviewed by:.....Date: //**

Element: Supervisory activities Relative weight of the element: 10%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
Section of specializations: 1- Is there a clear definition of tasks and responsibilities? 2-Is there a separation of duties between conflicting functions (requesting/management, accreditation, approval and decision-making/implementation/keeping of trusts and assets/documentation, document preservation and bookkeeping/control)?					
Accreditation Authority: 3- Are there the necessary powers to deposit, transfer and withdraw from bank balances in accordance with what has been approved by the administration? 4- Is there an allocation for all capital expenditures (purchase of non-current assets)? 5- Are requests to purchase non-current assets approved by an appropriate management level? 6- Is there approval for decisions regarding appointments, promotions, bonuses and incentives? 5- Are there approved policies regulating deferred sales and discount policies? 6- Is there a clear definition for approving purchase requests and a system for issuing supply orders?					
Operating Systems and Processes: 7- Is there a suitable system for depositing cash proceeds into the bank account on a timely basis? 8- Is there an accurate and sufficient system for dealing with checks? 9- Are there security measures to protect cash? 10 - Is there a system to track the entry and exit of items through the gate, and a receiving and inspection system for purchases? 11- Is there a system for invoicing and delivering to customers for sales and shipping? 12- Is there an insurance system for treasuries and trustees? 13- How adequate are internal control procedures for reviewing and verifying purchase and sales invoices at the time of implementation?					
Performance check:					

<p>14- Is there a document circulation system to prevent duplication?</p> <p>15- Is there a set of documents that governs all operations?</p> <p>16- Are there periodic procedures for surprise inventory?</p> <p>17- Are accrued expenses and advance revenues properly recorded according to invoices, agreements and contracts?</p> <p>18- Is there a role for the internal audit department of the entity being audited in conducting reconciliations and comparisons and reviewing their reports?</p> <p>19- Is there a proof of inventory held by third parties and also held for third parties in the warehouses of the entity being audited?</p> <p>20- Are there systems for performance evaluation, deviation analysis, and accountability?</p>					
<p>Table Summary Risk assessment at the financial statement level: % Risk assessment at item level: Item.: % Item.: %. etc.</p>					

- Internal control risks related to audit activities at the level of the audited entity are generally analyzed according to this form. If risks related to specific items are identified, they are explained in the boxes designated for that purpose in the form.
- After analyzing the internal control risks of control activities, specifically at the level of the main cycles (sales/purchases/... etc.), according to the models provided below, the aforementioned analysis is reviewed with the general analysis to arrive at the correct analysis.
- An estimated relative weight of 5% is assigned to each of the five main cycles.

Internal Control Risk Analysis Form No. 21 Planning Stage

Audited entity:-----

Fiscal year:-----

Prepared by:-----

date:-----

Reviewed by:-----

date:-----

Element: Control Activities - Cash Operations

element	Risk level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
1- Is there a clear definition of tasks and responsibilities?					
2- Is there a separation of powers regarding bookkeeping, preparation and authorisation of disbursements or receipts, and retention of cash?					
3- Is there a convenient system for depositing cash proceeds into the bank account on a timely basis?					
4- Is there an accurate and adequate system for dealing with checks?					
5- Are there the necessary powers to deposit, transfer, and withdraw from bank balances as approved by the administration?					
6- Is there a system for circulating supporting documents to prevent duplication?					
7- Is there an insurance system for treasuries and trustees?					
8- Is there a set of documents that governs all cash transactions?					
9- Are there regular procedures for surprise inventory of storage?					
10- Are there security measures to preserve cash??					

Internal Control Risk Analysis

Form No. 22 Planning Stage

Audited entity:-----

Fiscal year:-----

--

Prepared by:-----

date:-----

Reviewed by:-----

date:-----

Element: Control Activities-Purchasing

element	Risklevel			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
1- Is there a clear definition of the authority to approve purchase requests and the system for issuing supply orders?					
2- Is there a complete separation of responsibilities between those responsible for accounting records, those responsible for issuing checks sent to suppliers, and those responsible for receiving and inspecting goods?					
3- Is there a system to track the entry of items through the gate, and a system for receiving and technically inspecting them?					
4- Is there an insurance system for the audited entity's purchases?					
5- Does the system guarantee that only the original invoices will be disbursed?					
6- Are the expenses for the period?					
7- Are the tabs and displays correctly?					

<p>8- Are invoices stamped with a payment stamp to ensure there are no duplicate payments?</p> <p>9- Are the supply terms implemented in accordance with the contracts?</p> <p>10- Are the payment dates correct?</p> <p>11- Are payment notes delivered to the recipients?</p> <p>12- Is there a separation of powers between the operations of the process (purchases / accounts payable)?</p> <p>13- Are accrued expenses properly recorded according to invoices, agreements, and contracts?</p> <p>14- Is there a role for the internal audit department of the entity being audited in conducting reconciliations and comparisons and reviewing their reports?</p>					
--	--	--	--	--	--

Audit edentity:-----

Fiscal year:-----

Prepared by:-----

date:-----

Reviewed by:-----

date:-----

Element:Control Activities- Sales

element	Risklevel			Item-level risk score	
	Yes	To some extent	Yes	To some extent	Yes
	20%	50%	20%	50%	20%
1- Is there a clear definition of tasks and responsibilities in the areas of sales and collection?					
2- Are sales invoice editors, credit sales approval, shipping, invoice preparation, and accounting functions separated?					
3- Does the system include controls for invoice serial numbers and a proper method for canceling and storing invoices?					
4- Are there approved policies regulating deferred sales and discount policies?					
5- Is there a system for receiving customer requests and monitoring the stages of the deferred sale process?					
6- Is there a system for preparing goods, sending them to the customer, issuing payment orders,					

preparing and approving invoices, and inspecting items before they are released?					
7- Is there a system for granting samples of items produced by the entity being audited, and is it within the limits of commercial custom?					

The entity subject to audit: ----- **Fiscal year:**-----

Prepared by:----- **date:**-----

Reviewed by:----- **date:**-----

Element:ControlActivities- Inventory

element	Risklevel		Item-level risk score		
	Yes	To some extent	Yes	To some extent	Yes
	20%	50%	20%	50%	20%
1- Is there a document system for receiving and disbursing that ensures the traceability of each disbursement or addition (having serial numbers)?					
2- Are the warehouses equipped according to the nature of each type?					
3- Are there security measures in place depending on the nature of the inventory?					
4- Is there a warehouse insurance system?					
5- Is there an insurance system for warehouse keepers?					
6- Are there any means to facilitate the receiving or disbursing					

process, such as scales and measures? 7- Is there a system for conducting periodic inventory of warehouses? 8- Are warehouse balances reconciled with accounts periodically? 9- Is there a system to record the inventory held by third parties and also held for third parties in the warehouses of the entity being audited?					
---	--	--	--	--	--

Internal Control Risk Analysis

FormNo. 25 Planning Stage

Audit edentity:-----

Fiscal year:-----

Prepared by:-----

date:-----

Reviewed by:-----

date:-----

Element:Control Activities- Salaries

element	Risklevel			Item-level risk score	
	Yes	To some extent	Yes	To some extent	Yes
	20%	50%	20%	50%	20%
1- Is there a clear definition of tasks and responsibilities? 2- Is there a separation of duties regarding human resources management and benefits administration? 3- Are there records for each employee?					

<p>4- Are there any decisions regarding appointments, promotions, bonuses and incentives?</p> <p>5- Are all changes to employee status documented to the Human Resources Department on a timely basis?</p> <p>6- Is there a system to record the entry and exit times of employees?</p> <p>7- Is it verified that salaries are only paid to employees whose data has been entered by the Human Resources Department?</p> <p>8- Are all changes made to payroll accounts approved by a competent authority?</p> <p>9- Is there a system to verify that salaries are paid to those entitled to them?</p> <p>10- Is there a system for refunding amounts not disbursed by employees?</p> <p>11- Are the deductions and transfers to the relevant accounts related to payroll and wages verified?</p>					
---	--	--	--	--	--

Internal Control Risk Analysis

FormNo. 27 Planning Stage

Audited entity:.Fiscal year: /

Prepared by:.Date: //

Reviewed by:.Date: //

Element: Monitoring control elements Relative weight of the element:
20%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
<p>Control elements from within the audited entity:</p> <p>1- What are the elements of the control systems within the entity being audited, such as the internal audit system, administrative control and follow-up systems, and how sufficient are they?</p> <p>2- The position of the Internal Audit Department in the organisational structure and its degree of independence?</p> <p>3- What is the nature of the relationship between Those Charged with Governance (TCWG) (TCWG) and internal audit systems, and what impact does this have on their independence?</p> <p>4- What is the competence and experience of internal auditors?</p>					

Audited entity:.Fiscal year: /

Prepared by:.Date: //

Reviewed by:.Date: //

Element: Monitoring control elements Relative weight of the element: 20%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
5- What is the development of the internal audit approach in performing its work and the extent of its continuity in oversight? 6- Degree of response to internal audit reports? 7- Is there a quality control system within the audited entity? 8- Where does the quality control system fit into the organisational structure? 9- Experience and competence of the quality control system staff? 10- The approach followed in quality control and its adequacy? 11- Responding to quality control reports?					
Control elements from outside the audited entity: 1- What are the regulatory bodies that supervise the entity being audited? 2- What are the observations and findings included in the correspondence and reports of external oversight bodies?					

Audited entity:.Fiscal year: /

Prepared by:.Date: //

Reviewed by:.Date: //

Element: Monitoring control elements Relative weight of the element: 20%

element	Risk score at the financial statement level			Item-level risk score	
	Yes	To some extent	no	To some extent	no
	20%	50%	80%	50%	80%
3- The extent of the audited entity's response to the reports of the regulatory authorities.					
Table Summary Risk assessment at the financial statement level: %Risk assessment at item level: Item.: % Item.: %. etc.					

Form No. 28 Planning Stage

Internal control risk analysis at the financial statement level

Audit edentity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:.....Date: //

Field of understanding	Relative weight	Control risk score			Final evaluation
		20%	50%	80%	
Contrôle nvironment	15%				
Risk assessment procedures	15%				

Information systems	25%				
Supervisory activities	25%				
Monitoring control elements	20%				
Total					

Considerations for using control risk analysis models:

- The scores are totaled and divided by the number of items and the result is rounded to the nearest risk score.
- For items that are not included in the item-level risk column (Medium or High), their risk assessment for that item is considered (Low).

