

# AuditAdvanced

(Mercia) template suite

Engagement File Update

v24.0.00 to v24.0.01

## Further Information on the v24.0.00 to v24.0.01 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.

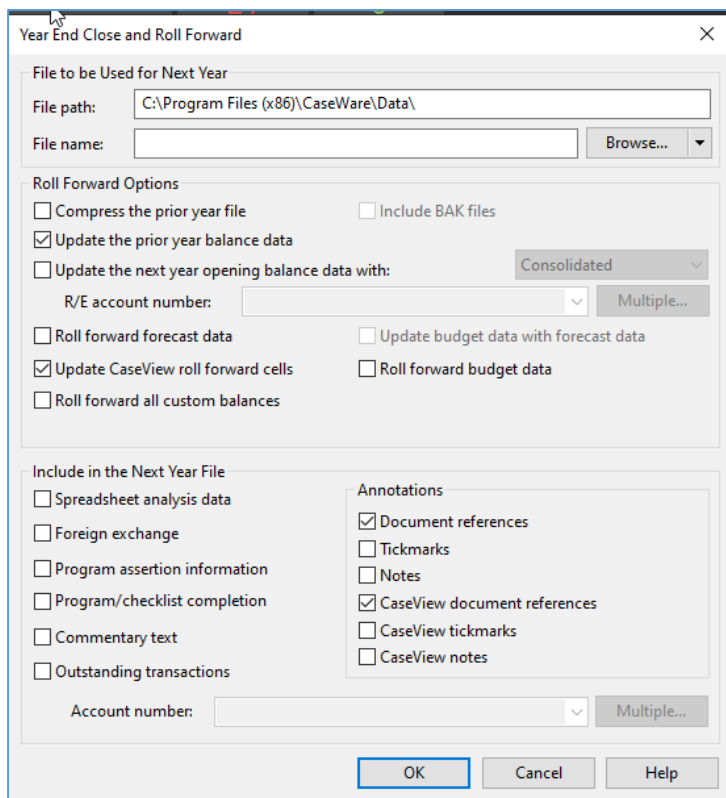
To apply the new mapping to your engagement file please follow the details in our article that can be found on our Help Site [here](#).

### ii) Updating Year End Close settings in WP 2021/22

The v24.0.01 templates will only run on WP 2021 and above. Sometimes the installation of a new version of Working Papers will cause some previously saved settings to be reset.

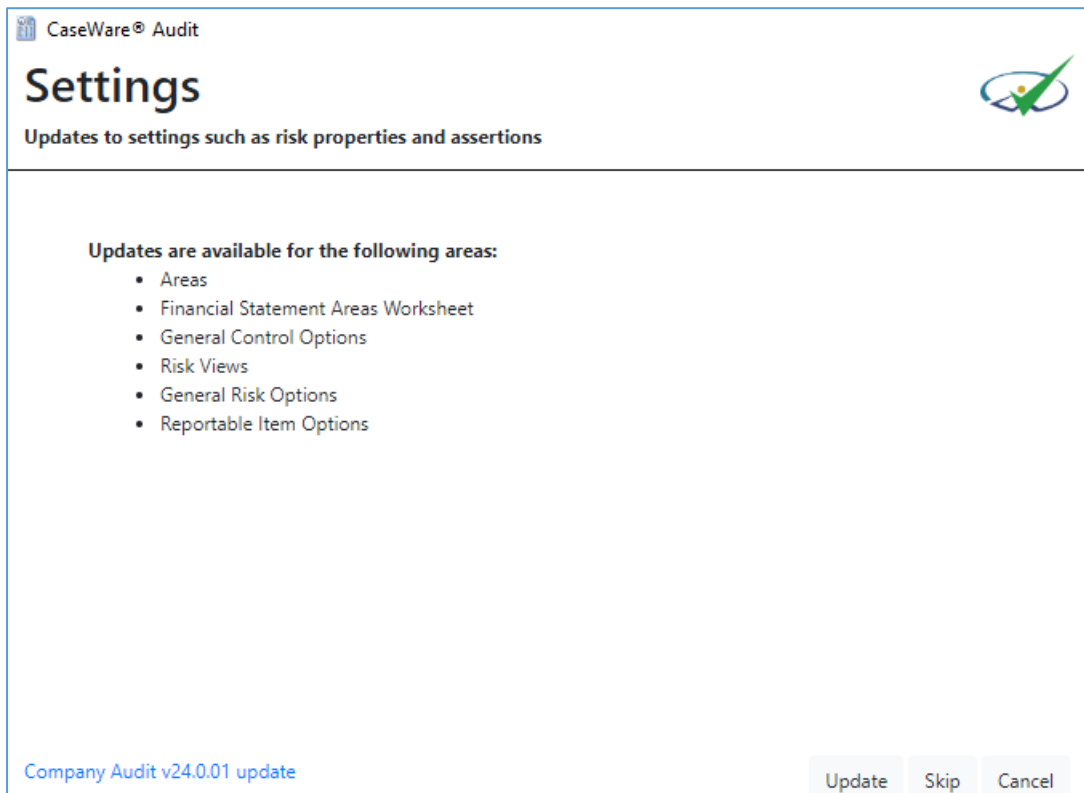
Normally, settings for the Year End Close routine will be retained on an individual machine, however these may have been reset with the update to WP 2021 or WP 2022 and it is important that this is checked.

