

Audit International

User Training



Contents

1. GETTING STARTED	6
1.1 Objectives	6
1.2 Introduction to Audit International.....	6
1.3 CaseWare Working Papers / Audit International support available to you	9
2. USING THE TEMPLATE	11
2.1 Introduction	11
2.2 Interface.....	11
2.3 Common Buttons.....	12
2.4 Common Menus for Work Programs and Checklists	14
Document Menu	14
Author Menu	18
3. CREATING CLIENT FILES	12
3.1 Introduction	12
3.2 Creating a New Client File.....	12
3.3 Creating a New Client File from Existing Client Data.....	12
3.4 Adding to an Existing Working Papers Client File	15
3.5 Optimiser Checklist.....	17
3.6 Work Flow Panel.....	19
4. CLIENT FILE SETUP	21
4.1 Introduction	21
4.2 Defining the Entity Structure	21
4.3 Importing a Trial Balance.....	22
4.4 Assigning Mapping Numbers.....	23
4.5 Creating and Deleting Documents and Folders	23
5. PLANNING.....	25
5.1 Introduction	25
5.2 Defining Firm Deliverables and Client Information	25
5.3 Letters.....	26
5.3.1 Entering Firm Information	26
5.4 Materiality	27
5.5 Setting Materiality	28
5.6 Financial Statements Areas Worksheet	29
5.6.1 Assessing Materiality in the FSA.....	48
5.6.2 Business Cycles.....	48
6. RISK ASSESSMENT AND IDENTIFICATION	51
6.1 Introduction	51

6.2	Risk Identification	53
6.2.1	Adding an Identified Risk	54
6.2.2	Linking Procedures to Risk.....	59
6.2.3	Risk Report	63
6.3	Control Identification.....	65
6.3.1	Controls Dialog.....	66
6.3.2	Importing Controls.....	70
6.3.3	About the Control Matrix	71
7.	RISK RESPONSE AND WORK PROGRAMS	74
7.1	Introduction	74
7.2	Work Programs.....	74
7.2.1	Work Program Document Properties.....	75
7.3	Checklists	75
7.3.1	Checklist Document Properties.....	76
7.4	Work Program and Checklist Areas	78
7.4.1	Mini Risk Report.....	79
7.4.2	Guidance	80
7.4.3	Detailed Audit Response (only available in Work Programs).....	80
7.4.4	Objectives (only available in Work Programs).....	82
7.4.5	Financial Statement Assertions (only available in Work Programs)	83
7.4.6	Procedures.....	84
7.5	Procedure Allocation and User Permissions	87
7.6	Locking User Procedure Customizations	92
7.7	Audit Documentation and Identified Misstatements	93
7.7.1	Scanning an image.....	93
7.7.2	Annotations	94
7.7.3	Identified Misstatements	95
8.	COMPLETING AND REPORTING.....	97
8.1	Introduction	97
8.2	Partner and Manager Summary Report	97
8.3	Document Sign-Off Report	100
8.3.1	Sign-Off Report - ASA Requirements.....	101
8.3.2	Generating a document sign-off report	102
8.4	Issue Notes, Review Notes, and Client Discussion Notes	102
8.5	Management Letter Report.....	139
8.6	Work program/checklist progress report	140
8.7	Reportable Items	142
8.7.1	New Reportable Item Dialog	143

8.8	Uploading key engagement information to CaseWare Collaborate	146
9.	Constellations	147
9.1	About Constellation.....	147
9.2	Constellation Layouts	148
9.3	Constellation Filters	149
10.	PRINTING DOCUMENTS	152
10.1	Introduction	152
10.2	Setting the print options.....	152
10.3	Changing the display settings.....	152
10.4	Changing the page orientation	153
10.5	Inserting a page break.....	153
11.	GETTING READY FOR NEXT YEAR.....	154
11.1	Introduction	154
11.2	Cleanup	154
11.3	Lockdown.....	155
11.4	Exporting documents as PDF files	156
11.5	Performing Year End Close.....	157
11.6	Client File Updates	158
12.6.1	Update from Template	159
12.6.2	Engagement Profiles.....	165
12.7	Updating Work Programs and Checklists.....	166
12.7.1	Check for Updates.....	166
12.7.2	Check for Update Summary	167
12.7.3	Procedure Highlighting	168
	Practice Sets.....	170
1.	Practice Set – Create a new file	171
1.1	Objective: Create a new file from existing data	171
1.2	Objective: Select an engagement profile.....	173
1.3	Objective: Complete the Optimiser checklist.....	10
3.1	Objective: Complete the materiality worksheet.....	11
3.2	Objective: Generate a new financial statement areas worksheet	12
3.3	Objective: Customize parts of the worksheet	13
3.3.1	Sort the worksheet	13
3.3.2	Add a subtotal	13
3.3.3	Add a title	14
4.	Practice Set: Risk assessment and identification	16
4.1	Objective: Add and edit risks	16
4.1.1	Add a new risk to the engagement.....	16

4.1.2	Import risks from CaseWare RiskSpace	18
4.1.3	Link audit procedures to the risk from the procedure	19
4.1.4	Edit an existing risk	20
4.2	Objective: Define a Risk report view	21
4.2.1	Define filters and display options for the Risk report	21
4.3	Objective: Add controls.....	23
4.3.1	Add a new control to the engagement.....	23
4.3.2	Mitigate a risk	25
4.3.3	Use Constellation.....	27
4.4	Objective: Update the Financial Statement Areas worksheet.....	28
4.4.1	Change assertions	28
4.4.2	Assess risks	29
4.4.3	Complete Audit response fields	29
5.	Practice Set – Risk response and work programs	31
5.1	Objective: Create a new work program	31
5.2	Objective: Create a new checklist	33
5.3.1	Modify existing procedure content	34
5.3.2	Delete procedures	35
5.3.3	Insert procedures from the Content Library.....	36
5.3.6	Review deleted procedures.....	38
5.3.7	Compare changes to a modified procedure	39
5.4	Objective: Complete procedures	40
5.4.1	Complete procedures	40
5.4.2	Complete conclusion area	41
6.1	Objective: Add a reportable item to the engagement.....	42
6.2	Objective: Review the 360. – Management letter report.....	44
6.3	Objective: Create a reportable item letter.....	45
7.1	Objective: Perform a cleanup	47
7.3	Objective: Performing Year End Close.....	49
7.4	Objective: Highlight Options	50
7.4.1	Review document highlighting options	50

1. GETTING STARTED

1.1 Objectives

When the course is complete, users of the Audit Template will be able to:

- Create files incorporating Audit into either existing or new client files
- Create and track risks, controls and reportable items throughout the audit process
- Customize work programs and checklists to meet client requirements
- Review client files using Audit and Working Papers tools
- Update client files with changes in content

1.2 Introduction to Audit International

The Audit International template provides an automated approach to the audit engagement. It is designed to automate many of the processes within the audit engagement while allowing quick and efficient access to the entire working paper file. Combined with CaseWare Working Papers, Audit International is a powerful and efficient "out-of-the-box" solution for performing assurance, analysis and reporting engagements. It also comes with world class training and professional consulting to further promote your success with Audit International.

Always consider the standard procedures provided considering the specific needs of each engagement. It is the firm's responsibility to ensure that there are no new pronouncements or changes in existing literature that need to be addressed. The Audit International template provides several schedules to document the work carried out. It is the auditor's responsibility to ensure the extent of work carried out and the evidence obtained and documented in the file is sufficient to comply with required documentation standards.

[Video | Audit International | 01 Introduction to Audit International](#)



CaseWare International Inc. licenses certain content for Audit International under agreement with the Chartered Professional Accountants of Canada (CPA Canada). The content provides non-authoritative guidance on applying International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB).

CPA Canada describes their ISA Engagement Forms as "comprehensive practice assistance tools designed to assist practitioners with the implementation of International Standards in the audit of small- and medium-sized enterprises. Developed by the authors of IFAC's Guide to Using International Standards on Auditing in the Audits of Small- and Medium-sized Entities, these forms will assist you in meeting the needs of individual engagements according to IFAC's international auditing standards, and provides you with the added functionality of completing them electronically.

Condensed versions of the standard forms (where consider points and instructions have been omitted) have been provided for use by highly knowledgeable auditors (on ISA requirements) and on smaller audits where some of the ISAs requirements may not be relevant to the particular entity. However, when using condensed form or a structured memorandum, the standard forms that contain more details about the requirements should be used as a reference guide.

Compliance with ISA requirements is required regardless of what forms (standard, condensed or memos to file) are used". For further information on applying ISAs to various sized entities, please see the IAASB articles, which are available on their website, www.ifac.org. The sample forms, checklists, work programs, and tools provided in the template are useful practice aids that can save time and money while ensuring completeness and consistency. However, these practice aids do not address the wide range of circumstances, risk factors, or specific industry issues that may exist for a particular client or groups of clients (such as those operating in a specialised industry). Consequently, forms should always be tailored to address the known facts and circumstances of each engagement.

Disclaimer

These forms are designed to assist practitioners in the implementation of the International Standards of Auditing (ISAs) on the audit of small- and medium-sized entities. The forms are not intended to be a substitute for the ISAs themselves. A practitioner should utilise these forms in light of his or her professional judgment and the facts and circumstances involved in each particular audit. CaseWare International Inc. and CPA Canada disclaim any responsibility or liability that may occur, directly or indirectly, as a consequence of the use and application of these forms.

Audit Features

Audit International provides a standardised framework within which firms can customise and create content or use Audit International content right out of the box. Firms can take advantage of the built-in automation which promotes efficiency in the audit process. Audit is friendly and easy to use and helps engagement teams gain efficiencies through its automation and powerful functionality. Engagement profiles are configured to utilise various combinations of the template components including:

Content Authoring

Standardised programs and checklists make it easy for firm authors to create and manage content. Right click menu options provide simple to use functionality to add or customise existing content. Permissions exist to define work program/checklist presentation format and terminology. Customisation options are available to define:

- Work program responses
- Procedure sign-off behavior
- Work product/sign-off retention policies on year-end close process
- Define Assertions
- Define Risk options
- Define Control options
- Define Reportable Item options
- Engagement Profiles

Content Management

Version tracking functionality exists within Audit to enable content to be tracked at the document and procedure level, ensuring that client files are always up to date with the latest firm and CPA content. As the firm author, you define globally how future content updates are to be addressed in client files. The version tracking document provides a concise report of documents/procedures that differ from the master firm template.

- **Tracking Risk**

A centralised risk tracking system allows you to create, manage and report identified risks. Record risks as they are identified throughout the audit by clicking in any document. Risks are stored centrally then conveniently presented in the Risk Report and at the top of each work program. Risk properties and attributes are easily customisable by the firm author.

- **Tracking Controls**

Combined with the centralised risk tracking system, Audit enables you to create, manage and associate controls to the relevant risks. Record controls by clicking in any document. Controls are stored in the central database and then reported in control matrices, displaying the relationship with risks and grouped by business cycle.

- **Tracking Reportable Items**

As part of the client engagement process, reportable items may be identified. The accumulation of reportable items has been automated to help you easily manage and track them. Record reportable items as they are identified throughout the engagement process by clicking in any document. Reportable items can be added from any work program or checklist and from other selected forms. Reportable items can also be linked to specific letters.

- **Efficient Partner/Manager Review**

Preset the Partner Manager Summary document in the customised template to present the information deemed important by the firm author for engagement executives. Multiple versions of the document can be created by copying and pasting and setting the filters to define the desired content.

- **Dashboard**

The dashboard is a powerful tool that ensures engagement teams follow the firm approved approach to conducting audits. Create a customised workflow and link your documents to the workflow to help guide your teams through the audit or use the existing workflow as is.