Internal control risk analysis at the item/... level Form No. 29 Planning Stage

Audited entity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:..Date://

Field of understanding	Relative weight	Control risk score			Final evaluation
		20%	50%	80%	
Control environment	15%				
Risk assessment procedures	15%				
Information systems	25%				
Supervisory activities	25%				

- **The items included in this table are consistent with the items in the financial statements of the audited entity.**

Distribution of relative importance on the items of the financial position statement

Audited entity:.....Fiscal year: /

Prepared by:.....Date: //

Reviewed by:..Date://

Item	Amount/ in pounds	Confidence coefficient	Item value weighted by confidence level	relative importance of the item
<u>Assets</u>				
Fixed assets				
Projects under implementation				
Intangible assets				
Investments in subsidiaries				
Financial investments available for sale				
defer red tax assets				
Stock				

Clients, receivables and debtors				
Accounts receivable with holding and affiliated companies				
Advance payments				
investments at fair value through profit or loss				
Cash and bank balances				
Total assets				

- Item value weighted by confidence level = Item value x Confidence coefficient
- Item relative importance = value of acceptable errors at the list level x (Confidence-weighted item value / Total confidence-weighted item values).

Follow the distribution of relative importance on the items of the financial position statement

Audited entity:.....Fiscal year: /

Prepared by:.....Date: //

Reviewed by:..Date://

Item	Amount/ in pounds	Confidence coefficient	Item value weighted by confidence level	relative importance of the item
Owners' equity				
Paid-up capital				
Reserves				
Retained earnings (accumulated profits/losses)				

Profit (or loss) for the year before distribution				
<u>liabilities</u>				
Bonds				
Loans from banks				
Loans from holding and affiliated companies				
Other long-term liabilities				
Provisions				
Bank over draft				
Suppliers, Payables and Other Creditors				
Payables to holding and affiliated companies				
Other short-term liabilities				
Total equity and liabilities				
Total				

Distribution of relative importance to income statement items

Audited entity:.....Fiscal year: //

Prepared by:.....Date: //

Reviewed by:..Date://

Item	The amount In pounds	Confidence coefficient	Item value weighted by confidence level	relative importance of the item
Sales/Revenue				
Cost of sales/cost of generating revenue	(xx)			
Selling and distribution expenses	(xx)			
Gross profit	Xx			
Investment income	X			
Other gains and losses	X			
Other revenues	X			
Provisions no longer required	X			
Administrative and general expenses	(X)			
Financing expenses	(X)			
Provisions recognized	(X)			
Impairment losses	(X)			
Other expenses	(X)			
Earnings before tax	Xx			
Income tax expense	(X)			
Net profit				
Total				

- Item value weighted by confidence level = Item value x Confidence coefficient

- Item relative importance = value of acceptable errors at the list level
 \times (Confidence-weighted item value / Total confidence-weighted item values).

Reporting phase appendices In financial Audit

Attachment No. (1)

ModelNumber (1)a reportthe auditoron the financial statements of a listed entity, prepared in accordance with a fair presentation framework

This is an illustrative report template. The auditor for assuming the following conditions:

- Audit a complete set of financial statements of a listed entity, using a fair presentation framework. Audit process Does not include auditing consolidated lists(i. e. the standard auditing 2600 Not applicable on it).
- The financial statements have been prepared by the entity's management, in accordance with International Financial Reporting Standards (a general-purpose framework).
- Reflects the terms of engagement auditing a description of management's responsibility for the financial statements contained in the standard auditing (2210)
- It is finished the auditor to an unmodified (i. e., clean) opinion, which is considered appropriate based on the evidence auditing obtained.
- Relevant ethical requirements that apply to auditing. Itis the approved Code of Ethics and professional ethics. INTOSAI.
- Based on evidence auditing obtained, concluded the auditor There is no material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with For the audit standard (2570)
- Key issues reported for verification according to the standard auditing (2701)
- Those responsible for overseeing the financial statements differ from those responsible for preparing these statements.
- In addition to audit financial statements, bear the auditor other reporting responsibilities required by local law.

The independent auditor report

To the shareholders of ABC Company [or other (appropriate) addressee]

Report on the Audit of financial statements

Opinion:

We checked financial statements of ABC Company (the company), which includes the statement of financial position as of December 31x201..and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31. x201Its financial performance and cash flows for the year ending on that date, in accordance with International Financial Reporting Standards.

Basis of opinion:

We have done in the audit process According to for standards auditing approved INTOSAI our responsibilities under those standards are explained in the Responsibilities section. The auditor on audit the financial statements in our report. We Independent of the company in accordance with the approved rules of professional conduct and ethics. INTOSAI Related by our audit for the financial statements. We have also met other professional conduct and ethical requirements in accordance with those rules. We believe that the evidence Auditing the information we have obtained is sufficient and appropriate to provide a basis for our opinion.

Main matters for verification:

Main matters for verification these are the matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters are addressed in the context of our audit for the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on those matters.

[Describe each major command for verification according to the audit standard (2701)]

Responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with International Financial Reporting Standards and other pronouncements. Approved in this regard and the provisions of the Companies Law auditing the internal controls that management deems necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the ability of the entity subject to audit to remain a going concern and to make disclosures as appropriate, and on matters related to continuity, and the use of the going concern basis in accounting, unless there is an

intention to liquidate the entity subject to auditor cease its operations, or there is no other suitable option.

Those Charged with Governance (TCWG) (TCWG) are responsible for overseeing the financial reporting process in the entity subject to audit. (Must the auditor to name here Those Charged with Governance (TCWG) (TCWG) according to as it is decided standard auditing (2260))

Responsibilities of the auditor on Audit financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Audit our opinion includes, Reasonable assurance is a high—but not absolute—level of assurance, but it is not a guarantee that Audit process carried out in accordance with the standards Auditing Certified accounting will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of Audit process according to the standards Auditing we exercise professional judgment and maintain professional scepticism during audit process, and on us too:

- Identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, and design and implement procedures audit in response to these risks, and to obtain evidence Audit sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or over statement. Internal Auditing.
- Gain understanding for internal verification related to the audit process, in order to design procedures, audit appropriate to the circumstances, and not for the purpose of expressing an opinion on its effectiveness. Internal auditing for the entity subject to audit.
- Evaluating the appropriateness of the accounting policies used, and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude the appropriateness of management's use of the going concern basis of accounting, based on evidence. Auditing obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the ability the authority to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on evidence auditing obtained up to the date of this report. However, future events or circumstances may cause us to stop. The authority about remaining as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the transactions and events in a manner that achieves fair presentation.

We have informed Those Charged with Governance (TCWG) (TCWG) regarding, among other things, the planned scope and timing. For the audit and the important results for the audit process, including any significant deficiencies in auditing the interior we discovered during the audit.

We have also provided Those Charged with Governance (TCWG) (TCWG) with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

Among the matters communicated to Those Charged with Governance (TCWG) (TCWG), we identify those matters that were of the utmost importance to: Audit The financial statements for the current period, and accordingly the main matters are: For the audit We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other regulatory and statutory requirements:

The format and content of this section will vary from report to report. The auditor depending on the nature of the auditor's other reporting responsibilities determined by law, regulation or standards. Audit Other. Matters addressed by another system, regulation or standard must be addressed. Audit other (referred to as "Other Reporting Responsibilities") within this section unless the other reporting responsibilities address the same topics presented in light of the reporting responsibilities, and are required by the Standards auditing as part of the report section on audit financial statements. The report may be combined with other reporting responsibilities that address the same topics required by the standards. Auditing (ie include it in the report section about audit financial statements under appropriate subheadings) provided that the wording in the report is distinct the auditor clearly other reporting

responsibilities than those required by the standards auditing when there is such a difference.

Partner responsible for engagement auditing which resulted in this report for the auditor independent [the name].

(Signature on behalf of Supreme Audit Institution, or personal name for the auditor, or both, whenever possible. Suitable)

[address the competent audit department or the supreme audit institution]

[date the report]

Attachment No. (2)

Model Number (2) Report of the Check About the financial statements Consolidated financial statements of a listed entity, prepared in accordance with a fair presentation framework:

For the purposes of this illustrative report template, the auditor it is assumed the following conditions:

- Audit process a complete set of consolidated financial statements for an entity listed, using a fair presentation framework. An audit is a group audit of an entity with facilities. dependent (i. e. That standard auditing 2600 (Applies)
- The consolidated financial statements were prepared by the entity's management, in accordance with International Financial Reporting Standards and other standards and pronouncements approved according to frame with a general purpose.
- Reflects the terms of engagement Auditing Description of management's responsibility for consolidated financial statements included in the auditing standard (2210).
- It is finished the auditor to an Unmodified opinion (Any clean) and that is considered appropriate based on evidence auditing obtained.
- Relevant ethical requirements that apply to audit process code of Conduct and Ethics Approved in INTOSAI.
- Based on evidence Auditing obtained, concluded the auditor there is no material uncertainty related to events or conditions may raise significant doubts about the facility's ability to survive. As a going concern according to the audit standard (2570).
- Key issues reported for verification According to the standard auditing (2701).

- Those responsible for overseeing the consolidated financial statements differ. On those responsible for preparing these lists.
- In addition to auditing the consolidated financial statements, the audit or responsibilities other reports required by local law.

a report the audit or independent

To the shareholders of ABC Company [Or addressed to another (appropriate)]
Report on the Audit of the Consolidated financial statements.

Opinion:

I have we have checked Consolidated financial statements of ABC Company and its Subsidiaries (The group), which includes a list of Consolidated Financial Centers On 12/31/, the consolidated statement of comprehensive income and the statement of changes in Consolidated equity and consolidated statement of cash flows for the year ended on that date, And the notes attached to the financial statements, including: Summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all Material aspects, consolidated financial position of the Group as at 12/31/xx20 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with approved International Financial Reporting Standards and other standards and certified pronouncements.

Basis Opinion:

I have we did scrutiny according to the standards Auditing approved in INTOSAI our responsibilities under those standards are explained in Section Responsibilities The auditor on audit consolidated financial statements in our report.

And the Independents of the Group in accordance with the approved Code of Ethics and professional ethics. We also meet the requirements of conduct and ethics. Profession others according to those rules. We believe that the evidence auditing that we got on it sufficient and appropriate to provide a basis for our opinion.

Things Home for verification:

Things home for verification these are the things which, in our judgment, were Professional, it is of great importance when we are auditing consolidated financial statement for the period current These matters were addressed in the context of audit a for financial statements unified as a whole, and when

forming our opinion on it, we did not provide a separate opinion on that. Things. [Description of each major audit matter according to the standard Auditing 2701]

Responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements Unified:

Management It is responsible for preparing the consolidated financial statements and their fair presentation. According to for International Financial Reporting Standards, other standards and certified pronouncements, and about Provisions of the Companies Law for verification the internal information that the administration deems necessary to enable it to prepare lists financial uniform and free from material misrepresentation, whether due to fraud or error.