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, you will 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'.

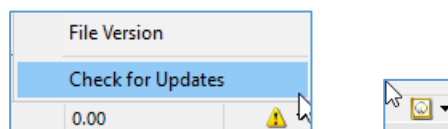


### iv) Document numbering on update

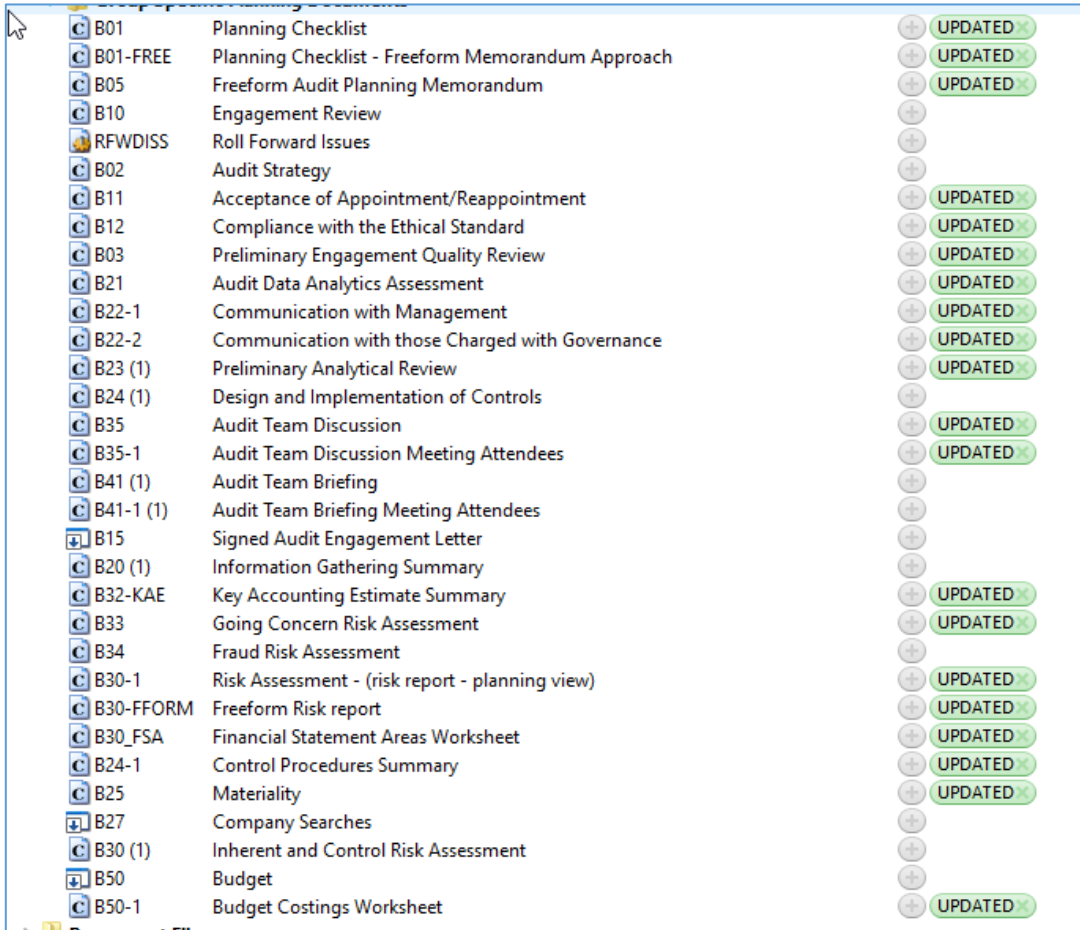
The renumbering of the planning section means that after an update the Document Manager will not necessarily be in the correct order and will need to be manually adjusted. This is particularly the case for documents which have a new number but where that number existed previously.