Financial Statement Areas (FSA) Worksheet

This worksheet provides a central source for reviewing material accounts, setting up business cycles, defining relevant assertions and referencing to the appropriate work programs. Used in the planning process, the FSA helps teams quickly and easily identify material accounts.

- **Risk Report**

A comprehensive report providing detail information of all risks identified in the engagement. Apply filters and views to present high-level information that is important to engagement executives or present detail information for engagement team members.

Control Matrix

A comprehensive report displaying detail information about the controls and the association to relevant risks. Create multiple matrices to display the controls by business cycle or manage within a single matrix by applying business cycle filters.

- **Work Programs and Checklists**

Fully automated documents that are easily customisable by the firm and the engagement teams. Right click menu options provide simple to use functionality to customise content, add existing content from the firm library, link procedures to identified risks, efficient sign-off, automatically create an issue based on pre-defined responses and much more.

- **Management Letter Report**

The management and presentation of audit findings can be organised into a collection of reportable items, summarised in a Management Letter Report. A reportable item dialog enables you to collect audit findings and make recommendations. The Management Letter Report displays all of these findings in an easy-to-view format. You can then decide which findings are to be published to the management letter.

- **Audit Optimiser**

Assists engagement teams in building an effective audit by removing:

- Unnecessary documents based on checklist responses, industry selections, or materiality considerations in the Financial statement areas worksheet
- Risks that are not applicable for the client
- **Unassociated controls**
- Work program procedures based on checklist responses or those that do not meet the assessed level of risk for the financial statement area
- Inserting procedures linked to a risk

Engagement Profiles

Specifies a set of documents, and, optionally, general options that enables the engagement team to tailor a client file for a specific type of engagement. The firm can customise the engagement types found in any jurisdiction, or use CaseWare's pre-defined engagement profiles. When an engagement team creates a new client file from the template, an engagement profile can be selected from the list of available profiles.

Access the Audit International Getting Started Journey on the CaseWare Africa Success Community. Note that this is from a user's perspective but can greatly enhance your understanding.

[Click here to access the journey](#)

1.3 CaseWare Working Papers / Audit International support available to you

We value our clients, and it is extremely important to know who to contact if you require any help with CaseWare. To ensure we support you effectively, there are following support channels available to you:

First contact the firm's appointed CaseWare champion (If there is indeed a firm appointed champion).

Access the CaseWare online Help centre from the Backstage View in the Working Papers, click on Help. Internet access is required to access any of the four-links shown in the Help centre below. The same applies for Audit related queries.



Browse the Knowledge Base on:

success.casewareafrica.com/

CaseWare Africa Success Community

Getting help with CaseWare is just a click away. The CaseWare Community is our latest innovation to help you achieve success when using CaseWare and all our associated products. The community was developed to serve as the primary place for you to find information, updates and other useful resources. Here you can gain quick access to the knowledge base, product updates and your log in screen. It also comes with our search function to help you search for the information you are looking for.



Welcome to the CaseWare Community!

How can we help you?

Search



Getting Started

New user? We want you up and running fast. Get the resources you need to enable you to successfully install and use our software solutions.



Knowledge base

Explore our library of online help, how-to guides, videos, and articles to learn new skills and solve problems.



Product Updates

Explore what's new and keep up to date with our software and the latest compliance requirements.



Customer Success Services

Learn new skills and boost your efficiency by attending a training course, webinar or arrange for specialist support.

Below is a quick video that explains all the features and benefits of the CaseWare Africa Success Community and it will provide you with an overview of how to use it to help you achieve success.

CaseWare  Africa
Success Community

Click [here](#) to play our introduction video

2. USING THE TEMPLATE

2.1 Introduction

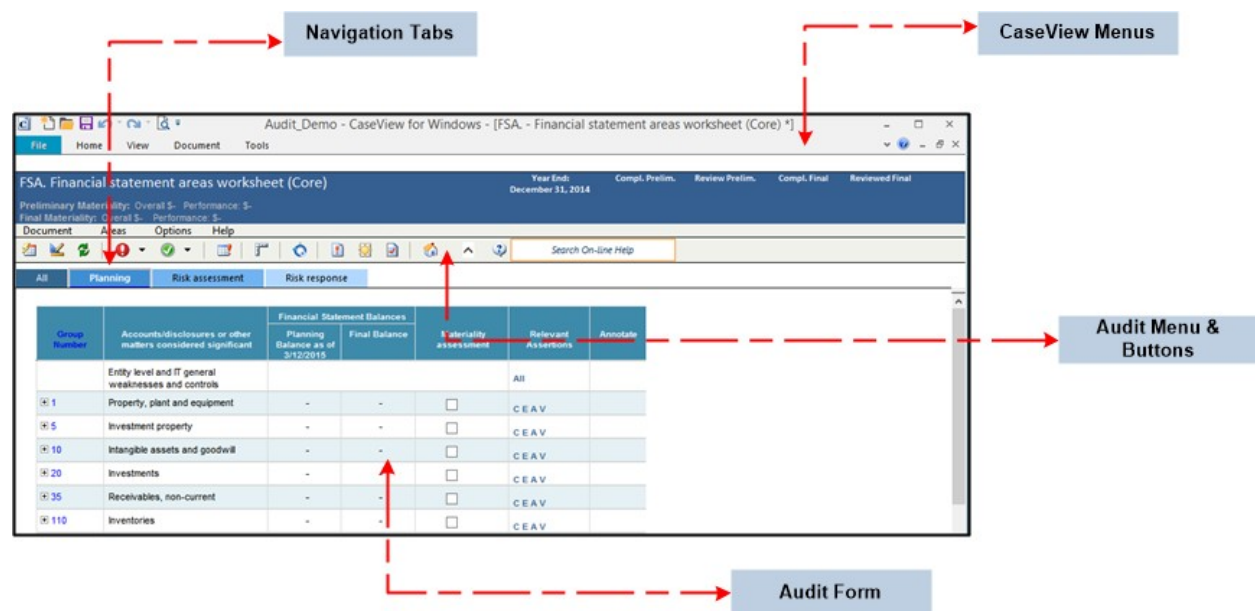
The firm's Master Template is updated, customized and repackaged by the firm author who then distributes it to users.

In this section, we will examine how users can:

- Check to see if the Master Template is installed.
- Access the common areas found in Template such as common buttons and menus.

2.2 Interface

The advanced documents within template are created using CaseView, a revolutionary tool that takes any type of document or working paper to top-notch publishing quality. CaseView's "smart technology" supports full object-oriented decision logic to automatic formatting, rounding, diagnostics, account amounts, text, account balances, and information from other CaseView documents. Due to the advanced calculations and automations built into template, some of the design functionalities of CaseView are not available.










Common areas found in most documents are as follows:















Area	Description
CaseView Menus	You can access the available CaseView features here.
Menus and Buttons	You can access -specific features using these context sensitive menu items.
Navigation tabs	For work programs and checklists, you can select to display certain areas of the document using the navigation tabs.
Form	The main body of the document displays in this area.


Note: Documents within the template make use of context-sensitive right-click menus throughout each document. Right-clicking within an area will bring up the most often used functions that are available from the Menus and Buttons area.

2.3 Common Buttons

The following common buttons appear throughout the **Audit** template.

Button	Description								
	<p>Open the "Risk Dialog" on page 54 to document risks identified throughout the audit.</p> <p>The drop-down menu next to the New Risk button provides the following options:</p> <table> <tr> <th>Option</th><th>Description</th></tr> <tr> <td>New Risk</td><td>Same action as the New Risk button: open the New Risk dialog.</td></tr> <tr> <td>Import Risk</td><td>Import risks from another file.</td></tr> <tr> <td>CaseWare® RiskSpace</td><td>Import risks from CaseWare® RiskSpace.</td></tr> </table>	Option	Description	New Risk	Same action as the New Risk button: open the New Risk dialog.	Import Risk	Import risks from another file.	CaseWare® RiskSpace	Import risks from CaseWare® RiskSpace.
Option	Description								
New Risk	Same action as the New Risk button: open the New Risk dialog.								
Import Risk	Import risks from another file.								
CaseWare® RiskSpace	Import risks from CaseWare® RiskSpace.								
	<p>Opens the "Controls Dialog" on page 66 to document controls identified throughout the audit.</p> <p>The drop-down menu next to the New Control button provides the following options:</p> <table> <tr> <th>Option</th><th>Description</th></tr> <tr> <td>New Control</td><td>Same action as the New Control button: open the New control dialog.</td></tr> <tr> <td>Import Controls</td><td>Import controls from another file.</td></tr> <tr> <td>CaseWare® RiskSpace</td><td>Import controls from CaseWare® RiskSpace.</td></tr> </table>	Option	Description	New Control	Same action as the New Control button: open the New control dialog.	Import Controls	Import controls from another file.	CaseWare® RiskSpace	Import controls from CaseWare® RiskSpace.
Option	Description								
New Control	Same action as the New Control button: open the New control dialog.								
Import Controls	Import controls from another file.								
CaseWare® RiskSpace	Import controls from CaseWare® RiskSpace.								
	Opens the "New Reportable Item Dialog" on page 143 to document reportable items identified throughout the audit.								
	Populate the report based on options selected.								
	Opens an area where options for the report are configured. Use the drop-down lists to select items.								
	Opens an area where additional business cycles can be defined. Cycles can be added or deleted and relevant control matrix and walkthrough documents can be defined.								
	<p>Refreshes the opening balances from the engagement trial balance and update planning balances in the Financial Statement Areas Worksheet.</p> <p>Refreshes the Management Letter with pre-defined reportable items and specified configuration settings.</p>								

Button	Description
	Inserts/removes the risk report area in Financial Statement Areas Worksheet and Work Programs/Checklists . When included, the risk report information displays at the top of the worksheet and shows risks that are applicable to all financial statement areas affected (Entity level risks).
	Inserts/removes the management letter report area in Work Programs/Checklists .
	Shows/hides the ruler at the top of the work program. The ruler can be used to resize column size within the work program.
	Shows/hides the document/procedure guidance.
	Select the desired paper size and orientation. Options for orientation are portrait or landscape and for paper size A4 or letter paper.
	Opens CaseWare RiskSpace. RiskSpace is an online community that lets you quickly download free content to help you identify risks, related controls and management letter comments.
	Saves a view based on selected filters in Risk Reports or Control Matrices.
	Deletes a view previously saved in Risk Reports or Control Matrices.
	Opens the risk report in a new window.
	Launches Constellation
	Opens the Financial Statement Areas worksheet in a new window.
	Opens the Audit Optimiser Confirmation Report.
	Opens the online help specific to the current template document.
	Returns to the Working Papers Document Manager/Work Flow Panel.

Button	Description
	<p>Select an item from a predefined list.</p> <p>In some circumstances, you can select Other from the list to display an input cell where you can type your own description.</p>

2.4 Common Menus for Work Programs and Checklists

Document Menu

Item	Description
Properties	Displays the name of the document and industry selection for the document. Select the industry for the document for authoring industry-specific content. Select the items to show for the user, such as showing the notes row and changes to the response types. For checklists, there are further additional options such as show / hide of some columns in the checklist.
Check for Updates	Compares the content in the master template document with the Content Library to ensure the latest procedures included in the document. The template initializes the update process according to selections made by the firm. Procedures set by the firm as "required" will always be updated and added to the document.
View Check for Updates Summary	Displays a page, in your web browser, that summarizes the results when Check for Updates has been performed.
Check for Based on Procedure Status	Enables author to view which procedures are based on another procedure. When changes are made to the base procedure, you can compare the procedures and make changes accordingly.
Display Highlight Options	Highlights procedures based on selected criteria. Highlights procedures display unique colors/outlines for updated procedures, inserted procedures or out of date procedures. See Managing the Content.