And when in preparing the consolidated financial statements, management is responsible for estimating capacity The Group shall remain as a going concern and disclose accordingly. Required the case and on matters relating to continuity, and the use of a basis continuity in accounting, unless there is an intention to liquidate the group or stop its operations, or there is no other suitable option.

And those charged with it governance is responsible for overseeing the reporting process. Financial in the group. [The auditor must name the taxpayers here. By governance in the authority which is audited in accordance with the audit standard. (2260)]

The auditor responsibility in audit consolidated financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements The consolidated as a whole is free from material misrepresentation, whether due to fraud or error, and issue a report that includes our opinion. Reasonable assurance is high level of assurance, but not a guarantee that audit process which was do it according to standards auditing you will always uncover a fundamental distortion. When present. Misstatements can arise from fraud or error, and are considered Material if it could reasonably be expected to affect, either alone or in combination, all together, on the economic decisions made by users on Basis of these consolidated financial statements.

As part of Audit process according to the standards auditing certified, we practice Professional judgment and maintain skepticism Professional during audit process. and we have to also:

- Identifying the risks of material misstatements in the consolidated financial statements and its appreciation whether due to fraud or error, the design and implementation of procedures Audit in response to those risks, and obtain sufficient audit evidence. And appropriate to provide a basis for our opinion. The risk of not detecting a misstatement is substantial the risk resulting from fraud is higher than the risk resulting from error, because fraud may involve collusion, forgery, intentional omissions, or misleading statements or exceed auditing internal.

- get an under standing internal audit and related In the audit process, for design procedures audit appropriate to the circumstances, and not for the purpose of expressing an opinion on its effectiveness. Censorship Internal and for the group.

- Evaluating the appropriateness and reasonableness of the accounting policies used. Accounting estimates and related disclosures made by Management.

- Conclude the appropriateness of management's use of the going concern basis in accounting, based on evidence auditing obtained, what If there is a material uncertainty related to events or conditions that may It raises serious doubts about the group's ability to survive as a continuous group.

If we conclude that there is a material uncertainty, we are required to draw attention to it. Pay attention in our report to the relevant disclosures contained in the statements. consolidated financial statements, or if such disclosures are inadequate, shall be amended. Our opinion. Our conclusions are based on evidence. Auditing obtained as of the date of our report. However, future events or circumstances It may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including: In those disclosures, and whether the consolidated financial statements reflect Transactions and events represented in a manner that achieves a fair presentation.

- Get enough evidence of Audit occasion in relation to with financial information of the entities or business activities within the group, to express an opinion on the consolidated financial statements. We are responsible for the direction Audit and performance Audit process the group. We remain solely responsible. About our opinion.

We have informed Those Charged with Governance (TCWG) (TCWG) regarding, among other things, the scope and the planned timing for

verification And the important results of audit, including any Significant deficiencies in internal control that we discovered during audit process.

We have also provided Those Charged with Governance (TCWG) (TCWG) with a statement that we have complied with the requirements. Ethical matters relating to independence, and we informed them of all relationships. and other matters that may reasonably be thought to affect our independence, Where applicable, related warranties.

Among the matters that were communicated to Those Charged with Governance (TCWG) (TCWG), we identify those matters that: It was of great importance when auditing the consolidated financial statements for the period. Current, and accordingly, the main matters for audit. We explain these Matters in our report unless a law or regulation prevents public disclosure of the matter, or when, in very rare circumstances, we feel that the matter should not be reported. We do not mention it in our report because the negative consequences of doing so are expected to out weigh the public interest benefits from such reporting are reasonably assured.

Report on other regulatory and statutory requirements:

The form and content of this section of the auditor's report will vary depending on: The nature of the auditor's other reporting responsibilities specified by law or regulation or other audit criteria. Matters addressed by another system must be addressed. or other regulation or other audit standards referred to as "Responsibilities Other Report Within this section unless the reporting responsibilities are addressed. Other topics are the same as those presented in light of the report's responsibilities, and required by auditing standards as part of the audit report section. Lists financial The report may be combined with the reporting responsibilities. Other, which address the same topics required by auditing standards Any inclusion in the financial statements audit report section under headings Sub-subject appropriate provided that the wording in the auditor's report is distinct Clearly other reporting responsibilities than the reporting responsibilities required Audit criteria when such a difference exists.

Partner responsible for engagement Auditing Which resulted in this report for the auditor Independent [the name].

(Signature on behalf of Supreme Audit Institution, or personal name for the auditor, or both, whenever possible. Suitable)

[address the competent audit department or the supreme audit institution]
[date The report]

Attachment No. (3)

Form No. (3) Report The audit or financial statements of an unlisted entity, prepared in accordance with for a fair display frame.

For the purposes of this illustrative auditor's report form, the following conditions are assumed:

- Audit of a complete set of financial statements for an unlisted facility, using a display frame Fair. Auditing is not a group audit. (any the audit standard 2600 Not applicable).
- The financial statements were prepared by the facility's management. In accordance with the approved International Financial Reporting Standards and standards and releases the other certified.
- The terms of the audit engagement reflect a description of Management's responsibility for the financial statements in the audit standard (2210)
- The auditor reached an unmodified opinion. (any clean) this is appropriate based on evidence. The audit obtained.
- Relevant ethical requirements that apply on the audit are the rules of conduct and professional ethics (Approved).
- Based on the audit evidence obtained Based on this, the auditor concluded that there was no certainty. Material related to events or circumstances that may cause Significant doubt about the entity's ability to continue as a going concern in accordance with the audit standard (2570).
- The auditor is not required to report matters. Home for audit according to the audit standard (2701), and did not decide otherwise.
- Those responsible for supervising the lists differ. Finance for those responsible for preparing this Lists.
- The auditor has no other reporting responsibilities. Required by local law.
- To refer to the description of his responsibility contained in Website selects auditor authority suitable.

Independent Auditor's Report

To the shareholders of ABC Company [Or addressed to another (appropriate)]

Opinion:

We have audited the financial statements of ABC Company. (The company), which includes the statement of financial position as of December 31 ×201, comprehensive income statement and statement of Changes in equity and statement of cash flows for the year ended That date, and the notes accompanying the financial statements, including: Summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018. and its financial performance and cash flows for the year ending on that date, in accordance with the standards International Financial Reporting standards and other versions Approved.

Basis Opinion:

We did the audit process according to the standards INTOSAI our responsibilities under those standards are explained in Section responsibilities the auditor's report on the audit of the financial statements. We Independents about the company in accordance with the approved professional codes of conduct and ethics relevant to our audit of the financial statements, we have also fulfilled Also we comply with other professional conduct and ethics requirements in accordance with these rules. We believe that evidence auditing the information we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements:

Management It is responsible for preparing the financial statements and their fair presentation in accordance with the approved International Financial Reporting Standards. and standards and other versions certified and the provisions of the Companies Law and oversight Interior which the management deems necessary to enable it to prepare financial statements. empty from a material misrepresentation, whether due to fraud or error. And when, in preparing the financial statements, management is responsible for assessing the ability of the company to remain a going concern and to make disclosures as required The case and on matters relating to continuity, and the use of a basis continuity in accounting, unless there is an intention to liquidate the company or stop Its operations, or there is no other suitable option.

and those charged with its governance is responsible for overseeing the reporting process. Financial in the company. (the auditor must name the taxpayers here. by governance in the company he reviews, according to the standard audit (2260).

Responsibilities auditor on auditing financial statements:

it is represented by our objectives are to obtain reasonable assurance about whether the financial statements as a whole free from material misstatement, whether due to fraud or error, and issuing the auditor's report, which includes our opinion. reasonable assurance is a high level. of course, it is not a guarantee that audit process which were done according to the approved audit standards will always be disclosed. a material misstatement when it exists. misstatements can arise from: fraud or error, and is considered material if it could reasonably be expected to affect Alone or in combination, on the economic decisions taken by Users on the basis of these financial statements. There is a further description of the Auditor's Responsibilities for auditing the statements. Finance on the organization's website on Website link It constitutes This description is part of our report.

Partner responsible for engagement Auditing which resulted in this report for the auditor Independent [the name]

(Signature on behalf of Supreme Audit Institution, or personal name for the auditor, or both, whenever possible. Suitable)

[address the competent audit department or the supreme audit institution]

[date the report]

Attachment No. (4)

Model Number (4) Auditor's report on the financial statements For an unlisted entity, prepared under a general-purpose compliance framework:

For the purposes of this illustrative form of auditor's report, assuming the following conditions:

- audit of a complete set of financial statements for a non-profit entity listed, required by law or regulation. audit it is not group audit i. e. audit standard (2600no applicable).
- the financial statements were prepared by the facility's management, in accordance with the framework. Financial report (system s a) for the states that is a financial reporting framework includes a system or regulation, designed to meet common financial information needs of a broad sector from users, but it is not a fair display framework.
- reflects the terms of engagement auditing description of Management's Responsibility about the financial statements included in the audit standard (2210).
- the auditor reached an unmodified opinion. (any clean) and it is considered that is appropriate based on evidence. Audit which was obtained on it.
- relevant ethical requirements that apply to audit process, it is the approved Code of Ethics and ethics of the profession.
- based on the audit evidence obtained, we concluded that: the auditor concludes that there is no material uncertainty related to the events. or circumstances that may raise significant doubt about the facility's ability to remaining as a going concern according to the audit standard (22570)
- the auditor is not required to report on key matters. to be audited according to the audit standard (2701) and did not decide otherwise.
- those responsible for overseeing the financial statements differ from those responsible for preparing these lists.
- the auditor has no other required reporting responsibilities. under a local system.

independent auditor's report

to whom it is addressed (appropriate)

opinion:

we have audited the financial statements of ABC company. (the company), which includes the statement of financial position as of December 31, 2011, and income statement comprehensive, the statement of changes in equity, and the statement of cash flows for the year ended that date, and the notes accompanying the financial statements, including: summary of significant accounting policies.

in our opinion, the accompanying financial statements of the company are prepared in all respects. essentially, according to the system of states.

basis of opinion:

we have conducted our audit in accordance with the approved auditing standards. our responsibilities under those standards are explained in section responsibilities the auditor's report on the audit of the financial statements. we independent about the company in accordance with the approved professional codes of conduct and ethics relevant to our audit of the financial statements, as well as and in us also we comply with other professional conduct and ethics requirements in accordance with these rules. we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion In auditing.

responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements:

Management is responsible for preparing the financial statements according to the system. for the states, and regarding the internal control that the management deems necessary, to enable it to prepare financial statements that are free from material misstatement, whether due to cheat or wrong. and when in preparing the financial statements, management is responsible for assessing the ability of the company to remain a going concern and to make disclosures as required the case on matters relating to continuity, and the use of a basis continuity in accounting, unless there is an intention to liquidate the company or stop its operations, or there is no other suitable option. and those charged with it governance is responsible for overseeing the reporting process. Financial in the company. [the auditor must name the taxpayers here. by governance in the company he is reviewing, according to the audit standard. (2260)]

Responsibilities auditor on auditing financial statements:

it is represented by our objectives are to obtain reasonable assurance about whether the financial statements as a whole free from material misstatement, whether due to fraud or error, and issuing a report the auditor who includes our opinion. reasonable assurance is a high level. From confirmation, but not a guarantee, that the audit that it was done in accordance with standards certified audit always reveal material misstatement when present. misstatements can arise from to cheat or error, and is considered material if it can reasonably be expected that it will affect alone or in combination, on the economic decisions taken by users on the basis of these financial statements. as part of the audit in accordance with approved auditing standards, we exercise professional judgment and maintain skepticism. professional during audit, and we have to also: -

- identifying and assessing the risks of material misstatement in the financial statements whether due to fraud or error, and the design and implementation of audit procedures response for those risks, and obtain sufficient and appropriate audit evidence. to provide basis for our opinion. the risk of not detecting a material misstatement resulting from on cheating is more dangerous than error, because cheating may involve on collusion, forgery, intentional omission, misleading statements, or transgression interior control.

- gain an understanding of internal control relevant to the audit, in order to: design audit procedures appropriate to the circumstances, but not for the purpose of expressing opinion on the effectiveness of the company's internal control.

- evaluating the appropriateness and reasonableness of the accounting policies used. Estimate accounting and related disclosures made by management. conclude the appropriateness of management's use of the going concern basis. accounting, based on the audit evidence obtained, what if there is a material uncertainty related to events or conditions that may it raises significant doubt about the company's ability to continue as a going concern. if we have concluded that a material uncertainty exists, which we are required to draw attention to. in our report to the related disclosures in the financial statements, or if such disclosures are inadequate, our opinion is modified. our conclusions are based on the audit evidence we have obtained.

get it up to date our report. however, future events or circumstances may cause in the company ceasing to continue as a going concern.

we have informed Those Charged with Governance (TCWG) (TCWG) regarding, among other things, the scope the planned timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

partner responsible for engagement auditing which resulted in this report for the auditor independent [the name]

(Signature on behalf of supreme audit institution, or personal name for the auditor, or both, whenever possible. suitable)

[address the competent audit department or the supreme audit institution]

[date the report]

Attachment no. (5)

model no. (5) report Qualified opinion due to material misstatement to the financial statements:

for the purposes of this illustrative auditor's report, the following conditions are assumed:

- auditing a complete set of financial statements for an entity listed, using a fair presentation framework. auditing not an audit group (any the audit standard (2600) no applicable (.
- the financial statements were prepared by the facility's management, in accordance with: for international financial reporting standards, and standards and releases the other one pain depends to frame with purpose general.
- the terms of the audit engagement reflect a description of the auditor's responsibility. management on the financial statements contained in the standard auditing (2210)
- the inventory has been misstated. Them is station is material, but it is not common in financial statements. (that is, the opinion conservative is appropriate for).
- relevant ethical requirements that apply to auditing is the approved Code of Ethics and ethics of the profession. In INTOSAI.
- based on the audit evidence obtained, the auditor concluded that there is no material uncertainty. relating to events or circumstances which may raise serious doubt regarding the ability of the establishment to continue as a going concern, according to the audit standard (2570)
- the main audit matters reported, according to: for audi tstandard (2701)
- those responsible for supervising the lists differ. finance on the officials responsible for preparing these lists.
- in addition to auditing the financial statements, it is responsible for: auditor other reporting responsibilities under the system local.

Independent auditor's report

to the shareholders of ABC company [or addressed to another (appropriate)]

report on the audit of financial statements

Qualified opinion

we have reviewed the financial statements of ABC company. (the company), which includes the statement of financial position as of December 31 ×201, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year ending on that date, and the notes attached to the financial statements, including a summary of significant accounting policies. in our opinion, excluding the effects of the order described in the basis for opinion section, we are qualified in our report, the accompanying financial statements present fairly, all material aspects, the financial position of the company as of December 31 ×201 and its financial performance and cash flows for the year ending on that date, in accordance with the approved international financial reporting standards., and other standards and publications for approval.

Basis for Qualified opinion:

the company management did not show the inventory. The registered in the financial center list b.××× at the lower of cost or net realizable value, but it was shown at cost only, which represents a departure from the international financial reporting standards and the standards and releases other company records indicate that if management showed stock at the lower of cost or net realizable value, stock should be reduced for amount ××× arriving to its net realizable value, and therefore the cost of sales will increase by ××× and it will decrease income tax net income and shareholders' equity ××× and, ××× and ××× in succession i have we have conducted our audit in accordance with the approved auditing standards INTOSAI our responsibilities under those standards are made clear. In the auditor's responsibilities for the audit of the financial statements section of our report.

we are independent of the company in accordance with the rules of professional conduct and ethics. approved in INTOSAI relevant to our audit of the listings finance, as we have fulfilled other professional conduct and ethics requirements in accordance with those the rules. we believe that the audit evidence we have obtained is sufficient and appropriate. to provide a basis for our Qualified opinion.

key matters to audit:

the main matters to audit are those which, in our judgment, were: professional, it is of utmost importance when we audit the financial statements for the period current. these matters were addressed in the context of our audit of the statements. the financial statements as a whole and when forming our opinion thereon, we did not provide a separate opinion on those. matters. in addition to the matter described in the Basis for Qualified opinion section, we have identified the matters described below as Key Audit Matters. it will be reported in our report.

[description of each major audit matter, according to the audit standard (2701)]

responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements:

See Template No. 1

auditor's responsibilities for auditing financial statements:

See Template No. 1

report on other regulatory and statutory requirements:

See Template No. 1

partner responsible for engagement auditing which resulted in this report for the auditor in dependent [the name]

(Signature on behalf of supreme audit institution, or personal name for the auditor, or both, whenever possible. suitable)

[address the competent audit department or the supreme audit institution]

[date the report]

attachment no. (6)

model number (6)

Adverse opinion due to material misstatement to the consolidated financial statements:

for the purposes of this illustrative auditor's report, assuming the following conditions:

- audit of a complete set of consolidated financial statements for a listed entity, using a fair presentation framework. audit it is a group audit of an entity with subsidiary entities. (that is to say audit standard (2600) applicable).
- the consolidated financial statements were prepared by the entity's management. in accordance with international financial reporting standards, other standards and pronouncements to frame with general purpose.
- the terms of the audit engagement reflect a description of management's responsibility. On consolidated financial statements included in the auditing standard (2210).
- the consolidated financial statements are materially misstated due to: non consolidation of a subsidiary, it is considered a fundamental distortion. Common in the consolidated financial statements, no effects have been identified. Distortion on the consolidated financial statements, since it is not it is practically possible to do this. (that is, the Adverse opinion he appropriate (.
- relevant ethical requirements that apply to auditing it is the approved Code of Ethics and professional ethics in INTOSAI.
- based on the audit evidence obtained, it's done the auditor concluded that there is no material uncertainty. Relationship by events or circumstances, which may raise serious doubt about capacity the establishment is required to continue as a going concern, in accordance with the standard auditing (2570)

- Key Audit Matters reported, in accordance with the auditing standard. (2701) those responsible for supervising the lists differ. finance on the officials responsible for preparing these lists in addition to auditing the financial statements, it is responsible for: auditor other reporting responsibilities under the system local.

independent auditor's report

to the shareholders of ABC company [or addressed to another(appropriate)]

report on the audit of financial statements

Qualified opinion

we have reviewed the financial statements of ABC company. (The company (which includes the statement of financial position as of December 31 x201, and comprehensive income statement, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies. in our opinion, excluding the effects of the order described in the basis for opinion section, we are qualified in our report, the accompanying financial statements present fairly, all material aspects of the company's financial position as of December 31 x201. its financial performance and cash flows for the year then ended. date, in accordance with international financial reporting standards, other standards and pronouncements for her approval.

Basis for Qualified opinion:

the company's inventory is recorded in the statement of financial position b. xxx management did not show inventory at cost or net realizable value, whichever is lower. but it showed it at cost only, which represents a departure from international financial reporting standards, and standards and releases other approved. Company records indicate that if

the management showed stock at the lower of cost or net realizable value, inventory should be written down. For amount xxx arriving for its net realizable value, therefore, the cost of sales will increase by xxx, and it will decrease income tax, net income, and shareholders' equity xxx, and xxx, and xxx in succession

we have conducted our audit in accordance with the approved auditing standards. INTOSAI our responsibilities under those standards are made clear. In the Auditor's Responsibilities for the audit of the financial statements section of our report.

we are independent of the company in accordance with the rules of professional conduct and ethics. approved in INTOSAI relevant to our audit of the listings finance, as we have fulfilled other professional conduct and

ethics requirements in accordance with those the rules. we believe that the audit evidence we have obtained is sufficient and appropriate. to provide a basis for our Qualified opinion.

key matters to audit:

the main matters to audit are those which, in our judgment, were: professional, it is of utmost importance when we audit the financial statements for the period current. these matters were addressed in the context of our audit of the statements. the financial statements as a whole and when forming our opinion thereon, we did not provide a separate opinion on those. matters. in addition to the matter described in the Basis for Qualified opinion section, we have identified the matters described below as Key Audit Matters. it will be reported in our report.