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.

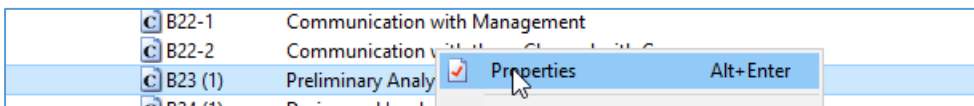
After running the update you may also find that the update icon in the bottom right hand corner is still showing a warning sign. Right click on the sign, select 'Check for Updates' and run the update again. Once completed the warning sign should change to the old Caseware icon



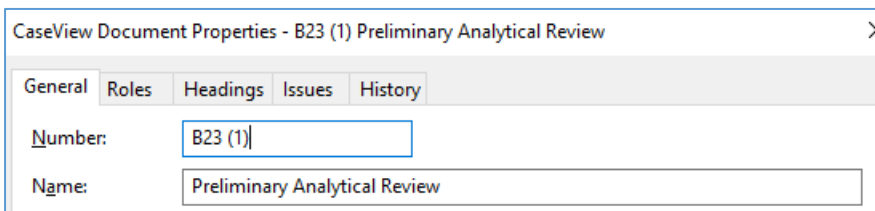
The screenshot below shows the effect of the update on the planning section of an unadjusted Company Audit file:-



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 appendices show how each of the individual templates' planning sections looks on an unamended / untailored file.

## v) 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.

**Document Guidance**

Use this document to create and review documents for each key accounting estimate that has been identified.

**Warning:** Documents previously named B30\_Q must now be renumbered to B32\_Q. Click the button below to carry out this renumbering automatically.

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):

\_\_\_\_\_

Degree of subjectivity (before consideration of controls):

\_\_\_\_\_

Degree of complexity (before consideration of controls):

\_\_\_\_\_

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:**

Inherent risk assessment:  ? ▾

\_\_\_\_\_

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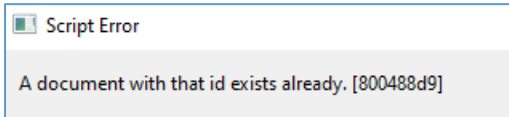
**RMM at the assertion level**  
 Assess the RMM at the assertion level for **each relevant assertion**:

\_\_\_\_\_

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 convert 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.