Risk	Display a submenu listing options for adding or imported identified risks. The available options are:	
	Option	Description
	New Risk	Add a new identified risk.
	Edit Risk	Edit a risk that was previously created, when the curs on the risk on the risk report (if inserted).
	Delete Risk	Delete a risk that was previously created, when the cursor is on the risk on the risk report (if inserted).
	Import Risks...	Import risks from another file.
	CaseWare® RiskSpace...	Import risks from CaseWare® RiskSpace.
	This menu item is available only if you have enabled the creation of new risks in the AO - General Options document in the master template.	
New Control	Add a new identified control. This menu item is available only if you have enabled the creation of new controls in the AO - General Options document in the master template.	
New Reportable Item	Add a new identified reportable item. This menu item is available only if you have enabled the creation of new reportable items in the AO - General Options document in the master template.	
Lock Author Mode	Locks documents in the master template such that no content changes can be made into the content library. Lock Author Mode is a global option to lock menus in the master template such that procedures cannot be modified. Changes are still allowed at the engagement level by the users.	
Lock User Procedure Customizations	Enables firm authors and users to lock customized procedures added to a specific document to prevent changes. The lock can be applied to existing procedures or to all procedure customization. If locked by the firm author, the time and firm author's initials are displayed at the top of the document and users require a password to unlock procedure customization in that document.	
Configure Document Prerequisites	Options for author to specify document dependency. Authors define which documents must be signed off by which roles before the current document can be worked on. The document prerequisites will not be applied to the master template, and it will only be used when a new file is created based on the master file or files from the master file is brought into a file through Content Library.	
Apply Document Prerequisites	Applies document prerequisites dependencies at the engagement level. Option is checked on by default.	

Procedure Menu

Item	Description
Import Procedures	Import procedures from work program or checklist documents. Selecting this menu option opens the Import Procedure Dialog, in which users can specify the import source.
Review Deleted Procedures	Any deleted procedures and sub procedures will show in the original location, in the CaseView skip text color, and note numbering will be shown as {N#}. If you want to restore any deleted procedures or sub procedures, right-click the deleted procedure and select Restore Procedure or Restore Sub Procedure .
Allocate procedures to groups	Display a dialog that enables you to allocate procedures in this checklist to groups defined in Working Papers. This menu item appears only when procedure allocation has been enabled in the AO - General options document in the master template.
Edit Procedure Action	Edit the action to be performed by the Optimiser when the engagement team responds to the procedure. The items that can be deleted by a procedure action are specified in the Optimiser section of the AO - General options document in the master template.
Modifiable	Enables editing of the procedure that the cursor is currently on. If you set a procedure that is not owned by the firm author to Modifiable, you will be asked whether you want to change ownership of the procedure. Changing ownership will create a copy of the procedure for the firm author to modify, and will delete any custom procedure action defined for that procedure.
Bold	Displays the procedure that the cursor is currently on in bold text. If you wish to set only parts of the procedure text to bold, change the procedure to Modifiable first.
Procedure Number	Show/hide procedure numbering for the procedure or sub procedure the cursor is currently on.
Procedure Guidance	Display guidance text for the particular procedure or sub procedure that the cursor is currently on. To modify the guidance, you must make the procedure Modifiable.
Insert New Reference	Add a reference to the procedure or sub procedure that the cursor is currently on. This menu option may not appear if the reference is turned off in the document properties.
Insert New Procedure from Content Library	Insert a procedure from the content library. Items that appear in the content library may be optional procedures.

Insert New Sub Procedure - 1st level	Insert a new procedure as a sub procedure of the procedure that the cursor is currently on. If you do not own the procedure to which you want to add this sub procedure, you will be asked whether you want to change the ownership of the procedure. Changing the ownership will create a copy of the procedure for you to modify. Sub procedures are limited to a maximum of 30.
Insert New Sub Procedure - 2nd level	Insert a new procedure as a 2nd level sub procedure of the sub procedure that the cursor is currently on. This menu item will not be available if the cursor is not on a 1st or 2nd level procedure. Sub procedures are limited to a maximum of 30.
Delete Procedures	<p>Display a dialog to select one or more procedures to be deleted. Note that required procedures will not be listed, as they cannot be deleted and their sub-procedures not be deleted either. To delete required procedures, unselect the Required checkbox prior to deleting.</p> <p>In this dialog, the procedures deleted will be deleted from the document only, not from the content library. To also delete procedures from the content library, use Delete Procedure.</p>
Delete Procedure - XXX	Delete the procedure that your cursor is currently on. You can specify whether the procedure is to be deleted from the document only, or from both the document and the content library. Procedures owned by other authors cannot be removed from the content library.
Delete Sub Procedure - XXX	Delete the sub procedure that your cursor is currently on. You can specify whether the procedure is to be deleted from the document only, or from both the document and the content library. Procedures owned by other authors cannot be removed from the content library.
Sort Groupings	Sort the order of the groupings. To use this menu item, the cursor must be on a grouping title.
Sort Sub Groupings	Sort the order of the sub groupings. To use this menu item, the cursor must be on a sub grouping title.
Sort Procedures	Sort the order of the procedures. To use this menu item, the cursor must be on a procedure.
Sort Sub Procedures	Sort the order of the sub procedures. To use this menu item, the cursor must be on a sub procedure.

Areas Menu

Item	Description
Risk Report	Insert/delete the risk report area. When included, the risk report information displays at the top of the work program. For more information on the risk report, see "Risk Report" on page 63.
Control Matrix	Add a Control Matrix table to checklists and work programs for quick access to the controls you are testing in the document.
Detailed Audit Response	Insert/delete the detailed audit response area. There are some optional layouts for this area included with the template and the firm can create/modify alternate layouts.
Insert List of Assertions	Insert/delete the financial statement assertion area. Note overall settings to display financial statement assertions are defined in firm settings.
Insert List of Objectives	Insert/delete the objectives area. Note overall settings to display financial statement assertions are defined in firm settings.
Edit Objectives	Edit the objectives area when the cursor is on the objectives area.
Edit Conclusion	Edit the conclusion area text.

Notes

- Objectives and assertions will only show if they are selected in **AO - General Options** document in the master template.
- Checklists only have the options **Risk Report** and **Edit Conclusion**.

Author Menu

Item	Description
Import Procedures	Import procedures from work program or checklist documents. Selecting this menu option opens the Import Procedure Dialog, in which users can specify the import source.
Insert New Procedure	<p>Insert one or more procedures into the checklist. When you select Insert New Procedure, a dialog box appears that enables you to specify the number of procedures to insert. The New Procedure Dialog then appears, enabling you to specify the properties of the procedures.</p> <p>When you insert multiple procedures, they will be given the same name by default. An index number, such as (2), is provided to distinguish one procedure from another. To change the name of a procedure, type the new name in the field in the Name column.</p> <p>The inserted procedures are added below the procedure the cursor is on if they are in the same group/sub group. If the group is different or the cursor is not on a procedure, the procedure(s) will be added at the bottom of the group.</p>

Set Procedure Availability	Display a dialog box that enables you to specify the procedures that are to be made available. The unselected items will not be seen by users when they are trying to insert from the content library.
Manage Groupings	Groups enable the author to keep procedures of similar types together. Selecting the Manage Groupings menu item displays the Manage Grouping dialog box, in which you can add, rename or remove groups.
Manage Sub Groupings	Sub groups enable the author to further organize grouped procedures. Selecting the Manage Sub Groupings menu item displays the Manage Grouping dialog box, in which you can add, rename or remove sub groups.
Procedure Properties	Edit the properties for the procedure that the cursor is currently on. Properties include the name of the procedure, industry, grouping, sub grouping, version number, and the procedure on which the current procedure is based, if any.
Insert All Procedures	Inserts all procedures from the content library.
Insert All Author Procedures	Inserts all firm-authored procedures from the content library.
Author's Action Report	Displays the Author's Action Report in your web browser. This report summarizes all of the procedure actions that you have defined. This menu item is visible only when deletion based on checklist responses is enabled in the Optimiser.
Reset Procedure Status	Clears the status indicators used in Procedure Highlighting. This is useful if the engagement team is creating a new client file based on the updated template and does not need to know what changes have been made to the template.

Options Menu

Item	Description
Content Library Path	Define the path of the location of the content library.
Display Completion Details	Display the completion details at the top of the document. Hiding the completion details does not keep them from being printed.
Display Document Guidance	Display detailed instructions on how to complete the document or authoritative guidance. The author can supply the desired instructions.
Display Headings	Display column headings at the top of the document.
Display Procedure Sign Off	Display the procedure signoff area.
Display Procedure Sign Off Below Procedures	Specify whether to display the procedure signoff area below the procedures or in a separate column.
Display Procedure Tags	Specify whether to display tags that have been added to procedures. This menu item appears only when procedure tagging has been enabled in the Optimiser.

Display Select Response Button	Display or hide the select response button.
Print Risk	Prints the risk report. This menu item appears only when the risk report is inserted at the top of the checklist.
Display Interactive Guidance	Display instructions that indicate the next step to take when working with this document. These instructions appear at the top of the document in a status bar located just below the function buttons. This menu item is enabled only if instructions exist for the current document status.
Print Authoritative Reference	Print authoritative references added by the author.
Print Firm Name in Footer	Prints the firm name in the footer, as defined in the firm settings, if the firm author has specified that the firm name is to be displayed.
Print Firm Logo in Footer	Prints the firm logo in the footer, as defined in the firm settings, if the firm author has specified that the firm logo is to be displayed.
Print Current Date/Time in Footer	Print the current date and time in the footer of each page of the document. The date and time format are as set in your Windows regional settings.
Print Client Path in Footer	Print the client path in the footer of each page of the document.
Highlight External Cells	Highlight all externally linked cells in the document. A report is opened in your web browser that displays each externally linked cell, along with the group, form, and ID of the CaseView database entry to which the cell is linked. This enables the firm author to easily track values that are written to the database and retained on an update or year-end close.
Import External Data	<p>Imports external data from another file. A browse window will appear to select an applicable .ac file.</p> <p>Notes</p> <ul style="list-style-type: none"> • The versions of both current and target client files should be the same. • If the external data client file is locked, a dialog will appear prompting to unlock the file before proceeding with the import.
Reapply Styles	Change the document fonts to the character set in use on your computer. This makes it possible to type information in both English and one other language that uses non-Western characters.
Risk Report View	Specify the type of mini risk report to be displayed at the top of the checklist. Select Risks Identified to list all risks that have been identified in the checklist, or select Risks Addressed to list Entity level risks and risks addressed in the checklist.

3. CREATING CLIENT FILES

3.1 Introduction

Below is the Audit International circle of life. We will be unpacking each stage of the life cycle so that you are able to see how you will use the Audit International template for your engagement.

The template can be integrated with your client data in one of three ways:

- **Create a new file based on the master template** . You can create a new file when no client data exists at the time of creation.
- **Create a new client file from existing client data based on an existing template file** . You can create a file based on the data included in an existing Working Papers file or an accounting package.
- **Add to an existing Working Papers client file**. You can merge documents into an existing client file.

Note:

- If security is enabled for the template, a message opens, indicating that security is enabled. A Log In dialog will appear in which you can type your user name and password. You will be required to log in a second time once the creation of the new file is completed.
- If Working Papers is open, you can launch the Create New File dialog by selecting **New** from the **File** menu.

3.2 Creating a New Client File

1. In CaseWare® Working Papers, select **File | New** and type a name for your client file.
2. Select the appropriate template icon (Audit, Review, or Compilation) and click **Create file**. All components of the selected template are copied automatically into your new client file.
3. After the copying is completed:
 - a. For engagement files based on the **Review** or **Compilation** templates, all documents and components of the selected template will be included in the client file.
 - b. An **Engagement Profile Selector** dialog will prompt you to select a default set of audit forms and template features for your engagement. Select the profile that best suits the engagement. All components of the selected template are copied automatically into the new client file. The **AO - General options** document displays the engagement profile's name under General Options.