[description of each major audit order]

responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements:

See Template No. 1

auditor's responsibilities for auditing financial statements:

See Template No. 1

report on other regulatory and statutory requirements:

See Template No. 1

partner responsible for engagement auditing which resulted in this report for the independent auditor [the name]

(Signature on behalf of supreme audit institution, or personal name for the auditor, or both, whenever possible. suitable)

[address the competent audit department or the supreme audit institution]

[date the report]

Attachment no. (7)

model number (7)

Opinion reports by a cautious opinion due to lack of the auditor's ability to obtain sufficient evidence audit in relation to a foreign affiliate.

for the purposes of this illustrative auditor's report, the following conditions are assumed:

- audit of a complete set of financial statements unified for a listed entity, using a presentation framework fair. auditing is a group audit of an entity. with affiliated facilities (that is, the audit standard 2600 applicable).
- the consolidated financial statements were prepared by the management. the facility, in accordance with international financial reporting standards and the standards and releases other certified for framed and purpose general.
- the terms of the audit engagement reflect a description of for responsibility management on the financial statements contained in audit standard (2210)
- the auditor was unable to obtain what it is enough from appropriate audit evidence, in relation to: by investing in a foreign affiliated facility. Effects potential for not being able to get on sufficient appropriate audit evidence essential, but it is not common in financial statements. unified (that is, the Qualified opinion is appropriate (.
- relevant ethical requirements that apply on auditing is the Code of Ethics and ethics of the profession. Approved in INTOSAI.
- Based on the audit evidence obtained, the auditor concluded that there is no material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, in accordance with auditing standard (2705).it was completed reporting on things home for the audit, in accordance with standard audit (2701).
- The main audit matters were reported in accordance with the auditing standard (2701).
- The individuals responsible for overseeing the consolidated financial statements are different from those responsible for preparing these statements.

- In addition to auditing the consolidated financial statements, the auditor has additional reporting responsibilities under local regulations.

Independent Auditor's Report to the Shareholders of ABC Company [or another appropriate addressee] [Report on the Audit of the Consolidated financial statements: Qualified opinion

We have audited the consolidated financial statements of Company ABC and its subsidiaries (the Group), which include the consolidated statement of financial position as of December 31, 201x, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, along with the notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, except for the possible effects of the matter described in the basis for our Qualified opinion section of our report, the attached consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 201x, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards, and other applicable standards and interpretations.

Basis of the Qualified opinion:

The investment of the group in the foreign associate company S P A - which was acquired during the year - was recorded and accounted for under the equity method in the consolidated statement of financial position as of December 31, 201x, for the amount of. The share of company A B C in the net income of company S P A has been included in the income of company A B C for the year ended on that date, for the amount of. We were unable to obtain sufficient appropriate audit evidence regarding the carrying amount of company A B C's investment in company S P A as of December 31, 201x, and the share of company A B C in the net income of company S P A for that year due to our inability to access financial information and management of the company S P A. Therefore, we could not determine whether any adjustments to those amounts were necessary. We conducted the audit in accordance with the accepted auditing standards in INTOSAI, and our responsibilities under those standards have been explained in the section on the Auditor's Responsibilities for auditing the consolidated financial statements in our report. We are independent of the group in accordance with the relevant codes of conduct and professional ethics established by INTOSAI related to our audit of the consolidated financial statements, and we have complied with its ethical requirements. things home for the audit: And the other professional standards according to those rules. We believe that the audit evidence we

obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

Main points for auditing: Things that, according to our professional judgment, have importance when our audit for lists finance unified for the period current. and done to treat that things in context our review of the lists finance unified as a whole and when formation our opinion in it, and did not we offer separate opinion in that things. In addition for the matter the explained in to divide basis of opinion the conservative, i have we have identified that things illustrated below it will be main issues for the audit it will be reporting about her in our report.

]and per commander president for the audit]

responsibilities management and those charged with the responsibility by governance on lists unified finance:

]look form no. (2)]

responsibilities the auditor on audit lists finance unified:

]look form no. (2)]

the report on requirements regular and organisational other:

]look form no. (2)]

partner responsible for engagement auditing which resulted in this report for the independent auditor [the name]

(Signature on behalf of supreme audit institution, or personal name for the auditor, or both, whenever possible. suitable)

[address the competent audit department or the supreme audit institution]

[date the report]

attachment no. (8)

Form No. (8)

Report of refusal to express an opinion, due to the auditor's inability to obtain sufficient appropriate audit evidence regarding one element in the consolidated financial statements.

For the purposes of this illustrative audit report, the following circumstances are assumed:

- An audit of a complete set of consolidated financial statements of a non-listed entity, using a fair presentation framework.
- The audit is a group audit - of the entity and its subsidiaries - (i. e. the auditing standard 2600 applies).
- The consolidated financial statements have been prepared by the management of the entity, in accordance with International Financial Reporting Standards, and other accepted standards and releases (a general-purpose framework).
- The audit engagement terms reflect the management's responsibility for the consolidated financial statements as described in auditing standard (2210).
- The auditor was unable to obtain sufficient appropriate audit evidence regarding one element in the consolidated financial statements. This means that the auditor was also unable to obtain audit evidence about the financial information for an investment in a joint venture, which represents more than 90% of the entity's net assets. The potential effects of the inability to obtain sufficient audit evidence are. The relevance is crucial and common in consolidated financial statements (i. e., an Disclaimer of opinion is appropriate).
- The relevant ethical requirements that apply to auditing are established codes of conduct and professional ethics.
- Those responsible for supervising the consolidated financial statements are different from those responsible for preparing these statements.
- There needs to be a section that includes a more specific description of the Auditor's Responsibilities.
- In addition to auditing the consolidated financial statements, the auditor has additional reporting responsibilities under local regulations.

Independent Auditor's Report To the Shareholders of ABC Company [or addressed to another suitable party] Report on the Audit of Consolidated financial statements: Disclaimer of opinion:

We were engaged to audit the consolidated financial statements of ABC Corporation and its subsidiaries (the group), which include the consolidated statement of financial position as of December 31, 20XX, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies. We do not express an opinion on the accompanying consolidated financial statements of the group, due to the significance of the matter described in the Basis for Disclaimer of opinion section of our report, and we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those consolidated financial statements. Basis for Disclaimer of opinion: The group's investment in its joint venture with XYZ Company is recorded in the group's statement of financial position, representing more than 90% of the group's net assets as of December 31, 20XX, and we were not permitted access to the management and auditors of XYZ Company. S A, including the documentation of the company auditors' A for auditing. As a result, we were unable to determine whether any adjustments were necessary regarding the group's share as a percentage of the assets of the company S A, which is jointly controlled, and its share as a percentage of the liabilities of the company S A, for which it is jointly responsible, and its share as a percentage of the revenue and expenses of the company S A for that year, as well as the elements that make up the consolidated statement of changes in equity and the consolidated cash flows statement.

Basis for the refusal to express an opinion:

The group's investment in its joint venture with Company S. A. E was recorded in the group's statement of financial position, representing more than 90% of the group's net assets as of December 31, 201X. We were not allowed access to the management and auditors of Company S. A. E, including documentation from the auditors of Company S. A. E for the audit. As a result, we were unable to determine whether any adjustments were necessary regarding the group's share as a percentage of the assets of Company S. A. E, which is controlled jointly, and its share as a percentage of the liabilities of Company S. A. E, for which it holds joint responsibility, as well as its share as a percentage of Company S. A. E's income and expenses for that year, and the items that make up the consolidated statement of changes in equity, and

the consolidated cash flow statement. responsibilities of management and Those Charged with Governance (TCWG) (TCWG) for the financial statements:

(look form no. (2))

auditor's responsibilities for auditing consolidated financial statements:

our responsibility is to audit the consolidated financial statements. for the group, in accordance with the approved auditing standards and issue an auditor's report. however, due to the matter explained in the section on the basis of abstention from opinion, we were unable to obtain sufficient appropriate audit evidence to provide a basis for the audit opinion. in those consolidated financial statements.

we are independent of the group in accordance with the rules of professional conduct and ethics. approved relevant to our audit of the statements finance, as we have fulfilled other professional conduct and ethics requirements in accordance with those rules.

report on other regulatory and statutory requirements:

(look form no. (2))

The partner responsible for the audit engagement that resulted in this report for the independent auditor [name]

(signature on behalf of the supreme audit institution, or the auditor's personal name, or both, as appropriate)

[Address of the specialized audit management or the supreme audit institution]

[Date of the report]

attachment no. (9)

Form No. (9) Report of Disclaiming Opinion, due to the auditor's inability to obtain sufficient appropriate audit evidence regarding multiple elements in the financial statements:

For the purposes of this illustrative auditor's report, the following conditions are assumed:

- Audit of a complete set of financial statements of a non-listed entity, using a fair presentation framework; this is not a group audit (i. e., auditing standard 2600 does not apply).
- The financial statements have been prepared by the management of the entity in accordance with the International Financial Reporting Standards adopted, and other adopted standards and publications (a framework for general purpose).
- The terms of the audit engagement reflect a description of management's responsibility for the consolidated financial statements as stated in auditing standard (2210).
- The auditor was unable to obtain sufficient appropriate audit evidence concerning many elements of the financial statements, meaning the auditor also could not obtain audit evidence regarding inventory and accounts receivable in the entity. The potential effects of the inability to obtain sufficient appropriate audit evidence are material and pervasive in the financial statements.
- The relevant ethical requirements that apply. In essence, these are the rules of conduct and professional ethics adopted in the Kingdom of Saudi Arabia. The officials supervising the financial statements differ from those responsible for preparing these statements. A more specific description is required in the section on the Auditor's Responsibilities. In addition to auditing the financial statements, the auditor has additional reporting responsibilities under local regulations.

Independent Auditor's Report

To the shareholders of Company, A B J [or to any other appropriate addressee]
Report on the Audit of the financial statements

Disclaimer of opinion: We were engaged to audit the financial statements of Company A B H (the company), which comprise the statement of financial position as of December 31, X 201, the statement of comprehensive income, the statement of changes in equity, and the cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies. We did not express an opinion on the accompanying financial statements of the company. Given the significance of the matters described in the Basis for Disclaimer of opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

Basis for Disclaimer of opinion: We were not contracted as auditors for the company until after December 31, X 201; therefore, we did not attend the physical inventory count at the beginning and end of the year. We were unable to satisfy ourselves by alternative means regarding the quantities of inventory held at December 31, 20X, which are shown in the statements of financial position at and, respectively. Additionally, the entry the new electronic system for accounts receivable in September 20XX led to numerous errors in those accounts to this date.

In our report, the management was still in the process of rectifying deficiencies in the system and correcting errors. We were unable to confirm or verify the accounts receivable listed in the statement of financial position amounting to a total of ××× as of December 31, 1x 20 through other means. As a result of these matters, we could not determine whether any necessary adjustments regarding what is recorded or not recorded in inventory and accounts receivable, the elements that make up the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows, were required.

