

# AuditAdvanced

(Mercia) Academy Audit

Engagement File Update

v24.0.01 to v24.0.02/03

## Further Information on the v24.0.02 to v24.0.03 Update

### i) Bug fix to the SUBSSAMP document and D, M and O Lead Schedules

Further to the notes below, an update was made to the v24.0.02 template to fix a bug in the SUBSSAMP Substantive Sampling Master Form and to update the D, M and O lead schedules for the latest mapping mask.

If you have already upgraded your engagement file to v24.0.02, once the v24.0.03 template is installed, the updated sampling form and lead schedules can be replaced by either using the Document Library function or running the update process again.

Both processes should only take a few moments to run.

## Further Information on the v24.0.01 to v24.0.02 Update

### i) Application of updated mapping

There are always likely to be mapping changes from one year to the next when an engagement file is updated.

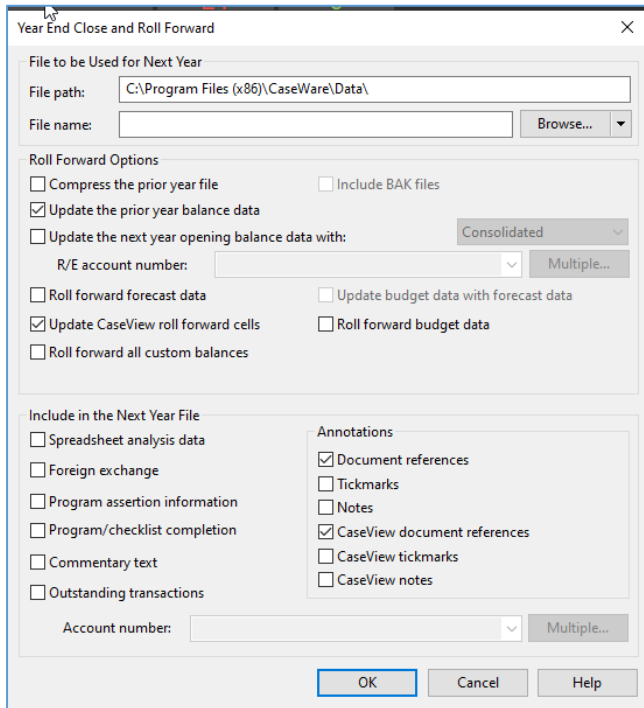
To apply the new mapping to your engagement file please follow the details in our article that can be found on our Help Site [here](#).

### ii) Updating Year End Close settings in WP 2022

The v24.0.02 templates will only run on WP 2022 and above. Sometimes the installation of a new version of Working Papers will cause some previously saved settings to be reset.

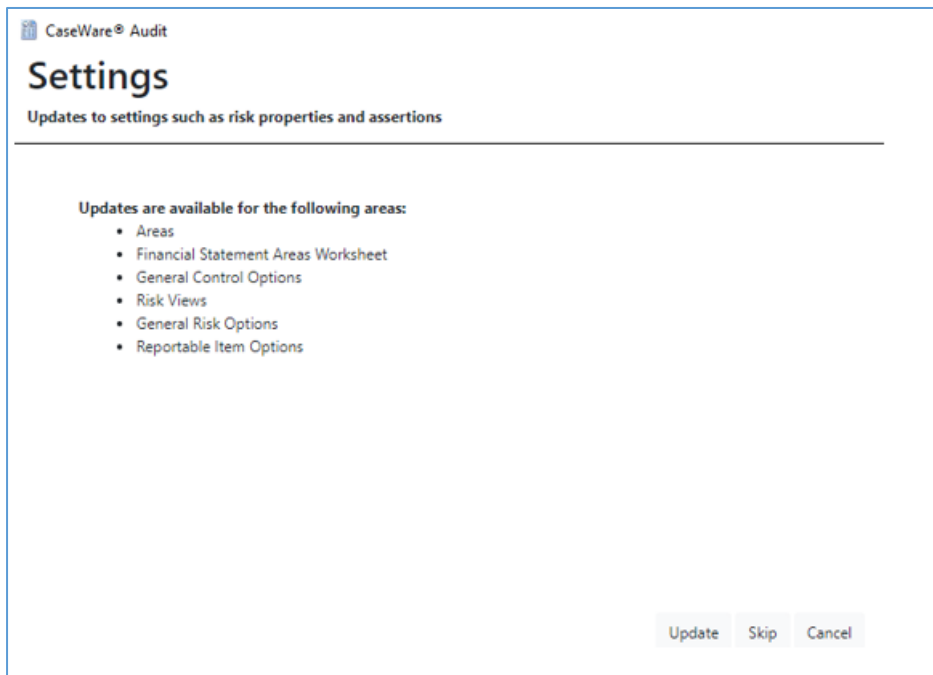
Normally, settings for the Year End Close routine will be retained on an individual machine, however these may have been reset with the update to WP 2022 and it is important that this is checked.