When a profile is selected, an Optimiser Checklist will automatically open, prompting the engagement team to answer a series of questions related to the engagement. Answering each question will mark the associated documents for deletion in the Optimiser Confirmation Report (AOCR). All work-programs and leadsheets will appear in Part III of the AOCR. Do not proceed with deleting these documents until materiality is completed.

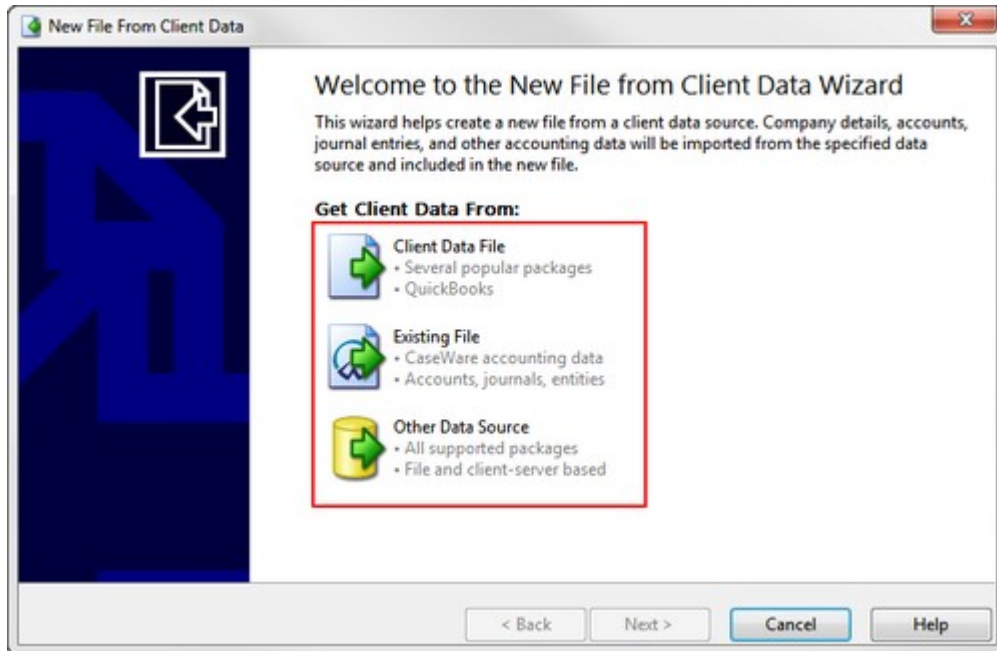
4. Once all relevant documents have been included in the engagement file, the Engagement Properties dialog is displayed. Select the beginning and ending dates for your client's fiscal year and click **OK**.

3.3 Creating a New Client File from Existing Client Data

A new file can be created from a client data source. Company details, accounts, journal entries, and other accounting data are imported from the specified data source and included in the new file.

1. In CaseWare Working Papers, select **File | New**.

2. Enter a name for the file and then click **Existing File | Create File** or **Create and import data**.
3. If you select **Create and import data** and choose from one of three methods to bring in the trial balance and other client data:



Client Data File

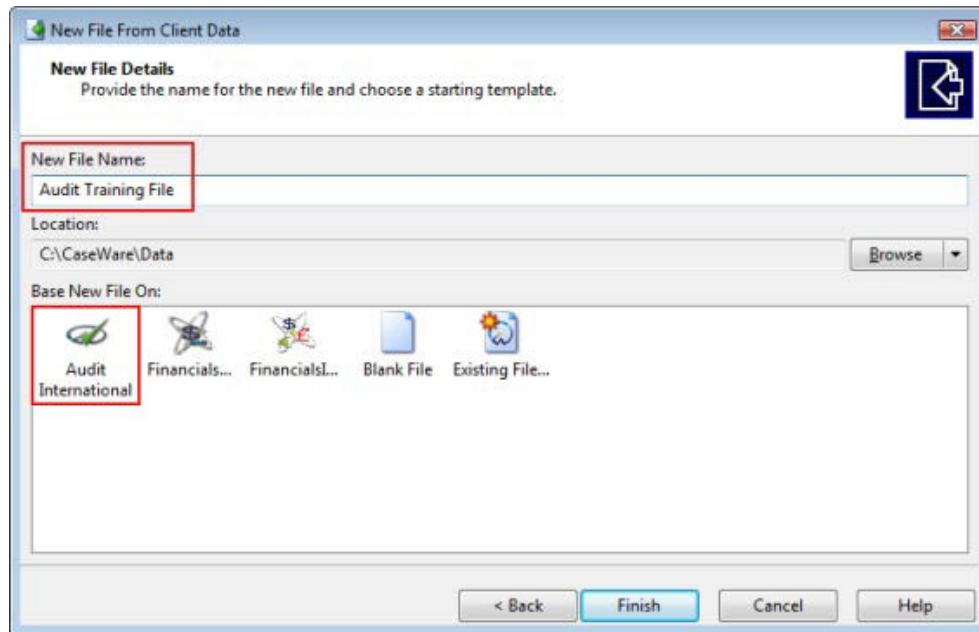
You can create a new client file using data from a QuickBooks file. The QuickBooks™ and other packages information are imported into a copy of Audit and the accounts will automatically be mapped. The software performs the auto mapping based on:

- Ratio code
- Tax code
- Description of the account

Locate the client-supplied accounting data file.

Existing File

1. Click **Next**. The Locate Existing File screen opens.
2. Choose the file whose trial balance data you wish to include in the new file. Click Next.
3. A New File Name is automatically assigned, since the same file name cannot be used in this operation. You can delete this and type a new file name if desired.
4. Click the **Browse** button if a different Location for the file is desired.
5. Click the Audit template icon.
6. Click **Finish**.



Other Data Source

If **Other Data Source** is selected, an accounting package file can be imported into a copy of Audit.

1. Click **Next**.
 2. Select the appropriate accounting package and version your data will come from.
 3. Click the **Browse** button to locate the import path of the file.
 4. Complete all the required data needed, depending on the accounting package selected.
 5. Click **Next**. A New File Name is NOT automatically assigned. Type the new file name.
 6. Click the **Browse** button if a different location for the file is desired.
 7. Click the Audit template icon.
 8. Click **Finish**.
4. Click **Next**. Select the file whose trial balance data you wish to include in the new file.
 5. Type a name for your client file and select the appropriate template (**Audit**, **Review**, or **Compilation**) file as the base file. All components of the selected template are copied automatically to your new client file.
 6. After the copying is completed:
 - a. For engagement files based on the **Review** or **Compilation** templates, all documents and components of the selected template will be included in the client file.
 - b. An Engagement Profile Selector dialog will prompt you to select a default set of audit forms and template features for your engagement. Select the profile that best suits the engagement. All components of the selected template are copied automatically into the new client file. The **AO - General options** document displays the engagement profile's name under General Options.

When a profile is selected, an Optimiser Checklist will automatically open, prompting the engagement team to answer a series of questions related to the engagement. Answering each

question will mark the associated documents for deletion in the Optimiser Confirmation Report (AOCR). All work-programs and leadsheets will appear in Part III of the AOCR. Do not proceed with deleting these documents until materiality is completed.

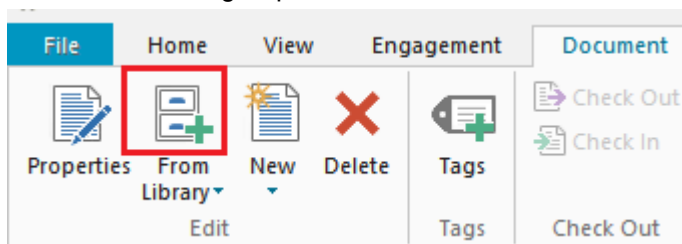
7. Once all relevant documents have been included in the engagement file, the Engagement Properties dialog is displayed. Select the beginning and ending dates for your client's fiscal year and click **OK**.

3.4 Adding to an Existing Working Papers Client File

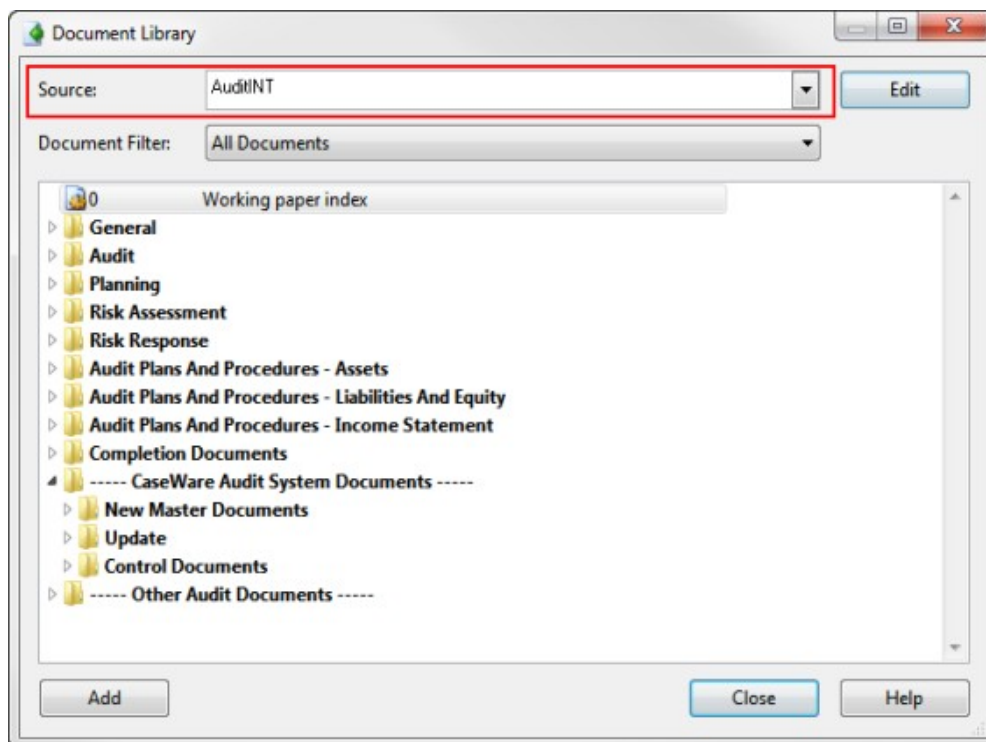
When you install the template, it is added as a document library, which allows you to easily pick and choose the documents appropriate for your client situation. You can integrate the documents into any existing Working Papers client file using the **Document Library** function in Working Papers.

Note: The name of the document library will depend on the specific template that is installed on your system.

1. Open your existing client file in CaseWare Working Papers.
2. From the Working Papers **Document** tab, click **From Document Library**.



3. From the **Source** drop-down menu, select the document library for your template. The name of this library depends on the product that you have installed.



4. Highlight the required documents and either click **Add** or drag and drop them onto the Document Manager. You can select multiple documents by using Shift+left mouse click to select a range of documents, or using Ctrl+left mouse click to select a number of documents.

Audit International includes the following default folders:

Note: Not all documents are included in the folder. Documents within your current client file with the same document number should be deleted prior to copying over new documents that use the same number. Many of the Audit template documents write to the client file database, and retaining duplicates of them may cause problems.