Responsibilities of management and Those Charged with Governance (TCWG) (TCWG) regarding the financial statements:[See model number (1)] Responsibilities of the auditor for auditing the financial statements:

Our responsibility is to conduct an audit of the company's financial statements in accordance with the auditing standards set forth in INTOSAI and to issue an auditor's report. However, due to the matters outlined in the Basis for Disclaimer of opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for our audit opinion on those financial statements. We are independent of the company in accordance with the relevant ethical rules and codes of conduct in INTOSAI

related to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those rules.

Report on other statutory and regulatory requirements:

[See model number (1)]

The partner responsible for the audit engagement that resulted in this report for the independent auditor [name] (signature on behalf of the supreme audit institution, the personal name of the auditor, or both, as appropriate)

[Address of the competent audit department or the supreme audit institution]

[Date of the report]

1. Performance Control Appendices

Attachement(1)

The general methodology for performance auditing in the Supreme Audit Institution is to follow the following general model path:

election factors	Mission1	Mission2	Mission3	Mission4
Overall impact of the topic	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
Relevance of the topic to the Sustainable Development Goals	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
Risk level (financial, operational, health, safety and environment)	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
Topic relevance Governance, internal control, effective management.	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
Impact of activity on society	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
The extent of current interest in the topic by those concerned with the reports of the Supreme Audit Institution or its	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low

connection to the state development plan				
Not checking the subject in advance	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
Verifiability of the subject	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low
The topic's relevance to the Supreme Audit Institution's strategic plan	High	High	High	High
	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>	Average <input type="checkbox"/>
	Low	Low	Low	Low

Appendix 2 – Performance Audit Task Selection Matrix

Low 1	Medium 2	High 3	Evaluation grades
-------	----------	--------	--------------------------

Appendix 3 – Form of auditors’ commitment to the rules of professional ethics during the audit

Name of the entity	Xxxxx
Audit period	1-1-20xxuntil31-12-20xx

Documentation		The signature	Review and approval	The signature
The name				
Job title				
The date				

1	2	3
Code of Professional Ethics	Advertisement	Reasons that prevent commitment
Integrity	<ul style="list-style-type: none"> •I will act honestly, reliably, in good faith, and in the public interest. I will be trustworthy in my work, adhering to the policies and standards set by the supreme audit institution for which I work. 	
	<ul style="list-style-type: none"> •I will exercise due diligence in exercising my responsibilities and use my powers, information, and resources solely for the public good. I will not use my position to obtain personal favors or benefits for myself or others. 	
	<ul style="list-style-type: none"> •I will remain vigilant regarding integrity weaknesses and approaches to mitigate them. 	
Independence and objectivity	<ul style="list-style-type: none"> •I will maintain my independence from political influence and be free from political bias. 	
	<ul style="list-style-type: none"> •I will not participate in the decision-making process related to the management of the audited entity. 	
	<ul style="list-style-type: none"> •I will avoid situations in which personal interests could influence decision making. 	

	<ul style="list-style-type: none"> •I will avoid circumstances in which relationships with management or employees of the audited entity or other parties might influence decision-making. 	
	<ul style="list-style-type: none"> •I will refuse gifts, favors, or preferential treatment that could impair independence or objectivity. 	
Professional competence and due care	<ul style="list-style-type: none"> •I will perform my duties in accordance with applicable standards and exercise due diligence. 	
	<ul style="list-style-type: none"> •I will act in accordance with the requirements of the assignment carefully, accurately and in a timely manner. 	
	<ul style="list-style-type: none"> •I will maintain and develop my knowledge and skills to keep pace with developments in my professional environment in order to perform my work optimally. 	
Professional conduct	<ul style="list-style-type: none"> •I will comply with applicable laws and regulations, as well as the guidelines set by the Supreme Audit Institution. 	
	<ul style="list-style-type: none"> •I will not engage in any behaviour that may harm the credibility of the Supreme Audit Institution. 	
Confidentiality and transparency	<ul style="list-style-type: none"> •I will remain aware of the legal liabilities and the Supreme Audit Institution's policies and guidelines regarding confidentiality and transparency. 	
	<ul style="list-style-type: none"> •I will not disclose any information obtained as a result of my work without proper and specific authorisation, and unless there is a legal or professional right or duty to do so. 	

	<ul style="list-style-type: none"> •I will not use confidential information for personal gain or for the benefit of third parties. 	
	<ul style="list-style-type: none"> •I will remain vigilant against the possibility of inadvertently disclosing confidential information to third parties. 	
	<ul style="list-style-type: none"> •I will maintain professional confidentiality during and after my service. 	

Appendix 4 Supreme Audit Institution

Audit programme

Sector:						
Management:						
Monitoring:						
Fiscal year:						
Mission Statements:						
Name of the task/agency ect to oversight						
Task number:						
Audit team:						
Control work according to the stages of the audit process*						
series	stage	Description control processes	Proposed on	Reference**	Team nber	Expected pletion time
					creditation	creditationdate
Team Leader						
auditor						
The boss						

Attachment No. (5)

Audit Engagement Planning Matrix

Control Questions (Examples/Descriptive/Quantitative)	Standards and information sources	Audit methods used	Examination restrictions	Expected results of audit work
What are the audit questions that the team sets and tries to answer through the audit work?	What information does the team require to determine expected outcomes? What information is needed to answer the oversight questions? Where will the team obtain the information? (Information source).	How will the audit team answer each audit question? What analyses will be used based on the information expected to be obtained?	What are the expected restrictions for answering regulatory questions?	What are the expected outcomes of the audit mission? What information does the audit team hope to obtain?

Attachment No. (6)

(Working Papers Indexing Form)

File number	the components	Content	Department
A-100	<ul style="list-style-type: none"> • First draft version of the report (linked to the working papers and audit program). • Revised version after review by the supervisor, director and technical office. • The entity's response to the draft report. • The second edition of the report approved by the Supreme Audit Institution 	Mission reports	A
A-200			
A-300			
A-400			
B-100			

C-100	<ul style="list-style-type: none"> • Incoming. • Outgoing. 		
C-200			
D-100	<ul style="list-style-type: none"> • Laws, decrees, decisions and articles of association. • Regulations and systems/procedural manuals. 		
D-200			
D-300	<ul style="list-style-type: none"> • Organizational structure/list of responsibilities and job descriptions. 		
D-400			
D-500	<ul style="list-style-type: none"> • Audited financial statements/management letters/internal audit reports. • Minutes of the audit team's meetings with the entity's officials. 	Planning an Audit Mission	for
D-600		Correspondence	C
D-700	<ul style="list-style-type: none"> • Minutes of board meetings/activity reports, etc. • Other documents. 	Understanding the entity's activity	D
		Carrying out examinations	h
	<ul style="list-style-type: none"> • Audit assignment sections according to the axes included in the audit program, including working papers and evidence. 		

2. Compliance Control Appendices

Appendix No. (1)

Matrix documentation Audit results

requirements Standard International for Devices Supreme for Audit Finance and accounting 4000.179

Name of the entity	
Audit period	

numbers	The signature	Review approval and	Documentation
The name			
Job			

The date				
----------	--	--	--	--

Control risks						
Results						
1	2	3	4	5	6	7
Control Risks/Questions	Standards	Status/Evidence	Results	Cause and effect of results	Conclusion	Recommendations

**Completion Data template matrix results Censorship guide the process
The proposal**

The purpose of completion The model	the goal from Filling paper the job This is amazing he Facilitate numbers results Censorship In a way methodology. Needs For the auditor to Filling this Template For every risk and writing note in accordance with the model the Institution the highest for audit private with the results. It will be He has reference Documentation Required per as a result of this Will ensure coverage Evidence and documents.
Requirements covered by the International Standard on Supreme Audit Institutions:	Standard International for Devices Supreme for Audit Finance and accounting4000.179
Guide	Risks Censorship: this he same what rose in plan Censorship, that It indicates to register Risks with regards per risk or a question Supervisory, He should repetition Items Incoming in table Below.

Column1	Risks Specific in phase Planning According to the process illustrated: problems that maybe that to speak.
Column2	authorities or Rules or Regulations that Control The authority/Events/the condition appointed used to determine Answer to danger, whether Was it Compatible or no.
Column3	what Things that Discover it auditor in Mission Supervisory, the situation present in the side, whether He was deviate from Standards Specific, what are the results? Collection Evidence Using methods, techniques, or procedures Different
Column4	this he the difference between Standards (what should that He is) The situation (what he existing), from during evaluation Evidence of the condition existing Opposite Standards. usually what He is there Many from Evidence that Contribute Formulating the results.
Column5	in condition presence non commitment, what he the reason? maybe that He is ignorance by the rules with it or Bypass Decision Management. Needs auditor in This is amazing the condition to to set the reason Main for not Commitment Instead Written by what he clears. What he impacts or a result non-Commitment or deviation While Related At a loss or any harm last You are exposed for him Which side?
Column6	Based on to Results, what if She was Risks under Censorship not Compatible with Standards concerned
Column7	Suggestions To process problems Home or the reason Basic Specific in column5. He should that come Recommendations from the reason Basic The determinant. May no He is their Recommendations For all Results. When suggestion recommendation what, from good that Discuss it with the authority controlled, This It will enhance the capabilities situation Recommendation.

	<p>Documentation: It will include all columns Data from auditor. It should proof all This is amazing Data with sufficient and appropriate evidence with Document it on Obligatory grammar. And it must documentation all resolution Takes it auditor. as He should documentation the job The Achievement Arriving to Conclusion, analysis Data or Information that It was completed Collect itTo formulate The report In a way appropriate</p>
<p>Evidence the introduction from Prepared References</p>	<p>He should Completion Data table that indicates to names People who They did Fully Data Template And those who Check it out in the end. usually what Believe leader team attic as part from Censorship Quality. And it must on the reviewer, that usually what He is supervisor Censorship, Authentication on This is amazing Document To confirm on Review it.</p>

A Source: Guide to the Implementation of the International Standards of Supreme Audit Institutions on Compliance Audit, issued by the INTOSAI Development Initiative

Appendix No. (2)

Documentation Direct Report Elements of Reasonable Assurance

The address. The title of the report should briefly include the subject of the audit in a way that can be understood. By the reader in a clear way.

Determine the applicable control standards and level of assurance. In the audit reports issued by the Supreme Audit Institution, the Authority specifies the criteria. Followed during the conduct of control tasks. As it indicates also to the control standards that he followed while conducting the specific control task mentioned in the report. Through One of the following two options:

Option 1: Develop a formal national standard consistent with the fundamental principles of public sector auditing ((ISSAI 100, as well as Principles of Compliance Control (ISSAI 400)).

Option 2: Direct reference to the International Standards of Supreme Audit Institutions (ISSAIs) on compliance auditing (ISSAI 400).