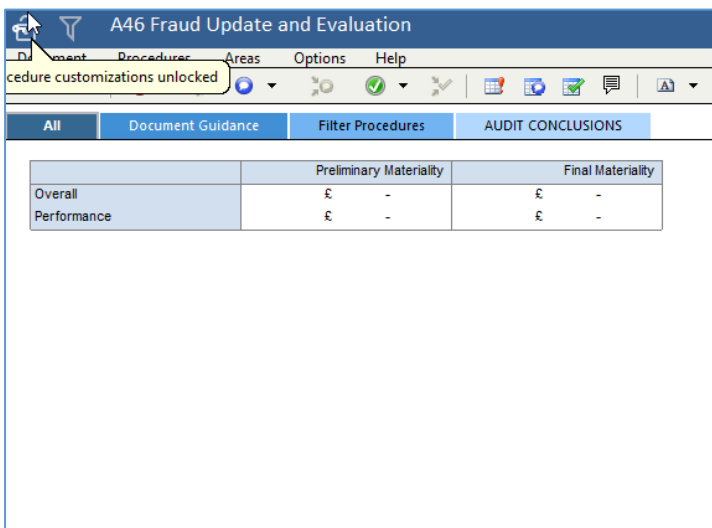


### vi) New documents appearing blank on first opening

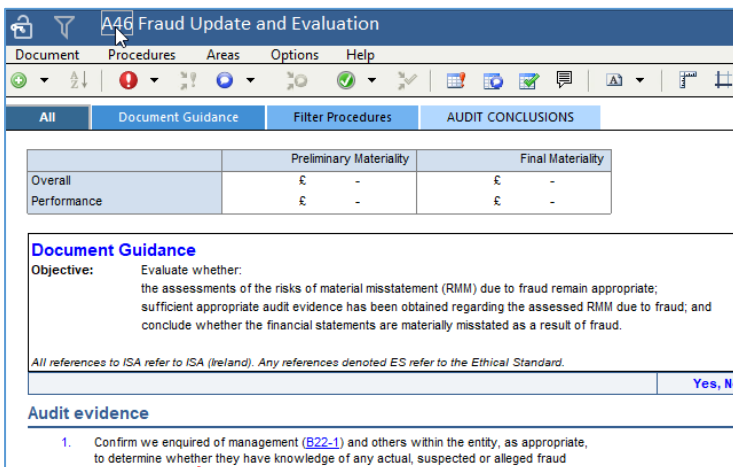
Some new documents, when opened for the first time, may appear to be blank.

Closing and opening the document again will solve the problem, allowing the document to render correctly.

E.g. A46 on initial opening -



On second opening -



## 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.

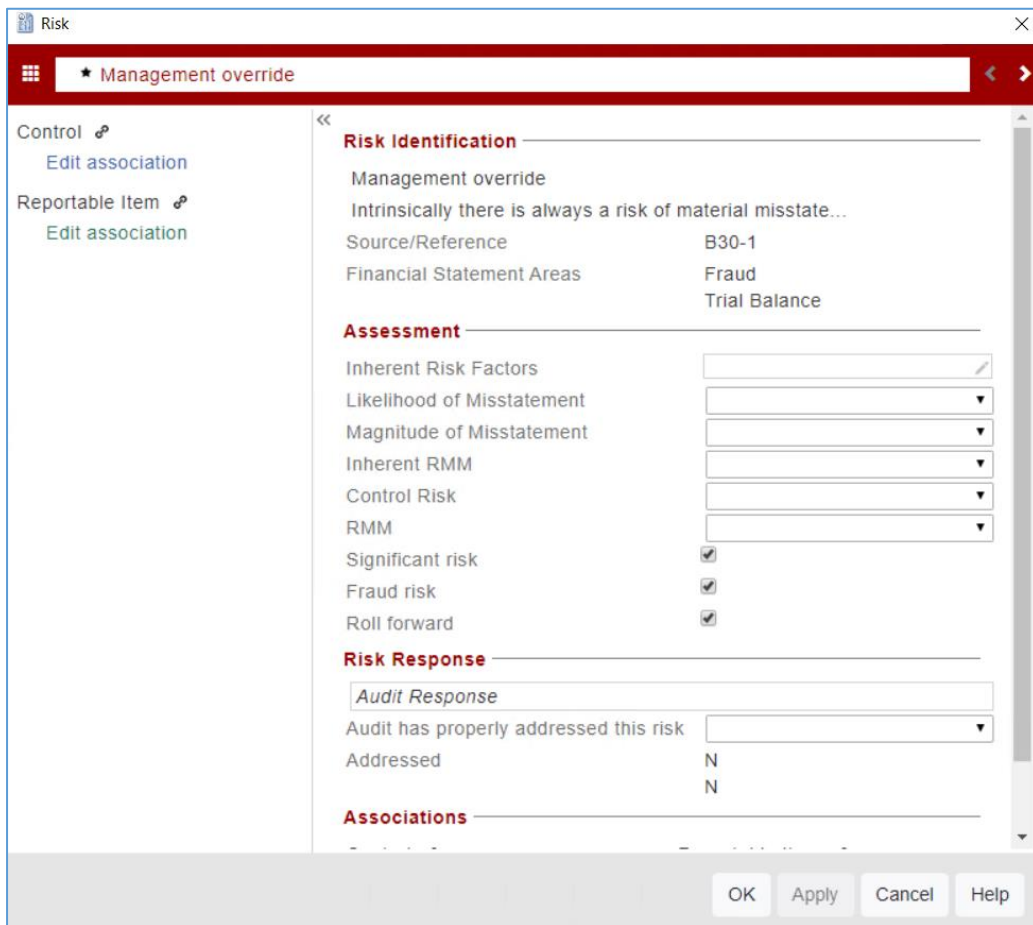
This also applies to the two default risks “Revenue Recognition” and “Management Override”.