We recommend copying the following folders into the Document Library:

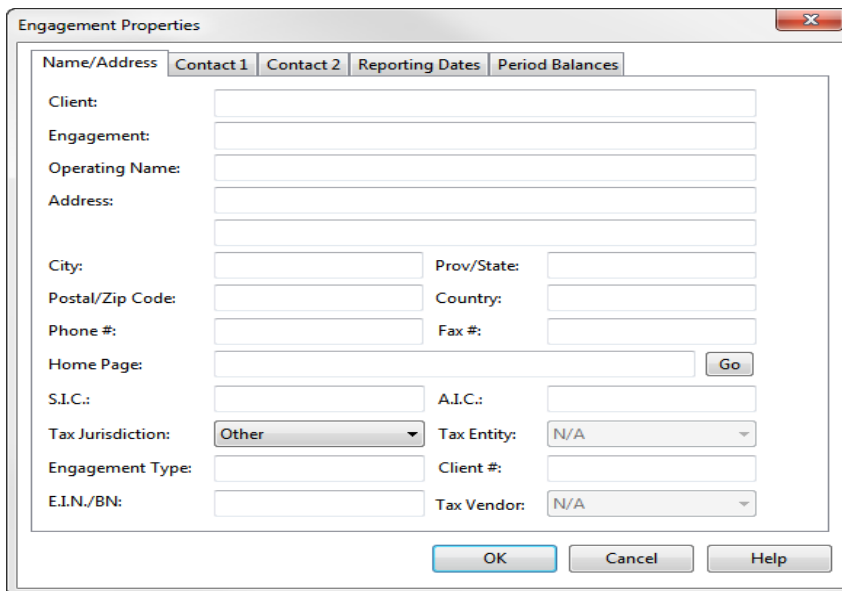
- Planning folder
- Risk Assessment folder
- Risk Response folder
- Audit Plans and Procedures – Assets / Liabilities and Equity / Income Statement Folders
- Completion Documents folder
- New Master Documents folder

Folders that should always be copied include:

- Update folder
- Control Documents folder

Engagement Properties

Once the engagement profile has been selected, where applicable, the Engagement Properties dialog is displayed. Information gathered in Engagement Properties is linked to documents in the template. For example, Client Name and Reporting dates that appear throughout the documents are connected to this area.




The image shows a screenshot of the 'Engagement Properties' dialog box. It has a title bar with a close button. Below the title bar are four tabs: 'Name/Address', 'Contact 1', 'Contact 2', and 'Reporting Dates'. The 'Name/Address' tab is selected. The dialog contains various input fields for client information, including Client, Engagement, Operating Name, Address, City, Prov/State, Postal/Zip Code, Country, Phone #, Fax #, Home Page, S.I.C., A.I.C., Tax Jurisdiction (a dropdown menu currently showing 'Other'), Tax Entity (a dropdown menu currently showing 'N/A'), Engagement Type, Client #, E.I.N./BN, and Tax Vendor (a dropdown menu currently showing 'N/A'). There is a 'Go' button next to the Home Page field. At the bottom of the dialog are three buttons: 'OK', 'Cancel', and 'Help'.

To ensure the data displays correctly throughout the engagement file:

- Complete each item in upper and lower case to ensure correct presentation in all documents. The client name, for example, prints at the top of all automatic documents.
- Use the Contact tab to enter information about the primary contacts at the entity.
- The year-end date and period dates must be entered before beginning work on the file. The default period date sequence is set as yearly and can be changed when necessary. The default period dates are set automatically based on this information. Data entered on the Reporting Dates tab controls the information that appears in all automatic documents.

3.5 Optimiser Checklist

During the Optimiser setup, your firm has the option to create checklists with questions that will delete specific default documents, work program or checklist procedures, risks, and controls based on your responses. For example, answering “No” or “N/A” to questions on Biological assets could remove any related default documents, work program or checklist procedures, risks, and controls. An  icon appears in any checklist that contains these questions.

The optimizer checklist contains tailoring questions, which will tailor:

Documents

- Documents specific to the entity, e.g. work program for a company or a partnership.
- Documents relevant in the planning of the audit, e.g. include a checklist for either a new engagement or continuance of the engagement but not both.
- Documents relevant in the performance of the audit, relevant work programs.
- All documents that are deleted based on the answers in the optimizer checklist are summarized in the “audit optimizer configuration report (AOCR)” with reference to the optimizer checklist, providing an audit trail.

Procedures

- Procedures in checklists or work programs, e.g. procedures related to the use of an auditor’s expert.

Procedures that are deleted based on the answers in the optimizer checklist are marked as “Deleted by optimizer” to inform users and provide an audit trail, details of the tailoring procedure and completion response are also shown to users.

Should your firm include these types of checklist documents, answer them as they pertain to the audit engagement. The list of documents, risks, and controls to be deleted will appear in the **Audit Optimiser Confirmation Report**. Work program or checklist procedures are automatically removed the next time the work program or checklist document is opened, provided none of the following is true:

- User procedure customizations are locked
- The Optimiser has been disabled
- The client file is locked down
- The document has been signed off

The Optimiser also does not delete a procedure if a risk is associated with it or if it is signed off as completed.

The Optimiser checklist has questions to determine the specific nature of your engagement. By answering these questions, you can streamline the size of the client file to include only:

- Specific default documents.
- Work program and checklist procedures,
- Risks and controls.

Prerequisites

Before completing the Optimiser checklist, ensure to assign document tags from the Document Manager. To create and add a document tag, right-click the document from the Document Manager and select Tags.

Procedure

1. When you create a new client file new client file, the Optimiser checklist opens automatically.
2. In the **Applicable to the engagement** column, select **Yes/No/N/A/Other** to answer the Optimiser questions provided. Refer to the guidance at the end of each question on which documents and procedures will be marked for deletion.
3. Select the checkbox in the **By** column to sign off on your answer.
4. Save and close the checklist.

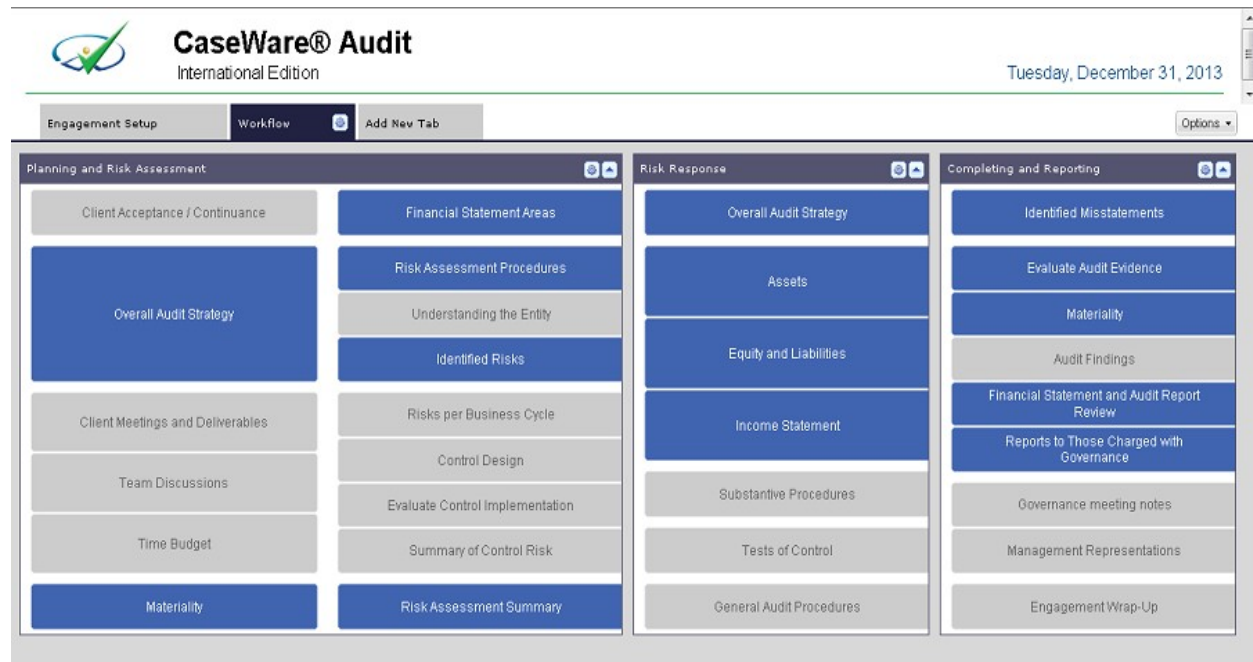
Note

You can change your responses in the Optimiser checklist and re-run the **AOCR**. Depending on your new response, the AOCR can retrieve or delete documents and procedures. For individual procedures, the insertion and deletion happens automatically. For documents, you are prompted to insert or delete these documents in the AOCR. The AOCR's document map makes it easy to navigate it.

#	Procedure	Checklist Responses
The following documents, risks and/or controls have been marked for deletion based on responses from OPT Optimiser Engagement Setup . Clear a checkbox to override the recommended deletions. To execute the deletion click Proceed with Deletion .		
11. Independence Questionnaire (No)		
✓	1-101 Independence Questionnaire (Team member 1)	
✓	1-102 Independence Questionnaire (Team member 2)	
✓	1-103 Independence Questionnaire (Team member 3)	
✓	6-115 Independence Confirmation Summary	
✓	NQUEST New Independence Questionnaire (Team member)	
1. Initial engagement (No)		
	1-220 Checklist - New Client Acceptance	
	1-225 Checklist - Existing Client Continuance	
	1-235 ASA Program - Preliminary Engagement Activities	
✓	1-230 ASA Program - First Engagement	

3.6 Work Flow Panel

When your engagement client file based on **Audit** is initially opened, the **Work Flow Panel** is your first view, provided your firm has elected to use it.



The **Work Flow Panel** provides you with a process to navigate through the phases and steps of an audit engagement. The Work Flow Panel can be customized or you can elect not to use it and access all the documents through the traditional Document Manager using the **Documents** button on the navigation toolbar.

The provided Work Flow Panel is made up of the **Workflow** tab broken down into three parts or widgets: **Planning and Risk Assessment**, **Risk Response**, and **Completing and Reporting**.

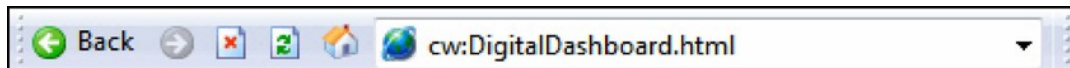
Within each of the three areas are boxes that represent steps in an audit engagement. Click on each box to bring up a dialog showing the documents needed to complete that step. Where there is only one document for that step, the document itself will launch.

As documents are signed off as completed, the boxes change color and display an icon providing at a glance the progression status of the engagement.

While the Work Flow Panel is a useful tool to go through the Audit engagement, at times you will require access to the Document Manager to customize the engagement file to the client.

Exit the Work Flow view and access all the documents via the Document Manager through the **Documents** button on the navigation toolbar. The Document Manager lists all the documents the template contains in a tree format.

To return to the Work Flow Panel, select or type **cw:DigitalDashboard.html** in the Working Papers **Browser** menu pulldown.