In the first option, the Supreme Audit Institution's oversight standards are based on principles. Basic to or consistent with public sector oversight, the following may be noted in the audit mission reports:

We have conducted this audit in accordance with {National standards in (Sm)Supreme Audit Institution}, and it is based on {or Compatible with} Basic Control Principles (ISSAI 100-200-300-400)

In the second option, SAIs in some jurisdictions may choose to follow compliance audit guidelines as the standards. Official for its work. In this case, the sign can be placed as follows:

We are doing the job. (Tasks)Audit{Compliance Control} Inline with international standards for supreme audit institutions {Regarding Compliance control}.

Executive Summary (According to(need). The executive summary explains the audit questions, how the audit was conducted, the main findings, conclusions, and recommendations. It lists the information Also in summary form, it includes only the most important information in the report. The executive summary usually ranges from two to three pages. Pages, and it may be less than that depending on each control task.

The executive summary includes a paragraph about the background of the entity that led to the main topic and its significance. It also includes the objective. Questions Oversight and oversight approach, describing the main audit findings and conclusions in a summary format that is easy to read and understand. From this stand point The reader gets an overview of the most important issues in the topic. The executive summary also includes recommendations. Basic for the audit engagement and the statement confirming the validity of providing the audited entity with the opportunity to comment on the report.

Description of the subject matter and scope. The subject of control means what has been measured or evaluated, whether information, condition or activity, according to Specific criteria. This should be clearly described in the audit report. The introduction to the report defines the scope of the audit in

the form of a clear statement about the focus, scope, and limits of the audit mission in terms of the audit subject's compliance with the standards. It also includes the time period covered by the mission. Supervisory.

Specific criteria. The criteria against which the audit subject is evaluated must be specified in the auditor's report. It is important to specify Standards in the report, so that users of the report can understand the basis of the work of public sector auditors and the conclusions they reached. It may the criteria are in the report itself or the report may refer to the criteria if they are contained in a management confirmation form or if they are available from a source. Always accessible and reliable.

In cases where the criteria applied in the audit cannot be consistently determined or must be derived from continuous sources, the Standards Clearly in the section of the auditor's report. In cases where standards conflict, this conflict must be made clear, as well as provided. Recommendations appropriately.

In light of the surrounding circumstances, it may be appropriate to disclose the following:

- The source of the applicable standards, specifying whether they fall within the law or regulations or have been issued by expert groups. accredited or recognized and committed to a transparent and enforceable process - i. e. determining whether existing standards apply in the context of a subject basic control (If not, a description of the reason in this case is appropriate.).
- Measurement or evaluation methods used when the criteria applied allow for a choice between several methods.
- Any significant interpretations made by applying the criteria under the circumstances of the engagement.

Explain the methods used and provide rationale for the iruse. The auditor should issue a clear statement of the procedures followed. To gather evidence when answering control questions. This will enable the user to read and follow the report and gain confidence in the validity of the conclusions. The auditor's findings. Details of the work completed should include the following aspects:

- The entity's specific circumstances (such as the changing nature of the entity's activities compared to its peers in the sector).
- Specific control conditions that affect the nature and extent of the procedures performed.

- The level of detail about target user expectations that should be included in the report, depending on market practices or Applicable laws or regulations.

It is essential to write the methodological abstract in an objective manner, allowing the target users to understand the work done as the cornerstone for formulating the auditor's conclusion. However, the conclusion should not be so brief that it is difficult to understand the work accomplished by the auditor. Especially in relation to how to reach a conclusion or form an opinion.

Results. The results section includes the auditor's description of the evidence collected compared to the criteria. The results are written in a logical manner. According to specified criteria in a way that helps the reader follow the logical flow of a particular argument. When including large amounts of data to support the results of audit assignments, this data may be included in appendices.

Formulating the conclusion (Conclusions)Or opinion based on answers to specific audit questions. The auditor's report includes the subject of: Compliance audit is a conclusion or opinion based on the audit work performed. The conclusion or opinion is formulated in the form of answers to audit questions. Specific. The nature of the formulation may be affected by the powers of the Supreme Audit Institution and the legal framework under which the audit mission was carried out.

Responses received from the audited entity (According to(need)).The responses received from the audited entity are included through the preparation of Reports on the views of the responsible party are part of the principle of inconsistency. The principle of inconsistency is a unique and critical feature of oversight. Public sector: Linking the presentation of weaknesses or critical findings in a way that encourages correction. This includes agreeing on the facts with the audited entity helps ensure that it is complete, accurate, and presented fairly. It also includes, as appropriate, the inclusion of the audited entity's responses to the topics raised, whether verbatim or in summary.

Recommendations (According to(need)).The auditor's report should include, as appropriate: necessity, recommendations designed to achieve improvements. While these recommendations may be constructive for the audited entity, they should avoid being so verbose as to undermine the objectivity of the public sector auditor. During future audit assignments, if the auditor makes a specific recommendation and the responsible party does not implement that particular recommendation. But he is considering another

option, as the auditor in subsequent audit assignments may be inclined to judge this matter as a breach of compliance. In such cases, In these cases, the key point is to determine whether the recommendations allow the entity to use the mechanism it deems appropriate in light of the circumstances surrounding whether or not to achieve the commitment.

Source: Guide to the Implementation of the International Standards of Supreme Audit Institutions on Compliance Audit, issued by the INTOSAI Development Initiative

Appendix No. (3)

Documentation of Direct Report Elements on Limited Assurance

Summary of the report. Since the work performed in a limited assurance engagement is less than that in a reasonable assurance engagement and is inherently limited, it is important to provide a summary of the work performed to help the intended users understand the amount of work done and the auditor's conclusion. The summary of the limited assurance engagement report should be more detailed and should identify deficiencies in the nature, timing, and extent of the controls, so that readers gain a better appreciation of the conclusion reached. It may also be important to mention in the summary of the work performed any procedures that were not carried out but would normally be expected in a reasonable assurance engagement. Since the risk assessment carried out in a reasonable assurance engagement goes beyond the assessment that occurs in a limited assurance engagement, identifying all procedures may not be possible. Conclusions/Opinions. The formulation of the opinion or conclusion should reflect the validity of the higher supervisory entity. The auditor at this time may use terms such as 'legal and usual' or 'usual' or 'done to serve the objectives of Parliament.' Conclusion/Opinion unmodified. In a limited assurance engagement, the opinion is not. The modified opinion "Based on the work performed and detailed in this report, we have not come to our attention anything that would lead us to believe that the subject of control is not in compliance with all material aspects [of the applicable standards]."The modified conclusion/opinion. Among the examples of the modified opinion: "According to the work performed and detailed in this report except for [description of the exception], we have not come to our attention anything that would lead us to believe that the subject of control is not in compliance with all aspects of materiality [of the applicable standards]."The formulation of other types of control conclusions, such as the inverse conclusion and Disclaimer of opinion of conclusion, is quite similar to both the conclusions related to limited assurance engagement and

reasonable assurance engagement. Source: Guide to Applying International Standards for Supreme Audit Institutions on Compliance Auditing issued by the INTOSAI Development Initiative (IDI).

Appendix No. (4)

Documentation of Report Elements Regarding Reasonable

Assurance Links The audit report for reasonable assurance links includes the following elements.

Title. The title of the report should briefly include the subject of the audit that makes it easy for the reader to understand. **Addressee.** The addressee identifies the party or parties to whom the audit report is addressed. The audit report is usually directed to the responsible party, but sometimes there may be other targeted users. Targeted users are the individuals to whom the auditor directs the compliance audit report. Targeted users may include legislative or regulatory bodies mandated by the government, the attorney general, or the public.

Describe the information related to the subject and the main topic when necessary.

The subject of monitoring refers to what has been measured or evaluated, whether it be information, a situation, or an activity according to specific standards. This should be clearly described in the Audit report.

The scope of the monitoring task and its limits, including the time period covered. The section designated for the introduction of the report outlines the scope of the monitoring in a clear statement regarding the focal point of the monitoring task, its extent, and its limits in terms of the subject's compliance with the standards. It also includes the duration covered by the monitoring task.

Responsibilities The party responsible and the auditor. He works to set Responsibilities Relativity on information Users Target audience that The party The person in charge is responsible for the basic topic, and that responsible on Measurement or Evaluator He endures responsible measurement topic Censorship or His evaluation according to applicable standards With it, and that role auditor It is represented in clarification independently About what It was completed Reach To him from opinion/conclusion around information topic Censorship, and it is possible expression on This is amazing Responsibilities on face the next:

The responsibility of the responsible party

according to {Terms The agreement with the institution XYZ on the date xx. xx 20XX}, Then administration The Authority Governmental ABC bear responsible {numbers Full Accounts Compatible with Items The agreement.

Auditor's responsibility

lies Our responsibility in expression independently on Conclusion around Accounts Projects Based on to Our mission Audit. And We have accomplished the job According to (principles Censorship Basic and instructions Censorship Commitment in the organization INTOSAI. It requires This is amazing Principles From us Compliance For requirements Ethics and Planning For the mission Audit And its implementation To reach to to be sure reasonable whether that He was {Use funds Projects Compatible from all Important aspects with Items agreement Financing on the date xx.xx. 20XXor no}.

It includes: Engagement Audit take procedures to obtain sufficient and appropriate evidence to support Our conclusion. It depends on procedures taken on Professional Appreciation for the auditor, including in that evaluation Risks Cases Non-Commitment The essence whether He was that because of scam or no. We believe that Control procedures that We take it she procedures that We see it suitable in shadow circumstances surrounding. We believe like that that Evidence Audit the Complex Sufficient and appropriate to provide basis to our conclusion.

Control standards. The criteria for evaluating the subject of control must be specified in the auditor's report. It is crucial to specify the criteria in the report so that users of the report can understand the basis of the work of public sector auditors and the conclusions they reached. The standards may be included in the report itself or the report may refer to the standards if they are included in a confirmation from management or if they are available from a reliable and easily accessible source.

Determining control criteria and the level of assurance. When the control criteria established by the supreme audit institution align with or are based on the main principles of control set by INTOSAI, they can be referenced in audit reports as follows:

We conducted this audit engagement in accordance with the {standards}, which are based on the {or comply with} the fundamental principles of

oversight (International Standards for Supreme Audit Institutions 400 - 300 - 200 - 100) for international standards in supreme auditing institutions.

Supreme audit institutions in some jurisdictions may choose to adhere to compliance oversight guidelines as their official standards of operation. In this case, the standards may be referred to as follows:

We conduct the audit task(s) in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) on Compliance Audit, regarding compliance oversight.

