Overview of the audit process



Accept the client and the audit engagement



Accept or continue client relationship



Accept or continue the audit engagement

Assess the risk of material misstatement



Understand the entity and its environment, internal controls including IT (2) and the financial statements



Determine materiality and identify and assess the risks of material misstatements



- > Significant risks, including risks related to fraud
- > Other risks of material misstatements (ROMMs)
- > ROMMs for which substantive procedures alone do not provide sufficient appropriate audit evidence

Respond to the identified risks



Plan the test procedures (also refer to (2))



On effectiveness of internal controls

On detection of misstatements



Perform tests of controls

Perform substantive (analytical) procedures



Evaluate the audit evidence and reconsider planning of test procedures if necessary

Evaluate audit evidence and report findings



Evaluate whether sufficient appropriate audit evidence is provided and the impact of uncorrected misstatements



Form an opinion on the financial statements and report the opinion, key audit matters and significant findings