



# *Coronavirus (COVID-19): Accounting for and auditing Revenue*

*21 April 2020*

**PRESENTED BY PETER HERBERT**

# *Today's presenters*



Peter Herbert  
Insight Training



Alex Russell  
ICAEW

# *Programme*

## *COVID-19 related matters*

Getting the accounting right

Matters for auditors to consider

Q & A session



# *Getting the accounting right*

# FRS 102 Section 23



## Goods

- Risks & rewards
- Probable economic benefits
- Costs reliably measurable
- Para 23.12 pointers



## Services

- % completion basis
- Probable economic benefits
- Costs & completion stage reliably measurable
- Para 23.21-23.27 pointers
- Uncertain outcome



## Construction contracts

- % completion basis
- Probable economic benefits
- Costs & completion stage reliably measurable
- Para 23.21-23.27 pointers
- Group v single
- Uncertain outcome

# *Application of accounting rules*

Contract  
enforceability &  
modification

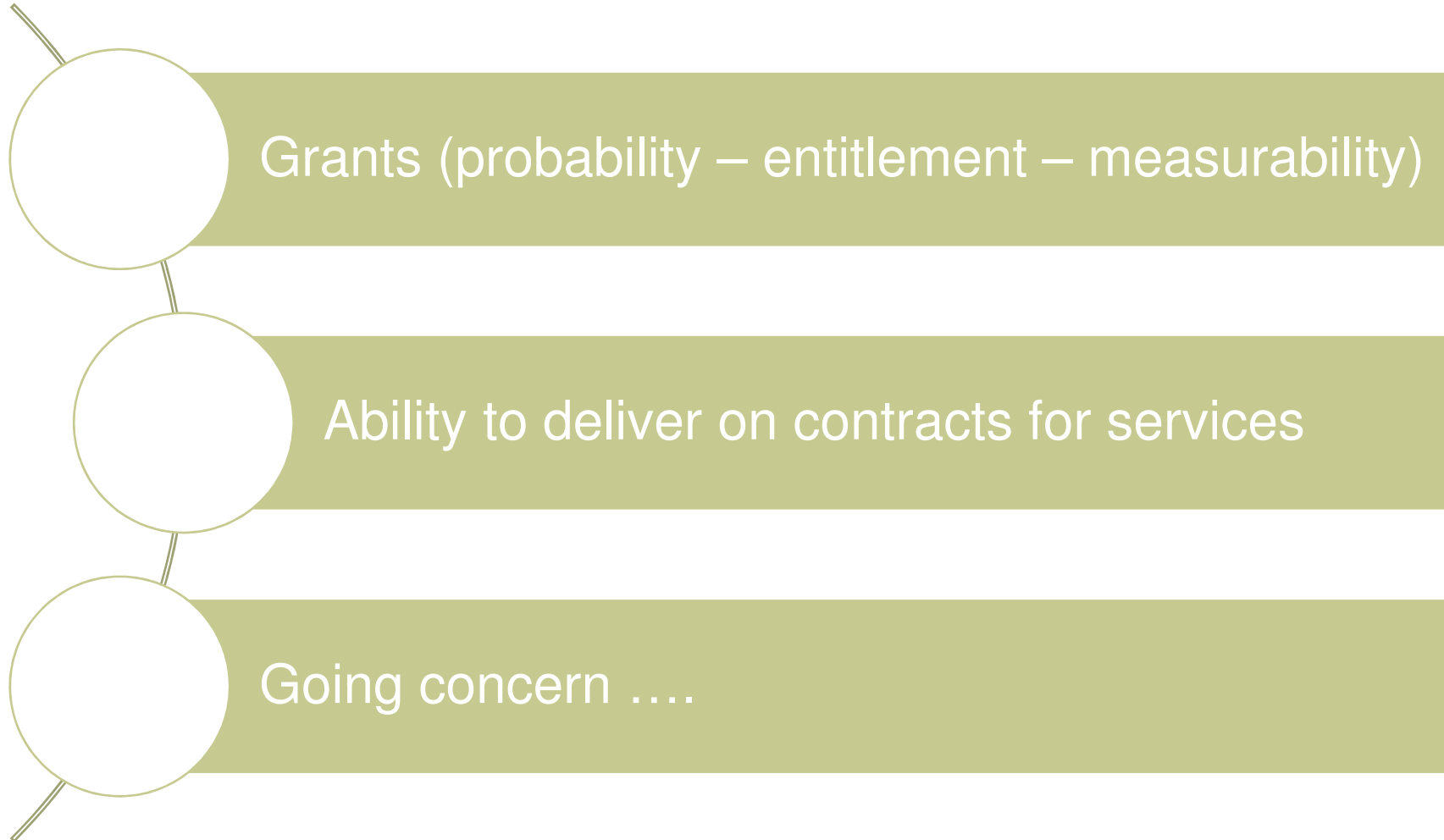
Transfer of risks &  
rewards

Variable  
consideration

Construction  
contract  
uncertainty/losses

Adjusting or non  
adjusting???

# *Issues affecting charities*





# *Matters for auditors to consider*



## *COVID-19 related matters*

# Audit

Functioning of internal controls

Impact on risk assessment

'Kitchen sink' accounting

Robustness of stock movement records

## *Documentation essentials*

Systems notes  
and  
walkthroughs

Consideration of  
'rebuttable  
presumption'

Sampling plan

Analytical tests  
(predict-  
compare-judge)

Substantive  
tests of detail  
(care re  
origination point)

Testing of  
robustness of  
client-generated  
data

Key judgements  
(e.g.  
construction  
contracts)



# *Q&A*

## *Stay up to date*

ICAEW coronavirus hub:

 [icaew.com/coronavirus](https://www.icaew.com/coronavirus)

 [icaew.com/coronavirus/audit](https://www.icaew.com/coronavirus/audit)

Audit and Assurance Faculty resources:

 [icaew.com/aaf](https://www.icaew.com/aaf)

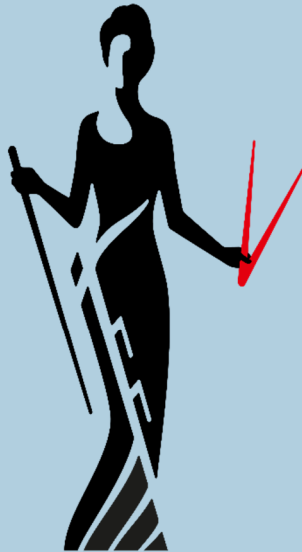
Audit and Assurance Faculty events:

 [icaew.com/aafevents](https://www.icaew.com/aafevents)

## *Contact the Audit & Assurance Faculty*

 +44 (0)20 7920 8493

 [tdaf@icaew.com](mailto:tdaf@icaew.com)



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