Throughout the templates links are provided to other documents within the template and some of these can only be linked through 'Annotations'. Whatever else your personal settings are, it is important that on a roll-forward the 'CaseView document reference' is ticked under the 'Annotations' section, otherwise these links will be removed from the file during the roll-forward process.



### iii) Settings screen

As there have been a number of changes to the functionality settings to accommodate ISA 315 in this update, and depending on the version of the file you are updating, you may see a Settings screen if you choose the Update option in the update dialogue screens. Please ensure you accept those changes for any files that need to be audited under ISA 315 (Revised) by selecting 'Update'.

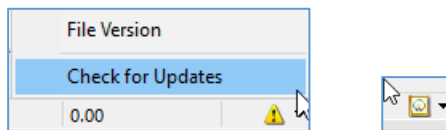


#### iv) Document numbering on update

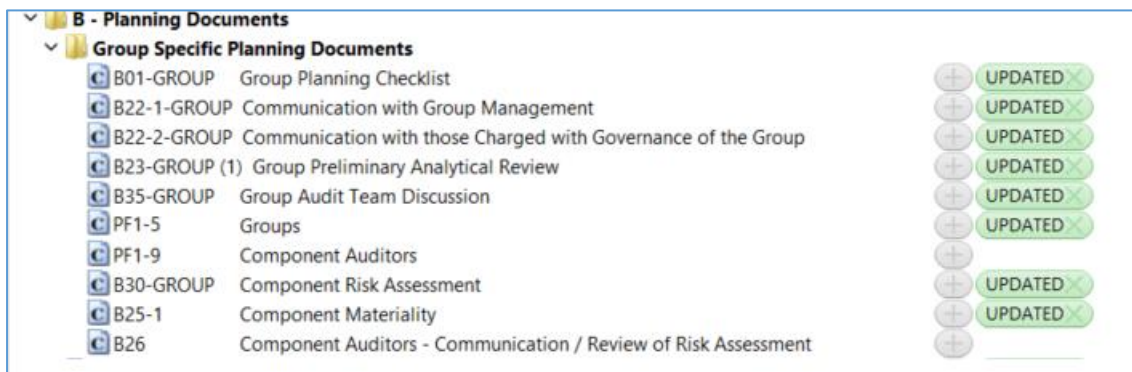
The renumbering of the planning section means that after an update the Document Manager will not necessarily be in the correct order and will need to be manually adjusted. This is particularly the case for documents which have a new number but where that number existed previously.