The summary of the completed work and the methods used.

Users benefit from the summary of the completed work and the methods used to understand the auditor's conclusions. In many audit tasks, it is likely that infinite changes will be made to the procedures in theory. In practice, it is difficult to communicate these changes clearly and without ambiguity. Therefore, the summary of the completed work should provide a brief clarification to the external reader about how the audit task was executed.

Factors to consider when determining the level of detail that should be provided in the summary of work completed include the following:- The specific circumstances of the entity (such as the changing nature of the entity's activities compared to its counterparts in the sector).- The specific oversight conditions that affect the nature and scope of the completed procedures.- The level of detail regarding the expectations of the targeted users that should be included in the report, based on market practices or applicable laws and regulations. The summary should be written in an objective manner, allowing the targeted users to understand the work carried out as the foundation for formulating the auditor's conclusion. However, it should be emphasized that the summary should not be brief to the extent that it becomes difficult to understand the auditors' work, especially the means that led them to the conclusion or opinion.

Opinion/Summary.

Regarding assurance engagements, the level of assurance will be conveyed through the appropriate use of the unified regulatory opinions. In relation to combined regulatory assignments, the auditor assesses any criterion used as a reference. When integrating compliance control with financial control, the conclusion/opinion regarding compliance aspects should be clearly separated from the opinion related to the financial statements.

Responses from the audited entity (as appropriate). Including responses from the audited entity through the preparation of reports on the views of officials in the responsible party is part of the principle of contradiction. The principle of contradiction is a unique and highly important feature in public sector auditing; it connects the presentation of weaknesses or critical findings in a way that encourages correction. It involves agreeing on the facts with the audited entity to help ensure that they are complete, accurate, and presented in an integrity-driven manner. It may also include, as appropriate, the inclusion of responses from the audited entity regarding the issues raised either verbatim or in summary.

Date of report issuance.

The date of the report issued regarding compliance monitoring and its signature must be specified. The auditor should ensure that the report date is not set before obtaining sufficient and appropriate evidence to support the opinion/conclusion.

Signature. The compliance Audit report should be signed by a person with the appropriate authority to sign, i. e., the head of the supreme auditing authority or the person to whom this authority has been delegated.

Source: Guide to the Implementation of the International Standards of Supreme Audit Institutions on Compliance Audit issued by the INTOSAI Development Initiative (IDI)

Appendix No. (5)

Documenting the Auditor's Opinion on Reasonable Assurance

Engagements in this context, the auditor's opinion is expressed positively, reflecting whether the subject of the audit is compliant in all significant respects, and whether the information regarding the subject of the audit presents a true and fair view in accordance with applicable standards. Unmodified opinion in the case where no significant non-compliance issues are found in the reasonable assurance engagement, the auditor should express an Unmodified opinion indicating that the information concerning the subject of the audit has been prepared in all significant respects in accordance with applicable standards. **Example of an Unmodified opinion: In this example, the subject of the compliance audit relates to the National Tax Office, and the audit did not reveal any instances of non-compliance with the applicable law.[Appropriate introductory sections of the report]{We have**

monitored the compliance of the National Tax Office with Section 223A of the Value Added Tax Law on xx. xx 20XX} Unmodified opinion based on the conducted audit work, we have concluded that the National Tax Office is compliant in all significant respects with Section 223A of the Value Added Tax Law.

Amended Opinion: Public sector auditors amend their opinion appropriately in cases where significant instances of non-compliance arise. Depending on the extent of non-compliance, the following may result:

- A Qualified opinion (if instances of non-compliance are significant but not pervasive) based on the audit work performed, we found that, except for {exceptions noted}, the information related to the subject of the audit complies with the standards applicable in all significant aspects.
- An Adverse opinion (if instances of non-compliance are both significant and pervasive) in our opinion, {subject of the audit} does not comply in all significant aspects (with the applicable standards) and instances of non-compliance are widespread. Limited scope considering the extent of the restriction, the following may result: A Qualified opinion (if the auditor is unable to obtain sufficient and appropriate audit evidence and the potential effects are significant but not pervasive) in our opinion, except for {exceptions noted}, the auditor was unable to obtain sufficient and appropriate audit evidence, and the potential effects were significant but not pervasive, or a Disclaimer of opinion (if the auditor is unable to obtain sufficient and appropriate audit evidence regarding compliance with the references, and the potential effects are significant and the dissemination, we do not express our opinion on this matter. Since we were unable to obtain suitable and sufficient evidence to establish a basis for expressing an opinion, an example of a Qualified opinion on compliance monitoring: the compliance monitoring topic in this example is related to the national tax office, and the monitoring task revealed a case of non-compliance, which led to the imposition of fees and additional fines on the entity under audit. The deviation in compliance was not material enough to lead to a contrary conclusion.....{Appropriate introductory sections of the report} {We monitored the extent of the national tax office's compliance with Section 223A of the Value Added Tax Act on xx. xx 20XX} The fundamentals of the Qualified opinion require Value Added Tax legislation for the national tax office to send quarterly reports to Parliament. The reports were not prepared for the period from April 1, 20. to June 30, 20.

The Qualified opinion based on the completed Audit mission found that, except for the case of non-compliance noted in the fundamentals of the Qualified opinion, the local tax office complies in all material respects with

Section 223A of the Value Added Tax Act. The Adverse opinion is an example of a adverse opinion.

The topic of oversight in this example is related to the local tax office, and the audit revealed that the tax office did not implement the procedures stipulated in the law regarding taxpayers who are in arrears..[appropriate preliminary sections of the report..{ We have monitored the compliance of the national tax office with Section 223A of the VAT Law dated xx. xx 20XX} Fundamentals of the Adverse opinion stipulate that VAT legislation requires that withholdings and discounts be imposed in cases of non-compliance concerning taxpayers who have arrears of ten thousand dollars.

Despite the presence of overdue cases among taxpayers in this category, these procedures were not implemented as required by law.

The Adverse opinion, based on the work of the completed audit mission, found that due to the significance of the issue noted in the Fundamentals of the Adverse opinion above, the local tax office fails to comply in all significant aspects with Section 223A of the VAT Law. Disclaimer of opinion example of compliance oversight: A Disclaimer of opinion is issued when the public sector auditor is unable to gain access.

To draw a conclusion. In this example, compliance oversight would be conducted on the extent to which the national tax office adheres to

Article 223A of the Value Added Tax Law.....] Appropriate preliminary sections of the report [... {We monitored the compliance of the national tax office with Article 223A of the Value Added Tax Law on xx. xx 20XX}

Disclaimer of opinion basics; the local tax office did not maintain taxpayers' individual files appropriately, including information related to Value Added Tax assessments. There were incomplete files, containing assessments for only 20 registered taxpayers out of 200. There were no other reliable procedures we could implement to determine whether the local tax office complies with the Value Added Tax Law regarding taxpayer assessments. Disclaimer of opinion Based on the audit engagement carried out and due to the importance of the issue we noted in the Disclaimer of opinion basics paragraph above, we were unable to reach an opinion or formulation regarding the extent of the local tax office's compliance with what is stated in the Value Added Tax Law. Attention-grabbing paragraphs or other notes in some cases, maybe there is a need to elaborate on specific topics that do not affect our opinion regarding compliance, but it is necessary to mention them as they have entered the auditor's area of interest. In these cases, the auditor emphasizes these topics or the paragraphs of other topics. The results that may not be significant or that we need to include in the auditor's report can also be

communicated to management during the inspection task. Reporting these results may assist the audited entity in addressing cases of non-compliance and avoiding similar occurrences in the future.

The decision to include Emphasis of Matter paragraphs or other highlighted paragraphs depends on whether they were presented or disclosed in the subject information. Attention-grabbing paragraphs. If the auditor believes that the attention of the targeted users should be drawn to a subject presented or disclosed in the subject-related information, in the auditor's judgment, it is important and fundamental to the understanding of the targeted users regarding the subject information, and the auditor must add an Emphasis of Matter paragraph. Other observation paragraphs. If the auditor believes that another subject not included or appearing in the information about the audit topic should be communicated.

In other words, this topic, according to the auditor's assessment, pertains to the extent of understanding by the targeted users of the audit task, the responsibilities of the auditor, and the Audit report. Therefore, the auditor should add another observation paragraph. In the case of the other topic, the auditor should appropriately indicate in a paragraph at the beginning of the report that the auditor's opinion has not changed regarding the topic. In the case of a paragraph noting attention, this paragraph should only refer to the information presented or reflected in the information about the oversight topic. The above model illustrates an example of attention paragraphs or other opinion note paragraphs based on the conducted audit work.

We reached the conclusion that the National Tax Office complies with all significant aspects of Section 223A of the Value Added Tax Law. Attention is drawn to the note xx in the accounts which contains details regarding the total administrative expenses amounting to xxxx. xx dollars concerning the organisation's reports on compliance with the terms of the funding agreement. Our opinion is not qualified regarding this topic. Other topics include drawing attention to the fact that this report has been prepared for the use of the donor organisation XYZ, and for this reason it may..

It may not be suitable for serving another objective.

Source: Guidance for the Application of International Standards for Supreme Audit Institutions regarding Compliance Auditing issued by the INTOSAI Development Initiative (IDI)

Appendix No. (6)

Documentation of Assurance Engagements for Limited Assurance. Assurance Engagements - Limited Assurance.

In relation to limited assurance, the auditor states that based on the procedures performed, nothing has come to the auditor's attention that causes them to believe that the subject of the audit is not in compliance with applicable standards in all material respects. The procedures may be limited compared to the elements necessary to reach reasonable assurance. The limited assurance report conveys the limited nature of the assurance provided. The Unmodified opinion in the limited assurance engagement states: Based on the work performed and described in this report, nothing has come to our attention that leads us to believe that the subject of the audit is not in compliance in all material respects with the applicable standards. The modified opinion in the limited assurance engagement states: Based on the work carried out and described in this report, except for {state the exception}, nothing has come to our attention that leads us to believe that the subject of the audit is not in compliance in all respects and the important task {with the applicable standards}. The auditor's conclusion related to assurance is presented in the same manner as in the direct reporting task. The conclusions appropriately outlined for reasonable assurance include the following:

When viewed based on the underlying subject and applicable standards, 'In our opinion, the entity is compliant in all material respects with the standards.'

When viewed in terms of the subject information and applicable standards, 'In our opinion, the expectation regarding the entity's activities has been prepared appropriately in all material respects according to the standards.' Source: Guide for the Application of International Standards by Supreme Audit Institutions on Compliance Auditing issued by the INTOSAI Development Initiative (IDI).