The new default settings for these are shown below and should be updated on your engagement file, as appropriate (the Pension Scheme template has slightly different referencing and can be found in the Appendix):-

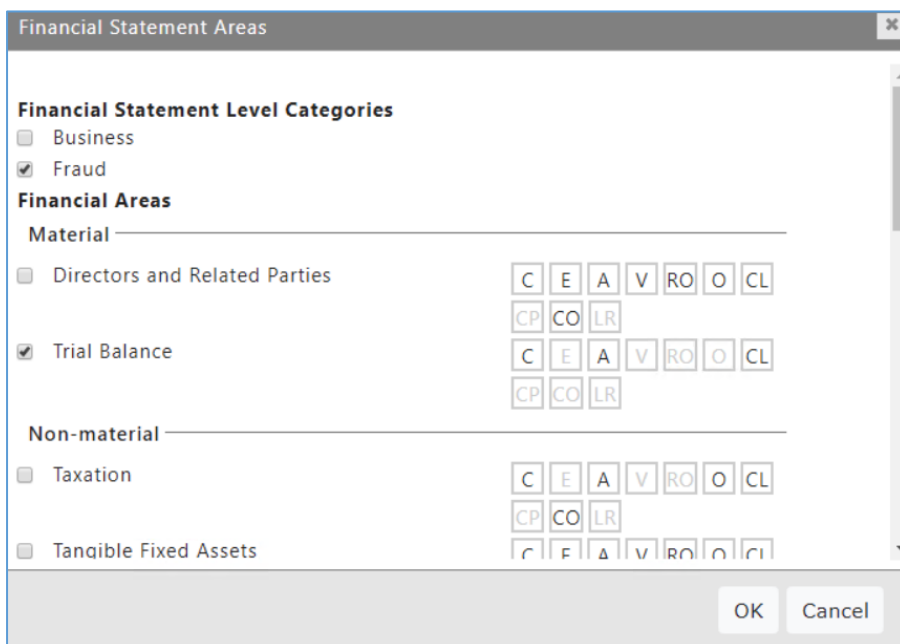
The screenshot shows a 'Risk' dialog box with a red header bar containing a search field with the text 'Revenue recognition'. On the left, there are two sections: 'Control' with an 'Edit association' link, and 'Reportable Item' with an 'Edit association' link. The main area is divided into four sections:

- Risk Identification:**
  - Revenue recognition
  - Revenue recognition gives rise to a risk of material miss...
  - Source/Reference: B30-1
  - Financial Statement Areas: Fraud, Income | C
- Assessment:**
  - Inherent Risk Factors: [text box]
  - Likelihood of Misstatement: 5 (High)
  - Magnitude of Misstatement: 5 (High)
  - Inherent RMM: 5 (High)
  - Control Risk: n/a
  - RMM: 5 (High)
  - Significant risk:
  - Fraud risk:
  - Roll forward:
- Risk Response:**
  - Audit Response: [text box]
  - Audit has properly addressed this risk: [dropdown menu]
  - Addressed: H-I
- Associations:**
  - Control: [link]
  - Reportable Item: [link]

At the bottom right, there are four buttons: OK, Apply, Cancel, and 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.



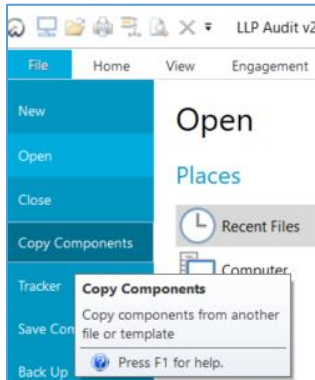


### viii) Updating Role Set

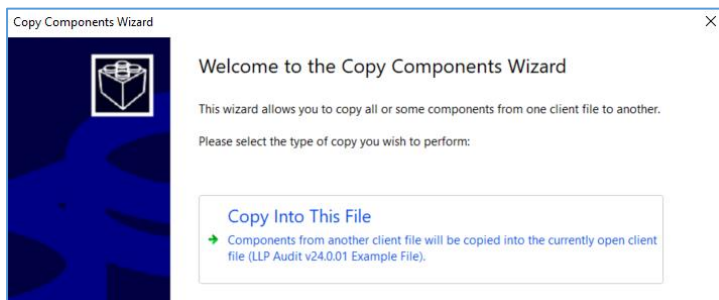
The Default role set in the template has been updated to include an EQ Review Assistant signature.

If that is required in any engagement it will need to be added to the file using the Copy Components feature.

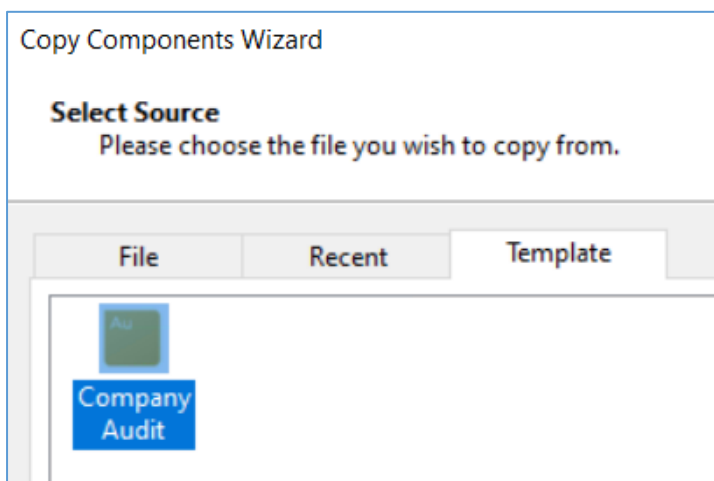
Under the File menu select the Copy Components feature



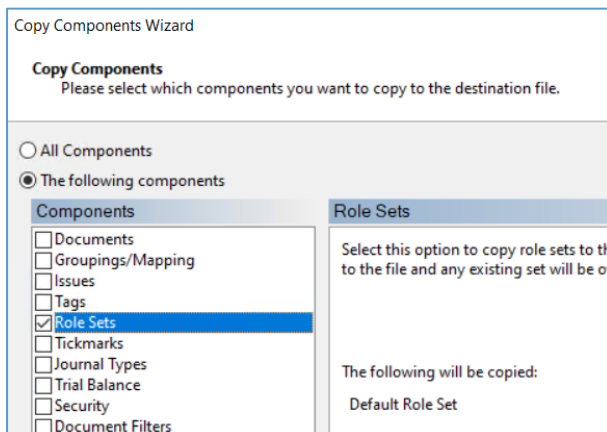
Select "Copy Into This File"