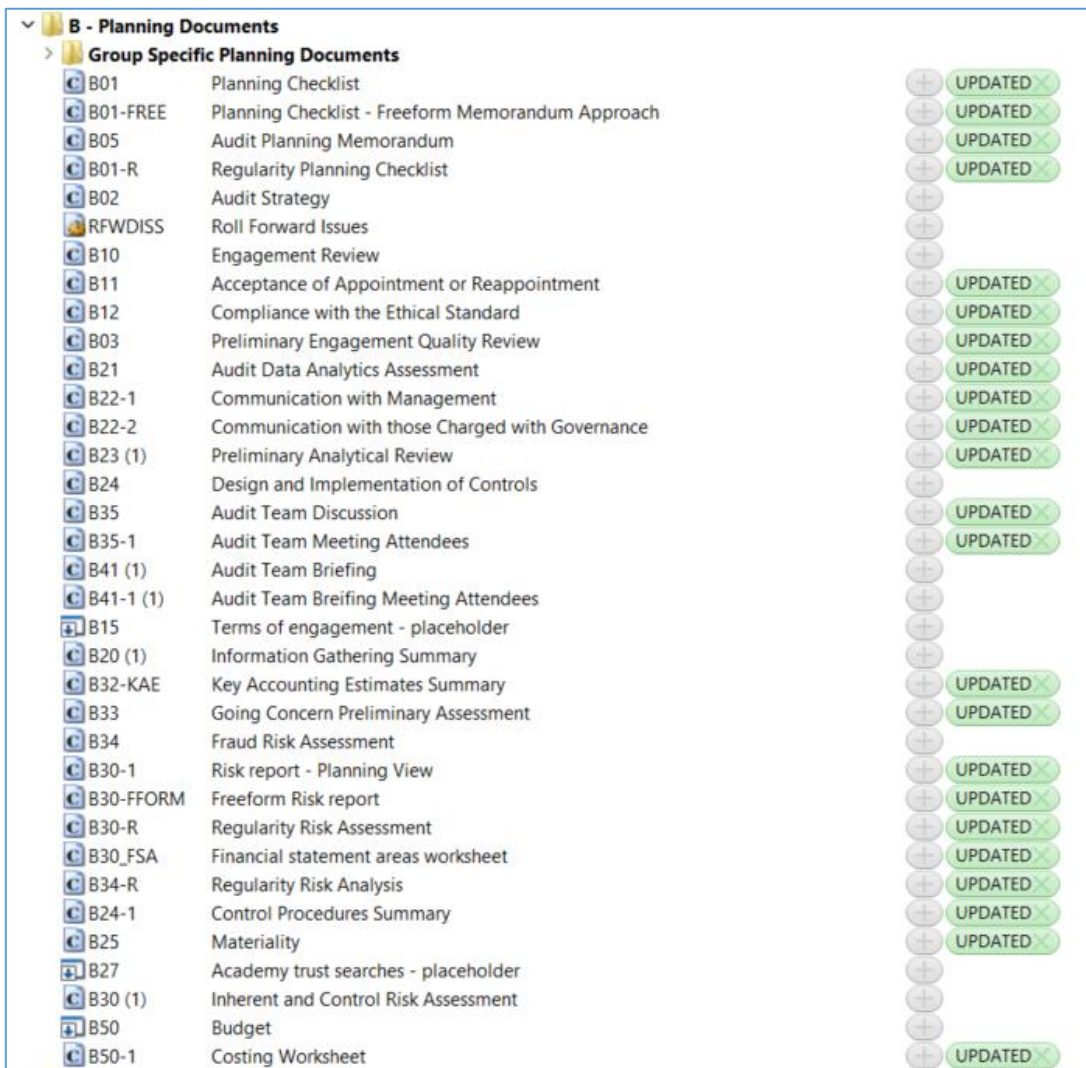
This also applies to documents that you have added to the Document Manager that use numbers that are now being used by Mercia’s new forms.

After running the update you may also find that the update icon in the bottom right hand corner is still showing a warning sign. Right click on the sign, select ‘Check for Updates’ and run the update again. Once completed the warning sign should change to the old Caseware icon



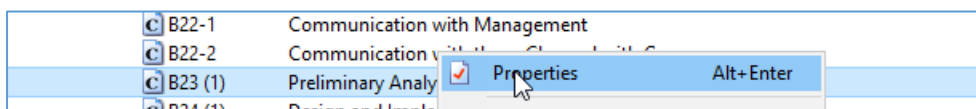
The screenshots below show the effect of the update on the planning section of an unadjusted audit file:-



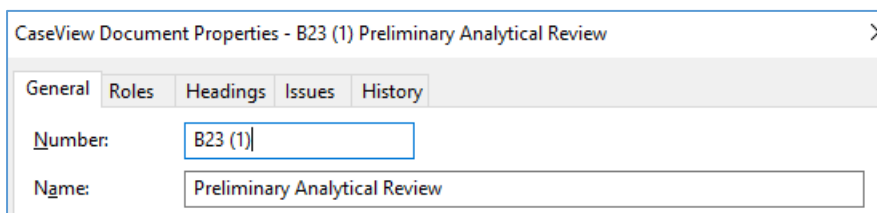


All the files with a (1) after them relate to documents where a previous document used that number.

These should be amended by right clicking on the document and selecting Properties.



The number can then be amended on the General tab.

