



Audit Conference 2019

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Friday 4 October
Chartered Accountants' Hall, Moorgate, London

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Effective file review *June 2019*

PRESENTATION BY DAVID GALLAGHER

Today's presenters

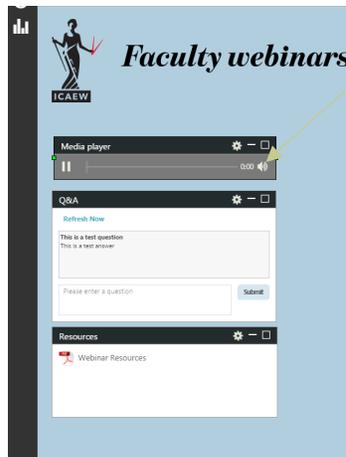


David Gallagher
MHA MacIntyre Hudson



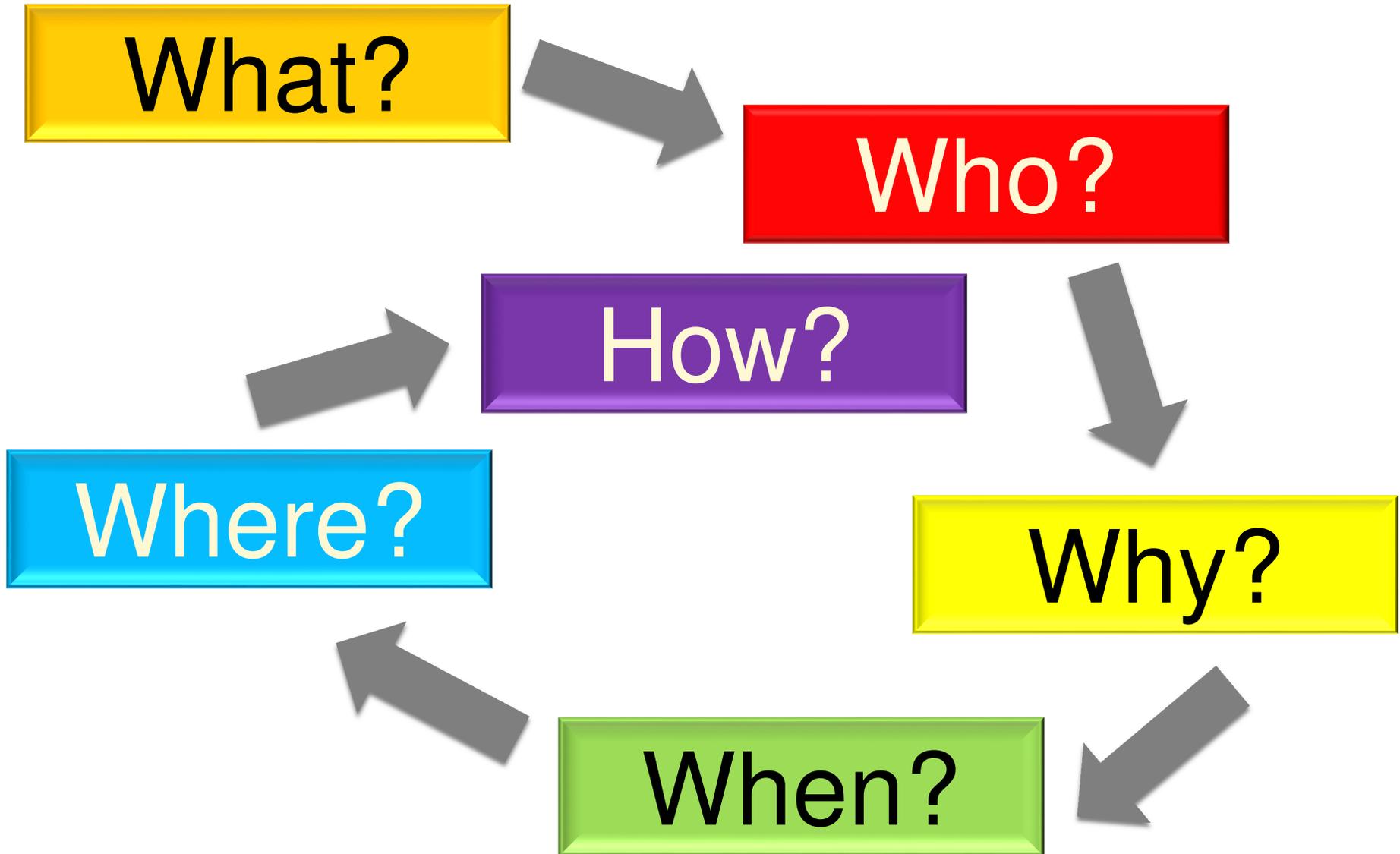
Alex Russell
ICAEW

Introduction



- Audio problems?
- ensure your volume is turned on
 - if you experience poor sound quality you may benefit from refreshing your page

Agenda



Agenda



- *What* type of review?
- *Who* does the review?
- *Why?* – The objectives of the review
- *When* to do the review?
- *Where* to carry out the review?
- *How* to do the review effectively?