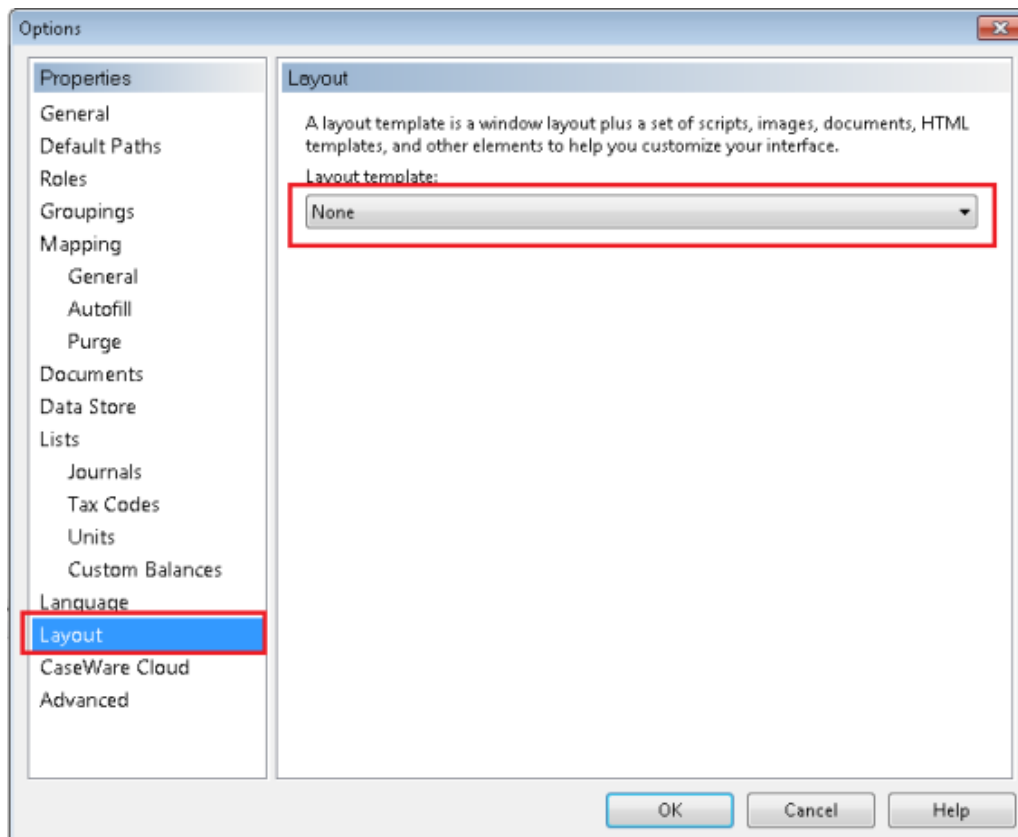
The Work Flow Panel provides a convenient way to keep track of the workflow.

To use the Work Flow Panel:

1. If the Work Flow Panel is not displayed, from the drop-down list in the Browser Toolbar in Working Papers, select **cw:DigitalDashboard.html**.
2. Click the **Workflow** tab to display the workflow for your engagement.
Note: Each pane of the workflow covers a specific phase of the engagement (such as planning and risk assessment). Each pane contains boxes that describe the tasks to be performed in that phase of the engagement.
3. Click the box that contains the next task to be performed. If the task is performed within a single document, the document opens.
4. If multiple documents are required to perform the task, a dialog appears that lists the documents. Click on a document name to open it. Click **Close** to close this dialog.

To disable the Work Flow Panel:

1. Select **Options** from the **Tools** tab.
2. From the **Properties** pane, select **Layout**.
3. In the Layout screen, from the **Layout template** drop-down, select **None**.



4. Click **OK**.

4. CLIENT FILE SETUP

4.1 Introduction

Upon creating the client file, several setup steps and customizations may be required prior to starting the audit engagement. These include:

- Defining the Entity Structure
- Importing Balances
- Assigning Mapping Numbers
- Creating and deleting documents and folders

4.2 Defining the Entity Structure

The **Consolidation** feature in Working Papers allows you to combine several entities into one client file (the parent company) for the purpose of publishing consolidated financial statements.

You must ensure that the map numbers for the parent company and subsidiaries are assigned uniformly and then Working Papers takes care of the rest.

There are three ways to consolidate files in Working Papers:

1. Real time consolidation (internal)

Consolidation can be done within a file at multiple levels and updated in real time. Although the process of combining subsidiary client files that are maintained separately from the consolidated file can still be used, many situations exist where it is far more practical and efficient to combine and consolidate accounts for different types of entities in one file.

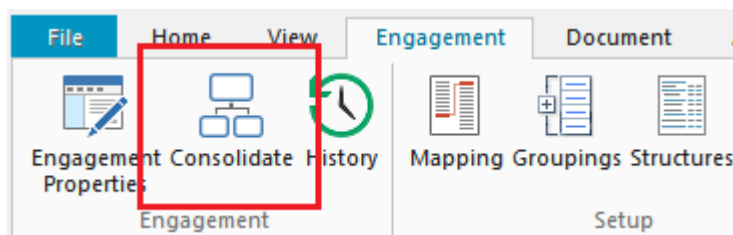
2. Batch consolidation (external)

Working Papers creates a link from the consolidated file to client files maintained externally. This is useful if records for the combined entities are entered and updated on different computers or networks. Once the individual client files are completed, the entities are consolidated into one file. Note that if externally maintained client files are included in the entity structure, they must be physically in the file path you specified each time you re-consolidate.

3. Combining batched files and real time files

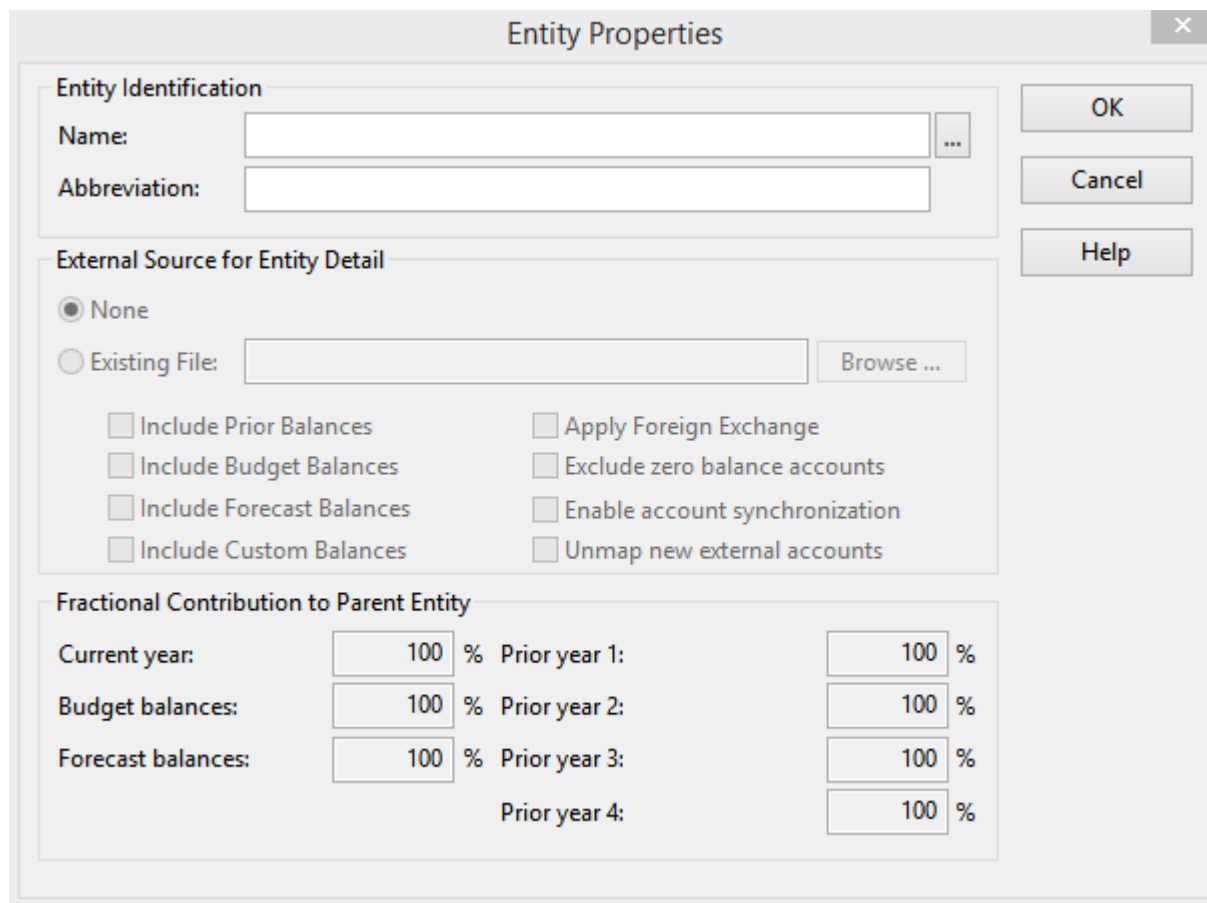
Working Papers can combine and consolidate a file that is a mixture of both real time and batch files.

Access the **Consolidation Dialog** by navigating to the **Engagement** tab and click **Consolidate**.



Use this dialog to consolidate two or more files into the active client file. Entities are structured according to a generally accepted tree structure (e.g. Windows Explorer and Working Papers Document Manager), allowing for any number of branches.

To access the Entity Properties dialog, select an entity from the Consolidation dialog and click **Properties**. Use this dialog to enter or edit settings for the entity selected.



The image shows a software dialog box titled "Entity Properties" with a close button (X) in the top right corner. The dialog is organized into three main sections. The first section, "Entity Identification", contains two text input fields: "Name:" followed by a text box and an ellipsis button "...", and "Abbreviation:" followed by a text box. The second section, "External Source for Entity Detail", starts with two radio buttons: "None" (which is selected) and "Existing File:" (which is followed by a text box and a "Browse ..." button). Below these are eight checkboxes arranged in two columns: "Include Prior Balances", "Include Budget Balances", "Include Forecast Balances", "Include Custom Balances" on the left, and "Apply Foreign Exchange", "Exclude zero balance accounts", "Enable account synchronization", "Unmap new external accounts" on the right. The third section, "Fractional Contribution to Parent Entity", contains a grid of input fields. The first column has labels "Current year:", "Budget balances:", and "Forecast balances:". The second column has three input boxes, each containing the number "100", followed by a fourth input box also containing "100". The third column has labels "Prior year 1:", "Prior year 2:", "Prior year 3:", and "Prior year 4:". The fourth column has four input boxes, each containing the number "100". To the right of the dialog box are three buttons: "OK", "Cancel", and "Help".

For more detailed information on the Consolidation feature, refer to the Working Papers help.

4.3 Importing a Trial Balance

The import feature allows you to transfer your client's data quickly and efficiently into your Working Papers client file. General ledger detail or trial balance information can be imported from a variety of popular accounting, trial balance, and working paper software applications. You can also import client data from external files in any of the supported formats including:

- CaseWare Working Papers (.ac)
- ASCII (.txt., .csv, .rtf, .prn)
- Excel (.xls, .xlsx, .xlsm, .xlt, .xltm, .xlsb, .xlam)
- XBRL
- Auditfile XML

How it works

Using dialogs and wizards to guide you through the import process, Working Papers brings compatible external files into your client file, whether it is a single client file or a consolidated client file.

Import into a single client file

The data imported into a client file is determined by the selections you make in import dialogs and wizards. For each import, there are various requirements and prerequisites to be adhered to; the success of the import depends on this.

Import into a consolidated file

Working Papers allows you to import the records of subsidiary entities into a consolidated file. The process for this import is similar the import process for single client files, except the entity must be selected in the context entity selector before continuing with the import.

4.4 Assigning Mapping Numbers

Mapping numbers are like a standard chart of accounts with all the applicable properties (e.g. leadsheet grouping, class, tax linkage) pre-assigned to these accounts. By assigning a map number to each of the client's chart of accounts, all of the properties of that map number are autofilled for the client's account. In addition to being significantly faster than applying properties to each of the client accounts, this method ensures consistency and accuracy over all files.

The master template includes a default mapping database, which is used by some components of the template (e.g. Materiality document). A Mapping database in the master template permits the use of a master chart of accounts that is common to all client files while still maintaining the client specific chart of accounts.