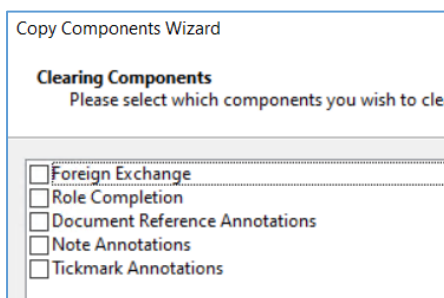
In the "Select Source" screen, under the "Template" tab select the relevant template



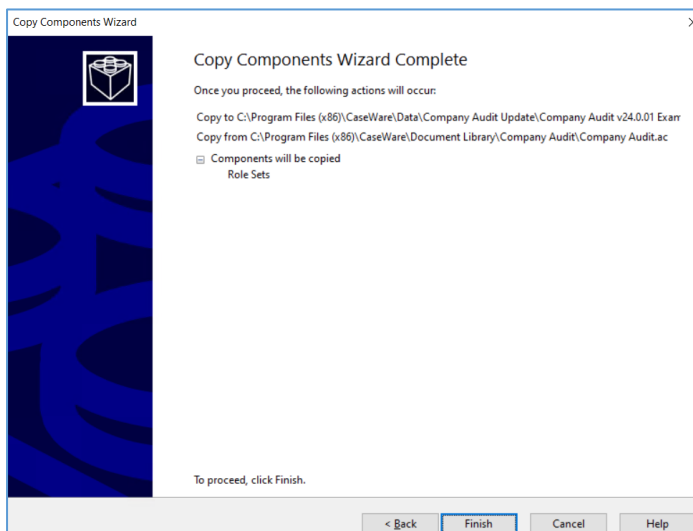
In the “Copy Components” screen, select the “Role Sets” option.



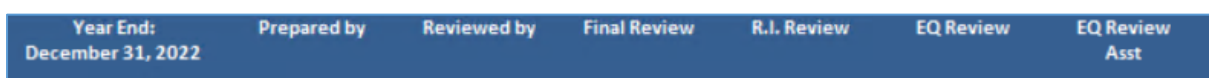
In the “Clearing components” screen, leave all options unselected.



Complete the process by selecting “Finish”



You should then have the “EQ Review Asst” signature available in the sign-off area



## Appendix 1

### Company 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
RFWDISS	Roll Forward Issues
B02	Audit Strategy
B03	Preliminary Engagement Quality Review
B05	Freeform Audit Planning Memorandum
B10	Engagement Review
B11	Acceptance of Appointment/Reappointment
B12	Compliance with the Ethical Standard
B13	New Client Checklist
B14	Opening Balances and Consistency of Accounting Policies
B15	Signed Audit Engagement Letter
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	Company Searches
B30	Inherent and Control Risk Assessment
B30-1	Risk Assessment - (risk report - planning view)
B30-FFORM	Freeform Risk report
B30_FSA	Financial Statement Areas Worksheet
B32-KAE	Key Accounting Estimate Summary
B33	Going Concern Risk Assessment
B34	Fraud Risk Assessment
B35	Audit Team Discussion
B35-1	Audit Team Discussion Meeting Attendees
B41	Audit Team Briefing
B41-1	Audit Team Briefing Meeting Attendees
B50	Budget
B50-1	Budget Costings Worksheet

Permanent File	
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	Using a Service Organisation
PF1-7	Using the Work of an Expert
PF1-8	Accounting Estimates
PF1-10	Going concern
PF2-1	Systems Overview & Key Internal Controls Summary
PF2-2	Internal Control Overview
PF2-3	Using the Work of and Communicating with Internal Auditors
PF3-1	New Client Checklist - Placeholder