What and Who?

What type of review?



- Hot file review
 - Senior / manager review
 - RI review
 - EQCR
 - Other (Ethics review or consultation)
- Cold file review
- Compliance review

Who does the review?



The person who delegates...

... reviews what is delegated

Problems with Review



Pedantic
points

Point scoring
points

“Unfair”
points

Irrelevant
points

Review done
too soon

“Can’t
remember!”

Review done
too late

“Give me a
chance!”

Lack of
communication

“Now you
tell me!”

Too many
points

Repetitive
points

Unclear
points



Why, When and Where?

Objectives of review



- Check work done is of good *quality* and *complete*, in accordance with:
 - Standards
 - Firm procedures
 - The plan
- Check work has been properly *recorded*
- Check work has been carried out *efficiently*
- Provide on the job *training*

When to do the review?



- Brief the delegate
 - Before planning / work starts
- Planning & completion
- Timing
 - Too soon... file not ready
 - Too late... creates inefficiencies

Where to carry out review? ©



Poll question 1



For the manager review of the fieldwork, where is the review undertaken:

- a) Always on-site at the client's premises
- b) Usually on-site at the client's premises (whenever feasible)
- c) Usually back in the office
- d) Always in the office

Reviewing on-site



–Pros

- Visibility with client
- Fewer interruptions
- Communication with audit team
- Avoid review points

–Cons

- Travel time and costs
- Less accessible for other things

Paperless file reviews



–Pros

- Remote review
- Timely
- Linkage
- Clear audit trail

–Cons

- Needs reviewer engagement in software



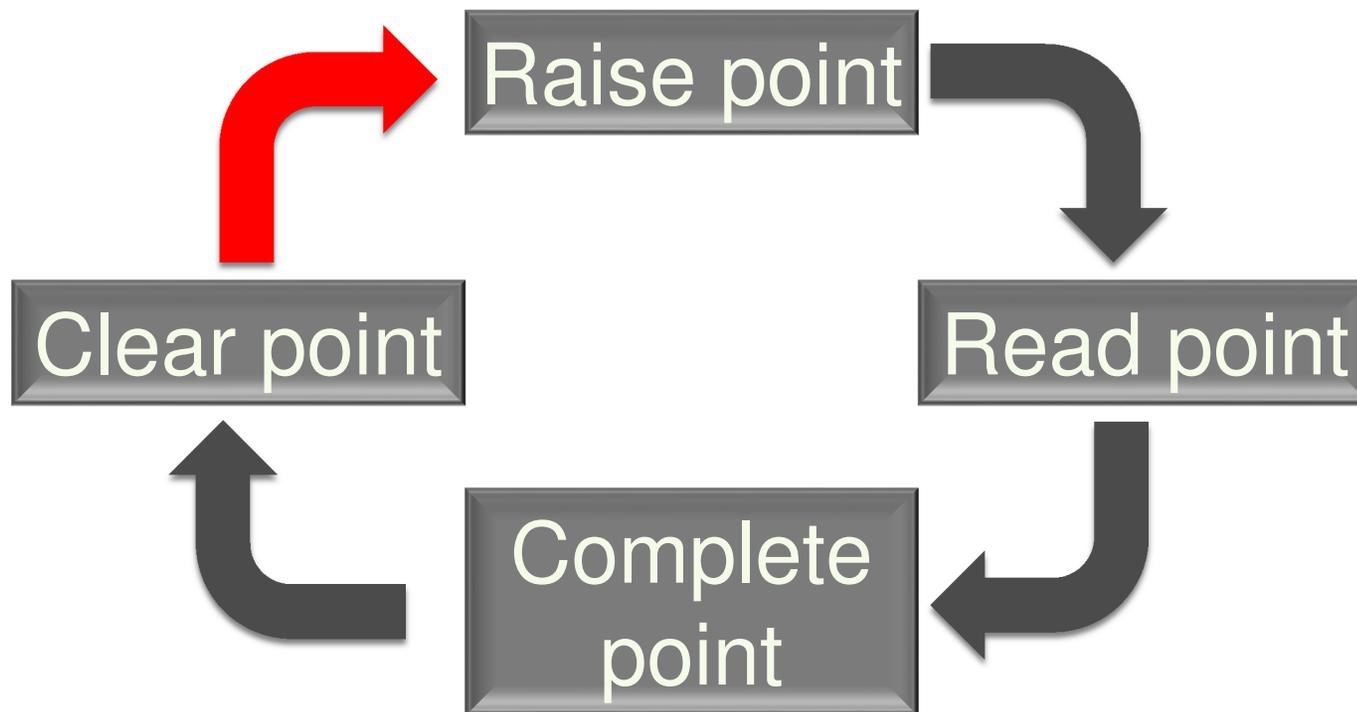
How?

Effective review



-Avoid raising review points!