Procedure

1. On the Working Papers **Account** tab, select **Assign Mapping Numbers**.
2. Assign map numbers by selecting an account under **Unmapped Accounts**, selecting a map number under **Mapping Numbers**, and clicking **Map**.
3. Click **Apply** to save the change to the working trial balance without closing the dialog.
4. Repeat until the entire trial balance is assigned to the appropriate map numbers.
5. Click **OK**.

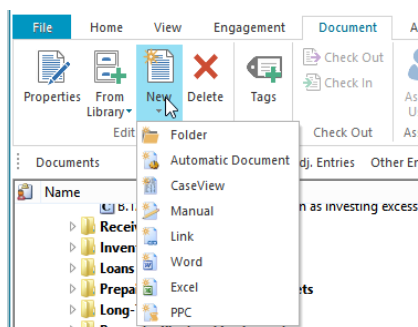
4.5 Creating and Deleting Documents and Folders

The default Document Manager should contain most, if not all, of the documents you require to complete the engagement file. For additional customization of the client file, it is possible to add or delete an unlimited number of documents or folders on the Document Manager.









To tailor the engagement file to the requirements of the client, you can delete unnecessary documents and folders. For example, you can remove the Inventory section for a service industry client. To delete documents and folders, simply select the items and right-click and select **Delete**. Should you find that you need to reinsert any of the documents from the template, you can right-click, select **New**, and select **From Document Library**.

Note: Audit includes many advanced documents and features that you can use instead of the ISA Engagement forms that are also included. You may use these advanced documents and remove the redundant forms. For example, the **FSA Financial Statement Areas Worksheet** can replace document 424. Your firm author may have already removed the documents from the master template.

In addition to the advanced documents within template, you can add additional Working Papers documents and folders. To add a document or folder within the Document Manager, select the **Document** tab and select **New**.



The types of documents that you can create are as follows:

Type	Description
	<p>Folders are used to organize the items on the Document Manager. For example, you can keep all schedules related to Assets in one folder labeled Assets.</p> <p>Folders that have contents are marked with a plus sign (+) when they are closed. To open or close a folder, double-click the folder icon or press the F9 key.</p>
	<p>Automatic Documents are documents that are automatically generated by Working Papers.</p>
	<p>CaseView Documents are documents created by CaseView, the word processor for accountants that is fully integrated with Working Papers. A typical CaseView document would be a client-ready financial statement. Double-click this document icon to launch the CaseView application.</p>
	<p>Document Links are documents that are created by another program. A chart created in Excel is an example of a document link. Double-click this document icon to launch the application from which the document was created.</p>
	<p>Manual Document References are documents that are prepared manually without the use of Working Papers. You can list the manual document on the Document Manager for organizational purposes. However, because the document is manual, it cannot be printed or viewed from the Document Manager.</p>
	<p>Microsoft Word Documents are stored in the client file folder. Once created, access the file by double-clicking its icon on the Document Manager. Modify files created this way only by opening them from the Document Manager instead of opening them outside the client. Opening the client file externally and editing it may cause changes not to be saved in the client file.</p>
	<p>Microsoft Excel Workbook Documents are stored in the client file folder. Once created, access the file by double-clicking its icon on the Document Manager. Modify files created this way only by opening them from the Document Manager instead of opening them outside the client. Opening the client file externally and editing it may cause changes not to be saved in the client file.</p>
	<p>Documents from a Document Library allow your firm to maintain standards in documents and to better manage the content of standard documentation. Audit is added as a document library.</p>

5. PLANNING

5.1 Introduction

As part of the planning process, accountants are required to plan their engagements by:

- Determining the appropriateness of the client,
- Establishing the services to be performed,
- Reviewing the client's trial balance data and setting materiality,
- Developing their overall strategy and,
- Communicating their expectations and commitments to the client.

To assist the accountant in this process, tools are provided to systematically provide a framework within which the accountant can properly plan their approach. Key documents provided in the planning section of the template may include:

- Firm deliverables and client information
- Letters
- Materiality
- Financial statement areas worksheet

5.2 Defining Firm Deliverables and Client Information

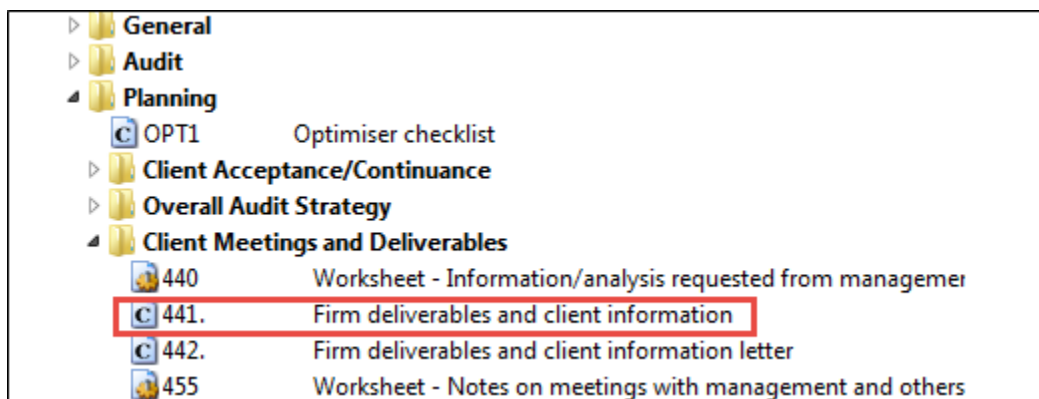
This deliverables section gathers information with respect to the services to be provided (firm deliverables), expected delivery dates (documentation and explanations) and what is expected from the client (client deliverables) prior to the start of fieldwork.

This section requires two steps to be completed: Define deliverables and, once that is done, completion of the deliverables letter. The firm deliverables and client information letter produces a letter based on the information gathered in the Firm deliverables and client information document to send to the client to ensure that there is a clear understanding of the deliverables.

The Firm deliverables and client information letter also has the enable editing option available for further formatting.

Procedure

1. From the Document Manager,



2. Use the check boxes to identify the specific services to be performed and the agreed upon budgeted delivery date.

The relevant ISA's related to this document include: ISA 300

Deliverables and Information

- Firm deliverables
- Key dates
- Client information
 - Original documents
 - General
 - Account balance analysis
 - Account balance continuity
 - Income statement variances
 - Expense analysis

Firm deliverables Number of additional deliverables: 0

Identify those specific services to be performed at the request of the client, and the agreed upon or budgeted delivery date for the service. A budgeted delivery date is not required for the deliverable report.

Deliverable	Delivery date
<input type="checkbox"/> Financial statements and report - draft	<input type="checkbox"/>
<input type="checkbox"/> Financial statements and report - final	<input type="checkbox"/>
<input type="checkbox"/> Federal tax returns	<input type="checkbox"/>
<input type="checkbox"/> Provincial/State tax returns	<input type="checkbox"/>
<input type="checkbox"/> City tax returns	<input type="checkbox"/>
<input type="checkbox"/> Client/management letter	<input type="checkbox"/>

3. Ensure you review all the areas in the left frame for possible inclusion. All areas marked are transferred to the deliverables letter.
4. Click **Deliverables Report** to open the draft letter to the client.
5. Customize the letter as required.


5.3 Letters

Depending on your version of the product, one or more sample letters are included with the template and your firm may have added additional letters based on this sample, including a blank sample letter under New Master Documents that can be used to a letter. The blank sample letter is unlocked and can be edited in design mode to create different types of letters to meet your needs. Firm authors may elect to lock the letters they have created/modified. If a letter document is locked consult with your firm author.

Key information in letters is generated based on answers in a number of areas including Engagement Properties and in the Firm Information document.

5.3.1 Entering Firm Information

Procedure

1. On the Document Manager, under the **CaseWare Audit System Documents** folder, open the folder **Control Documents**.
2. Double-click **Firm Information**. The Firm Information document opens.
3. Fill in the appropriate fields. Press **Enter** to move to the next input boxes.
4. In the upper right hand corner, select the **Check when completed** check box.
5. Click  to return to the Document Manager.

Each letter has the following properties that the author can define:

Property	Description
Name	The letter name, which appears at the top of the letter. It can also be changed in the Headings Extended Description for CaseView in the Document Properties dialog in the Working Papers Document Manager. To insert a line break to create multiple lines, use Shift-Enter.

Procedures

1. From the Document Manager, open the **New Master Documents** folder.
2. Right-click the **LETTER Sample Letter** document and select **Copy**.
Note: You can also copy an existing letter on the **Document Manager** to use as its base.
3. Right-click the location in the Document Manager for the new letter and select **Paste**.
4. Right-click the new document and select **Properties**.
5. Change the document **Number** and **Name** and click **OK**.
6. Open the new document and, from the top menu, go to **View | Design Mode** to create the content for the letter.

Several draft letters exist in the template that has been provided by third party content authors. These letters can be customized to meet the needs of your client situation by turning options on/off or by editing the text. All letters are provided with the design mode unlocked and/or allow editing to modify contents. If a letter document is locked, consult with your firm author, as firm author may have elected to lock the letters they have created/modified.

Note:

- Though draft letters are provided, you should ensure that the letters are customized for your specific engagement requirements and any requirements of your specific jurisdiction.
- Some letters may have **Document** menu options to change the options for the wording of the document.

5.4 Materiality

Materiality (CORE) documents (**420.** and **420C.**) allow you to determine materiality for the engagement. Condensed audit form **420C.** is intended for use on smaller engagements by auditors who understand the ISA requirements. Materiality is set for each engagement for:

- **Overall Materiality** - based on the auditor's professional judgment as to the highest amount of misstatement that could be included in the financial statements without affecting the economic decisions taken by a financial statement user. Overall materiality flows through to the Financial Statement Areas worksheet (FSA), which is used to flag material financial statement areas.
- **Performance Materiality** - performance materiality is set at a lower amount than overall materiality. It provides a margin or buffer so that individually immaterial misstatements will not accumulate to an amount that would materially misstate the financial statements. Performance materiality flows through to the Financial Statement Areas worksheet (FSA), which is used to flag material financial statement areas.
- **Specific materiality** - in some cases, there may be a need to provide a larger buffer or to identify misstatements or events that are much smaller than would be identified by using performance

materiality at the financial statement level. Specific materiality relates to classes of transactions, account balances, disclosures or other considerations.

- **Trivial materiality** - in some cases, there may be a need to provide an amount below which misstatements would be clearly trivial. Whether taken individually or in aggregate, such amounts clearly would not have a material effect on the financial statements.

Materiality assists in identifying significant areas in the financial statement areas worksheet. Should the preliminary assessment of materiality and audit risk change from initial planning to the time of evaluating the results of the audit, the audit response and procedures should be updated accordingly.

Balances automatically populate the materiality document using calculations based on the default mapping numbers within the master template. To change the default calculations to different map numbers, different groupings or specific accounts, first select **Enable Editing** from the CaseView **View** menu. Double-click each cell to edit and make the appropriate changes to the calculation field.


The materiality document also allows for the manual input of values. Additionally, menu items and right-click functionality exists within the document to add, delete, and sort rows.

5.5 Setting Materiality

Procedure

1. From the Document Manager, expand the **Planning** and **Materiality** folders and open **420 Materiality (Core)** document.
2. Balances will automatically populate the materiality document using calculations based on the default mapping numbers within the master template. **Note:** To change the default calculations to different map numbers, different groupings or specific accounts, select **Enable Editing** from the CaseView **View** menu. Double-click each cell to edit and make the appropriate changes to

the calculation field. For details on CaseView formulas refer to the CaseView help topics **Cells** and **Cell Functions**.