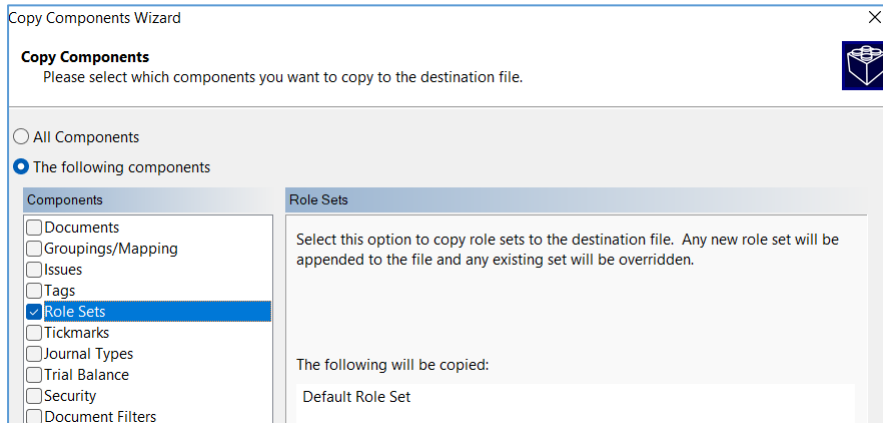


We recommend doing this after you have tailored the file for the current year. **It is important** this is carried out to ensure that document references within the template link up correctly.

A number of documents will also appear in the wrong place. The appendix shows how the planning section should look on an unamended / untailored file.

## v) New Default Role Set

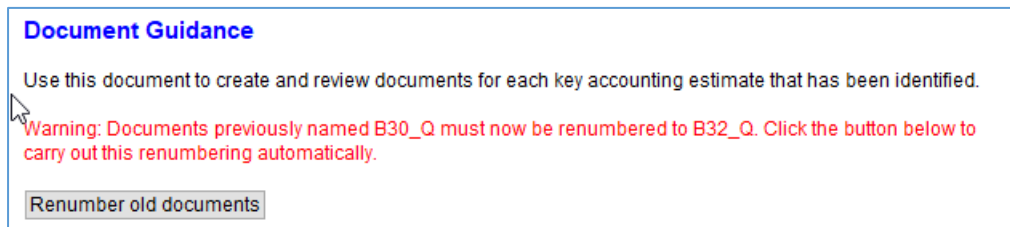
An Engagement Quality Review Assistant signature has been added to the Default Role Set. Where this is required, select the Role Sets item in the Copy Components dialogue and import it into the file.



## vi) Accounting Estimates forms


The accounting estimates documentation has moved from B30 to B32.

In the new B32-KAE (which replaces the old B30) we have provided a way to renumber your old B30\_QX documents to appear as B32\_QX documents, if you wish to keep them from one year to the next.




The key area in these documents that has been enhanced is “Risk assessment procedures relating to the key accounting estimate” section.


**Risk assessment procedures relating to the key accounting estimate**  
*The key accounting estimate should be included on B30. The responses below should be used to justify the information included in the table on B30.*

**Assess the inherent risk**  
 Degree of estimation uncertainty (eg. inherent lack of precision in measurement): 


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Degree of subjectivity (before consideration of controls): 


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Degree of complexity (before consideration of controls): 

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Degree of other inherent factors (eg. management bias or fraud; changes in the nature or circumstances of the item; changes in the requirements of the financial reporting framework etc. before consideration of controls): 

---

Assess the inherent risk of material misstatement (RMM) for **each relevant assertion**: 

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**Control risk**  
 Assess and describe the control risk for **each relevant assertion**:  
*Only required where the auditor plans to test the operating effectiveness of controls.*

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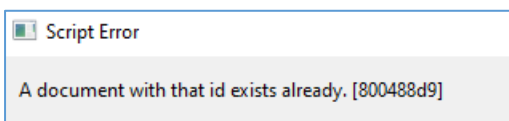
**RMM at the assertion level**  
 Assess the RMM at the assertion level for **each relevant assertion**:

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However, please be aware any B30\_QX documents converted in this way **will not have this enhanced content in it.**

We recommend that you take the opportunity to revisit your accounting estimates forms and copy across any detail you wish to keep from the old forms into newly created ones.

Please also be aware that if you create a new form (say B32\_QA) and then afterwards try to covert an old form with the same suffix (i.e. a B30\_QA in this example) you will cause an error in the automatic update process and the conversion will not take place.



### vii) Update to Risks rolled forward in the engagement file

The update process will not amend risks that are selected to roll-forward from one year to the next.

You will therefore need to review all the risks carried forward in your file and update them for the new Risk dialogue fields that have been added for ISA 315.

This also applies to the two default risks “Revenue Recognition” and “Management Override”.

The new default settings for these are shown below and should be updated on your engagement file, as appropriate:-

Risk ✕

☰ ★ Income recognition ◀ ▶

**Control** 🔗

Edit association

**Reportable Item** 🔗

Edit association

**Risk Identification**

Income recognition

Income recognition gives rise to a risk of material misst...