Review points



Effective review



- Avoid raising review points!
- Remember the objectives of the review
- Split the review points
- Communicate verbally
- Record the review properly
 - (including communication)

Recording



- Sign schedules when reviewed
 - Whether or not review points raised
- Completing review points
 - Brief record on review points schedule
 - Update schedule from which review point arose
- Clearing review points
 - Confirm point has been completed satisfactorily

Retention of review points



Poll question 2



When (if at all) do you remove review points from a file:

- a) Before audit sign-off
- b) During the tidying-up process after audit sign-off (archiving)
- c) Only if file is inspected by regulator or successor auditor
- d) Never

Retaining review points



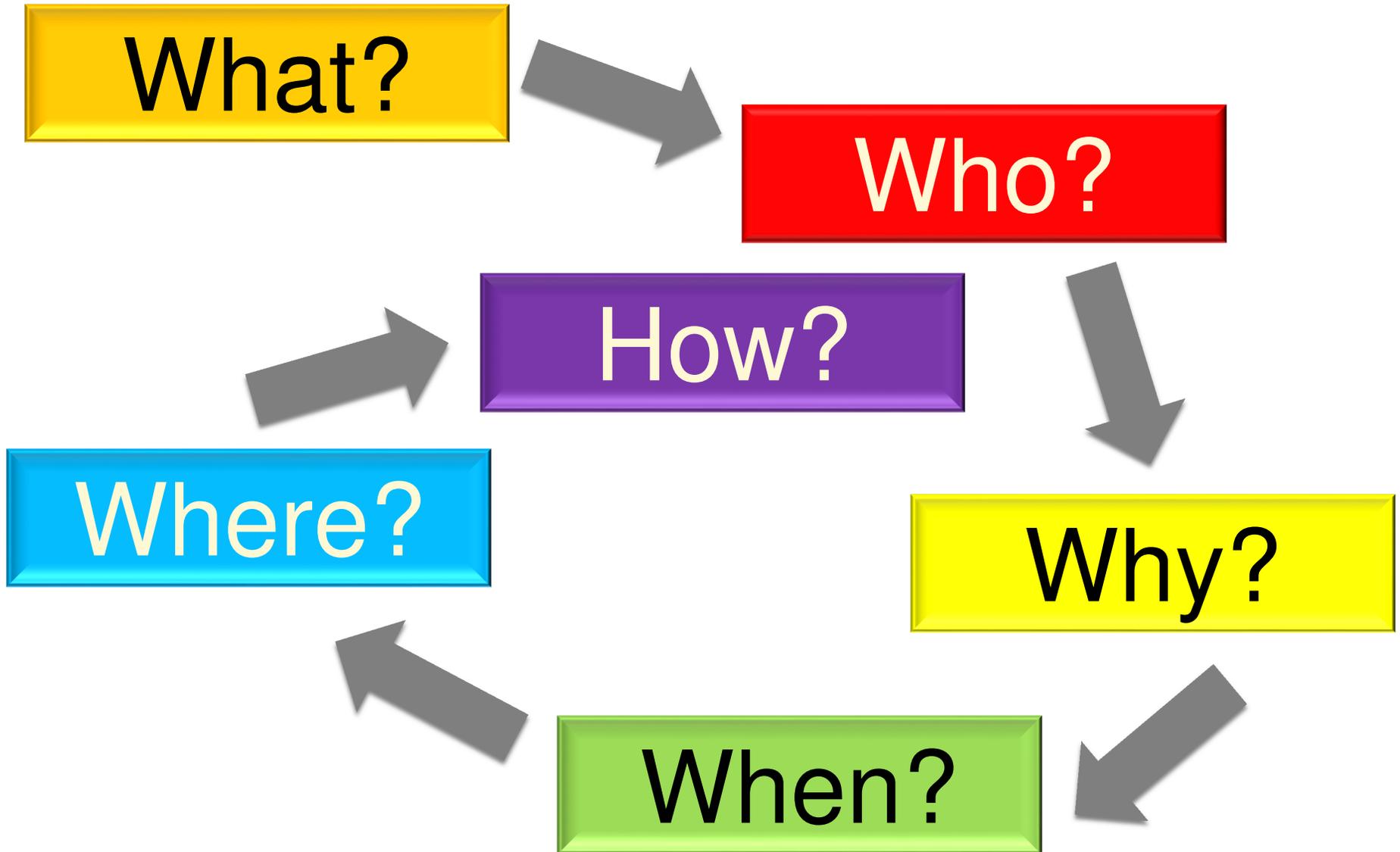
–Pros

- Clear evidence of review process
- Recording “safety net”
- One less task
- Can assist future audits

–Cons

- Shows someone else where to look
- Might indicate lack of planning supervision

Recap





Any questions?

Future events

For details, please visit [icaew.com/aafevents](https://www.icaew.com/aafevents)



Webinars

10 July - Auditing Estimates and related disclosures

04 September - A Practical Guide to Auditing Related Party Transactions



Audit Conference

04 October 2019

Thank you for attending

Please take the time to fill out our short survey

Contact the Audit & Assurance Faculty

 +44 (0)20 7920 8493

 tdaf@icaew.com

 icaew.com/aaf

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