## Appendix 2

### Charity Audit Planning sections on an unamended / untailed file

Independent Examination Planning Documents	
B01-IE	Planning Checklist - Independent Exam
B02-IE	Audit Exemption Eligibility Checklist
B11-IE	Acceptance of Appointment/Reappointment
B12-IE	Assessment of independence threats and safeguards
WP-IE	Independent Examination Work Programme

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B30-GROUP	Component Risk Assessment
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B01	Planning Checklist
B01-FREE	Planning Checklist - Freeform Memorandum Approach
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B21	Audit Data Analytics Assessment
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B24-1	Control Procedures Summary
B25	Materiality
B27	Company Searches
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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
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	Budget Costings Worksheet

## Appendix 3

### LLP Audit Planning and permanent sections on an unamended / untailed file

Audit Exemption Documentation	
B01-EX	Audit Exemption - Planning Checklist
B02-EX	Audit Exemption Eligibility Checklist (planning)
B03-EX	Audit Exemption - Client's Needs Checklist (planning)
B40-EX	Audit Exemption - Overall Approach
B-EX	Blank Audit Exemption Programme.doc

B01	Planning Checklist
B01-FREE	Planning Checklist - Freeform Memorandum Approach
B02	Audit Strategy
B03	Preliminary Engagement Quality Review
B05	Freeform Audit Planning Memorandum
RFWDISS	Roll Forward Issues
B10	Engagement review
B11	Acceptance of Appointment/Reappointment
B12	Compliance with the Ethical Standard
B13	New Client Checklist
B14	Opening balances and consistency of accounting policies
B15	Signed Audit Engagement Letter
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	Entity Searches
B30	Inherent and Control Risk Assessment
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PF1-10	Going concern
PF2-1	Systems Overview & Key Internal Controls Summary
PF2-2	Internal Control Overview
PF2-3	Using the Work of and Communicating with Internal Auditors
PF3-1	New Client Checklist - Placeholder
PF2-EX	Audit Exemption - Systems and Controls Procedures Checklist
PF3-EX	Audit Exemption - Involvement in Accounts Preparation

## Appendix 4

### Pension Schemes Audit Planning and permanent sections on an unamended / untailed file

B01	Planning Checklist
B01-FREE	Planning Checklist - Freeform Memorandum Approach
B02	Audit Strategy
B03	Preliminary Engagement Quality Review
B05	Freeform Audit Planning Memorandum
RFWDISS	Roll Forward Issues
B10	Engagement Review
B11	Acceptance of Appointment/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	Entity Searches
B30	Inherent and Control Risk Assessment
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PF1-8	Accounting Estimates
PF1-10	Going Concern
PF2-1	Systems Overview & Key Internal Controls Summary
PF2-2	Internal Control Overview
PF2-3	Using the Work of and Communicating with Internal Auditors
PF3-1	New Client Checklist - Placeholder

### Pension Schemes Risk Dialogues for Income Recognition and Management Override

Risk
X

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  
Contributions | C

**Assessment**

Inherent Risk Factors [ ]

Likelihood of Misstatement 5 (High)

Magnitude of Misstatement 5 (High)

Inherent RMM 5 (High)

Control Risk n/a

RMM 5 (High)

Significant risk

Fraud risk

Roll forward

**Risk Response**

*Audit Response*

Audit has properly addressed this risk [ ]

Addressed H-C

**Associations**

Control ↗ Reportable Item ↗

OK Apply Cancel Help

Risk
X

Management override
< >

Control ↗

Edit association

Reportable Item ↗

Edit association

**Risk Identification**

Management override

There is always a risk of material misstatement due to fr...

Source/Reference B30-1

Financial Statement Areas Fraud  
Other Audit Areas

**Assessment**

Inherent Risk Factors [ ]

Likelihood of Misstatement [ ]

Magnitude of Misstatement [ ]

Inherent RMM [ ]

Control Risk [ ]

RMM [ ]

Significant risk

Fraud risk

Roll forward

**Risk Response**

*Audit Response*

Audit has properly addressed this risk [ ]

Addressed K

**Associations**

Control ↗ Reportable Item ↗

OK Apply Cancel Help