Source/Reference	B30-1
Financial Statement Areas	Fraud Income   C

**Assessment**

Inherent Risk Factors	<input style="width: 90%;" type="text"/>
Likelihood of Misstatement	5 (High)
Magnitude of Misstatement	5 (High)
Inherent RMM	5 (High)
Control Risk	n/a
RMM	5 (High)
Significant Risk	<input checked="" type="checkbox"/>
Fraud risk	<input checked="" type="checkbox"/>
Roll forward	<input checked="" type="checkbox"/>

**Risk Response**

Audit Response

Audit has properly addressed this risk

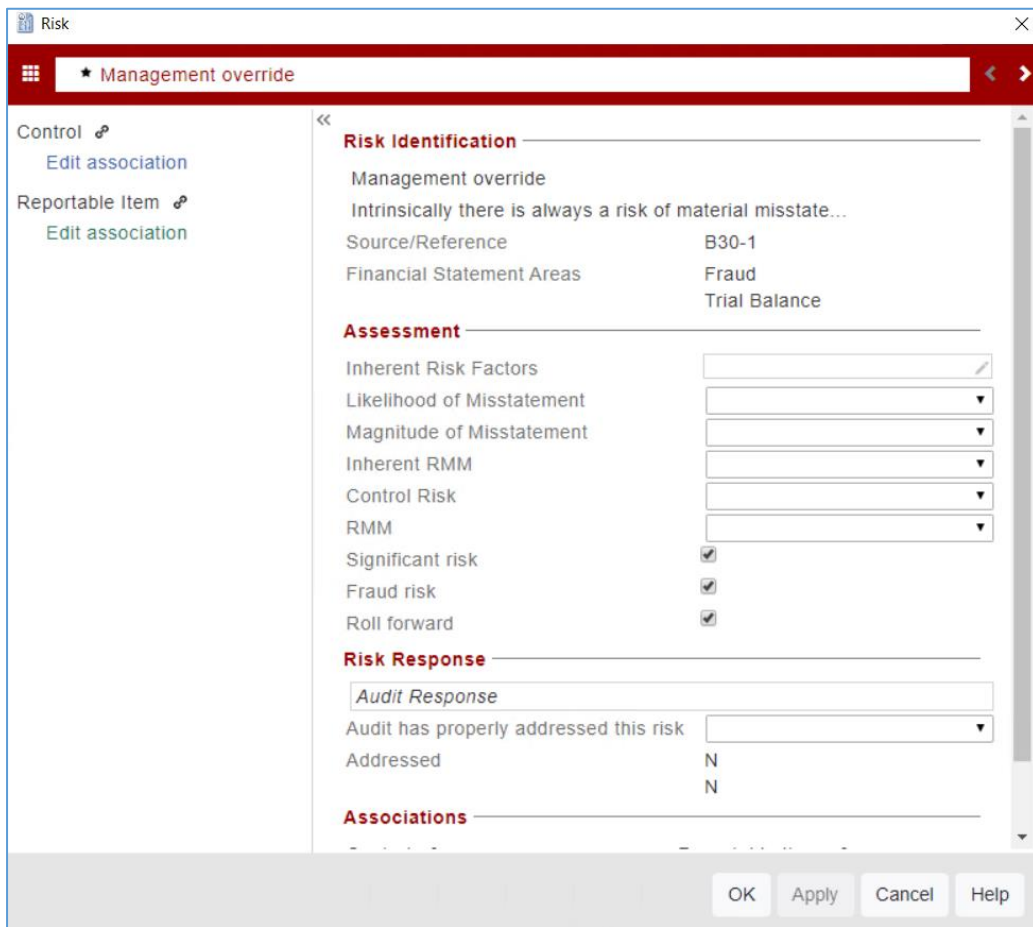
Addressed H-I

**Associations**

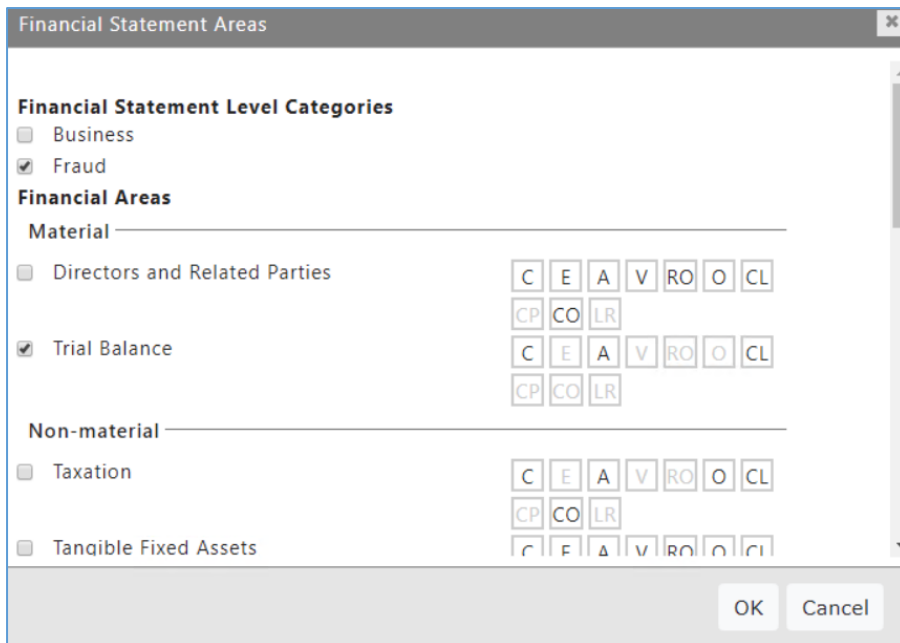
Control <span style="font-size: xx-small;">🔗</span>	Reportable Item <span style="font-size: xx-small;">🔗</span>
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OK
Apply
Cancel
Help





The most significant change for these is that they are now defaulted to show as Fraud risks, and that they are both risks at the Financial Statement Level as well as at the individual Financial Area Level.

















## Appendix 1

### Academy Audit Planning and Permanent sections on an unamended / untailed file

Group Specific Planning Documents	
B01-GROUP	Group Planning Checklist
B22-1-GROUP	Communication with Group Management
B22-2-GROUP	Communication with those Charged with Governance of the Group
B23-GROUP	Group Preliminary Analytical Review
B25-1	Component Materiality
B26	Component Auditors - Communication / Review of Risk Assessment
B30-GROUP	Component Risk Assessment
B35-GROUP	Group Audit Team Discussion
PF1-5	Groups
PF1-9	Component Auditors

B - Planning Documents	
Group Specific Planning Documents	
B01	Planning Checklist
B01-FREE	Planning Checklist - Freeform Memorandum Approach
B01-R	Regularity Planning Checklist
RFWDISS	Roll Forward Issues
B02	Audit Strategy
B03	Preliminary Engagement Quality Review
B05	Audit Planning Memorandum
B10	Engagement Review
B11	Acceptance of Appointment or Reappointment
B12	Compliance with the Ethical Standard
B13	New Client Checklist
B14	Opening Balances and Consistency of Accounting Policies
B15	Terms of engagement - placeholder
B20	Information Gathering Summary
B21	Audit Data Analytics Assessment
B22-1	Communication with Management
B22-2	Communication with those Charged with Governance
B23	Preliminary Analytical Review
B24	Design and Implementation of Controls
B24-1	Control Procedures Summary
B25	Materiality
B27	Academy trust searches - placeholder
B30	Inherent and Control Risk Assessment
B30-R	Regularity Risk Assessment
B30-1	Risk report - Planning View
B30-FFORM	Freeform Risk report
B30_FSA	Financial statement areas worksheet
B32-KAE	Key Accounting Estimates Summary
B33	Going Concern Preliminary Assessment
B34	Fraud Risk Assessment
B34-R	Regularity Risk Analysis
B35	Audit Team Discussion
B35-1	Audit Team Meeting Attendees
B41	Audit Team Briefing
B41-1	Audit Team Briefing Meeting Attendees
B50	Budget
B50-1	Costing Worksheet

▼		<b>Permanent File</b>	
		PF1-1	The Entity and Its Environment
		PF1-2	The Applicable Financial Reporting Framework
		PF1-3	Laws and Regulations
		PF1-4	Related Parties
		PF1-4-2	Related Parties (list)
		PF1-6	Use of Service Organisations
		PF1-7	Using the Work of an Expert
		PF1-8	Accounting Estimates
		PF1-10	Going Concern
		PF2-1	Systems Overview and Key Internal Controls Summary
		PF2-2	Internal Control Overview
		PF2-3	Using the Work of and Communication with Internal Auditors / Internal Scrutiny Function
		PF3-1	New Client Checklist - placeholder