3. Define the preliminary overall materiality for the entity:
 - Enter the applicable benchmark
 - Lock the preliminary materiality by clicking  icon.
 - Enter the preliminary materiality which will appear at the top of all documents.
4. Enter the preliminary performance materiality, which will appear at the top of all documents.
5. Enter the specific materiality, which will appear on the individual related items in the Financial Statement Area Worksheet.
6. Enter the amount below which misstatements would be clearly trivial.
7. Sign off the assessment of preliminary materiality.

Results

Preliminary materiality is updated in all related documents. Later in the engagement, enter and sign-off on the final overall materiality and performance materiality.

5.6 Financial Statements Areas Worksheet

After importing the trial balance and determining preliminary materiality, the **Financial Statement Areas (FSA) worksheet** is used to identify significant accounts, financial disclosures, and other sensitive areas. The FSA worksheet also provides your engagement team the ability to:

- Link significant areas to work programs.
- Associate applicable business cycles.
- Define relevant assertions.
- Evaluate Inherent, Control, Residual and RMMs at the assertion level.
- Develop the audit approach.

Line items determined to be material are automatically checked under the **Materiality assessment** column, when any of the check boxes in the **Overall Materiality** and **Performance Materiality** columns are selected.

Line items with balances exceeding overall materiality or performance materiality are automatically checked under the **Overall Materiality** and **Performance Materiality** columns respectively. When this occurs, the line items are determined to be material and are automatically checked under the **Materiality assessment** column. Other Specific Materiality items (such as Classes of Transactions, Account Balances, Disclosures, and Other) need to be manually checked off by the user. These material items are automatically added to the risk identification dialog under **Financial Statement Areas Affected** and will appear in the **PMSD - Partner and manager summary** document.

FSA. Financial statement areas worksheet (Core)

Year End: December 31, 2013

Compl. Prelim.

Review Prelim.

Compl. Final

Reviewed Final

Preliminary Materiality: Overall \$- Performance: \$-

Final Materiality: Overall \$- Performance: \$-

Document

Areas

Options

Help

Search On-line Help

All

Planning


Risk assessment

Risk response

Group Number	Accounts/disclosures or other matters considered significant	Financial Statement Balances				Materiality assessment	Overall Materiality		Performance Materiality		Specific Materiality by				Relevant Assertions	Business
		Planning Balance as of 3/18/2014	Final Balance	Unrecorded AJEs	Prior Year		Preliminary	Final	Preliminary	Final	Classes of Transactions	Account Balances	Disclosures	Other		
	Entity level and IT general weaknesses and controls														All	
1	Property, plant and equipment	195,821	195,821	-	175,450										CEAV	
1. 1	Property, plant and equipment - cost	195,821	195,821	-	175,450										CEAV	
110	Inventories	156,468	156,468	-	110,806										CEAV	
110. 1	Raw materials	48,060	48,060	-	23,999										CEAV	

Audit includes a financial statement area worksheet, pre-generated by default. Your firm may use the default configuration or reconfigure it prior to distribution to all users. A pre-generated worksheet allows the engagement team to simply **Refresh** the worksheet and populate the planning balances without the need to customize and configure the worksheet for each engagement file.

If you want to change any of the pre-defined configure options, you must **Generate** the worksheet for the changes to take effect. By doing so, all changes made to the worksheet, including all selections, assertions, and work program references, are cleared.

Use the tabs at the top of the document to specify the columns of the worksheet to display. You can choose to display all columns, planning columns only, risk assessment columns only, or risk response columns only. These tabs are visible only if the configuration options button  has not been selected.



Note: Audit includes the automated and enhanced document **FSA - Financial Statement Areas worksheet (CORE)** as an alternative to document **424 - Engagement scoping/Summary of assessed risks**. If you choose not to use the FSA document, some features involving the FSA throughout the template will not be available.

Worksheet Columns

The **Financial Statement Areas (FSA) Worksheet** accumulates all of the financial statement areas in a central location for assessment and analysis.





The following table lists the columns in this worksheet. If a column is not displayed, use the **Areas** menu to display it.

Column	Description
Group number	The grouping used is based on the selection made in Configure options. This will be blank for manually added items.
Accounts/disclosures or other matters considered significant	The description of the account/disclosure.

Column	Description
Planning Balance as of [date]	<p>The unadjusted balance on the date when the worksheet was generated. These figures will not update unless the Refresh or Generate button is selected.</p> <p>If you double-click on an amount in this column, a popup window appears that lists the individual accounts that produce the amount.</p>
Final Balance	<p>The final balance after adjusted journal entries have been included. Note that the planning balance and the current balance may differ, and the current balance should be reviewed for any impact on planned procedures from the original planning balance.</p> <p>If you double-click on an amount in this column, a popup window appears that lists the individual accounts that produce the amount.</p>
Unrecorded AJEs	<p>The unrecorded proposed adjusted journal entries in the current year.</p> <p>If you double-click on an amount in this column, a popup window appears that lists the individual accounts that produce the amount.</p>
Prior Year	<p>The final balance from the prior year.</p> <p>If you double-click on an amount in this column, a popup window appears that lists the individual accounts that produce the amount.</p>
Prior Year 2	<p>The final balance from two years ago.</p> <p>If you double-click on an amount in this column, a popup window appears that lists the individual accounts that produce the amount.</p>
Materiality assessment	<p>The summary of whether a financial statement area is material. This check box is automatically selected if any of the check boxes in the Overall Materiality and Performance Materiality columns are selected. When you hover over this check box, a tooltip appears that displays which of the overall materiality and performance materiality check boxes are selected. This indicates why this area is material.</p> <p>In the client file, the engagement team can select the Materiality assessment check box to indicate that a financial statement area is material, or clear the check box to indicate that it is not.</p> <p>Materiality warning indicators can be enabled in the Financial Statement Areas Worksheet section of the AO - General options document.</p> <p>If the planning balance is not material and the final balance is material, a  indicator appears in the Materiality assessment column, indicating that there is a risk of insufficient audit work.</p> <p>If the planning balance is material and the final balance is not material, a  indicator appears in the Materiality assessment column, indicating that there is a risk of over-auditing.</p> <p>Entering an explanation in the Audit Response Finalisation field removes the warning indicator.</p>

Column	Description
Overall Materiality	<p>Indicates whether the financial statement area is material based on the overall materiality.</p> <p>This column contains two sub-columns, Preliminary and Final:</p> <ul style="list-style-type: none"> The check box in the Preliminary column is automatically selected if the planning balance exceeds the preliminary overall materiality. The check box in the Final column is automatically selected if the final balance exceeds the preliminary overall materiality or the final overall materiality. <p>When you hover over a check box that has been selected, a tooltip appears that displays the calculations used to determine that the area is material.</p> <p>You cannot select or unselect these check boxes. To manually override the materiality for this financial statement area, select or unselect the Materiality assessment check box.</p>
Performance Materiality	<p>Indicates whether the financial statement area is material based on the performance materiality.</p> <p>This column contains two sub-columns, Preliminary and Final:</p> <ul style="list-style-type: none"> The check box in the Preliminary column is automatically selected if the planning balance exceeds the preliminary performance materiality or the preliminary adjusted performance materiality. The check box in the Final column is automatically selected if the final balance exceeds the preliminary performance materiality, the preliminary adjusted performance materiality, the final performance materiality, or the final adjusted performance materiality. <p>When you hover over a check box that has been selected, a tooltip appears that displays the calculations used to determine that the area is material.</p> <p>You cannot select or unselect these check boxes. To manually override the materiality for this financial statement area, select or unselect the Materiality assessment check box.</p>
Specific Materiality by	<p>Manually select the appropriate check box if the financial statement area is determined to be material for the specific circumstance:</p> <ul style="list-style-type: none"> Classes of Transactions Account Balances Disclosures Other
Relevant Assertions	<p>Right-click and select Change Assertions where applicable. Changes will automatically affect the Detailed Audit Response section in the associated work programs and in the Risk Report documents.</p> <p>Note: You can enable Optimiser to delete procedures from a work program associated to the FSA, if none of the procedures' assertions match the FSA's Relevant Assertions. To configure the Optimiser to delete these procedures, select the Delete procedures based on risk thresholds in the FSA option from the Optimiser pane of the AO - General options document.</p>

Column	Description
Risk Ref.	This column displays a button when there are risks associated to the particular material FSA line. Clicking the button will launch the risk dialog with the associated risks in the doormat.
Business Cycle	Right-click and select Insert Business Cycle or click the + icon. In the Risk and Control dialogs, when the line item is selected in the Financial Statement Areas section, the associated business cycles automatically populate the dialog.
Other control processes (that impact account/disclosure)	Input area to document other considerations.
Inherent Risk Control Risk Residual Risk	<p>Select from the drop-down list the assessment of risk. The assessments automatically populate the same line items in the Risk Report documents.</p> <p>The names of these risks can be changed in the Financial Statement Areas Worksheet section of the AO - General options document.</p> <p>Note: When a line item has been assigned an inherent risk assessment, you can point to the assessment to view a tooltip that may inform you that it is a default assessment.</p> <p>If a manually assigned inherent risk assessment has replaced a default one, the cell with the assessment features a red border.</p>
RMM	<p>Select the assessment of risk from the drop-down list. When this Optimiser feature has been enabled, a procedure is deleted from a work program if its Threshold value is higher than the RMM for that account and user procedure customizations have not been locked.</p> <p>The assessments automatically populate the Detailed Audit Response section in the associated work program.</p> <p>The name of this risk can be changed in the Financial Statement Areas Worksheet section of the AO - General options document.</p>
Summarize the reasoning for the assessed level of risk	<p>The inputted values automatically populate the same line items in the Risk Report documents.</p> <p>The name of this field can be changed in the Financial Statement Areas Worksheet section of the AO - General options document.</p>

Column	Description
Audit Response Columns	<p>If the Include Audit Response In FSA check box is selected in the Financial Statement Areas Worksheet section of the AO - General options document, the audit response columns specified in the document are included in the Financial Statement Areas Worksheet.</p> <p>The audit response type for each column (for example, a check box, a Yes-No response, or scoring from 1 to 5) is also defined in the AO - General options document.</p> <p>By default, there are four audit response columns included:</p> <ul style="list-style-type: none"> • A. Substantive procedures - basic • B. Substantive procedures - extended (sampling, fraud, significant risks, etc.) • C. Substantive analytical procedures (proof in total, etc.) • D. Tests of controls (operating effectiveness) <p>In the AO - General options document, you can rename any of these audit response columns or create additional columns.</p>
Audit Response Finalisation	<p>An input field in which the user can explain the audit risk response to this area. In the work program for this financial statement area, the text in this field appears in the Audit Response Finalisation row of the Audit Response Table.</p> <p>This field can be changed in the Financial Statement Areas Worksheet section of the AO - General options document.</p>
Initial each assertion to indicate the planned audit response is sufficient to address the assessed level of risk	<p>The data automatically populates the Detailed Audit Response section in the associated work program.</p>
Annotate	<p>Click to add a note, tickmark or reference annotation from the CV toolbar.</p>  <p>(  ) or right-click and select Annotate - Annotate.</p>
W/P Ref	<p>Annotate to one or more relevant documents. Right-click and select Insert New Reference. Select the appropriate references to create a link to the related document.</p>

Note:


- The columns can be customized by your firm, including the ability to define and display risk and audit response columns. If your firm has changed the settings, some of the above columns may not be available in your client file.
- To make full use this functionality, the **W/P Ref** column should be populated with the appropriate audit work program document.
- If a foreign exchange rate has been defined in the Working Papers trial balance, this rate is used in all balances displayed in the Financial Statement Areas Worksheet.

To Display Columns:

The Financial Statement Areas Worksheet columns can be customized by the firm in the **AO - General options** document, including the ability to define and display risk and audit response columns. If your firm has changed the settings, some of the columns listed may not show in your file and other columns may be included.



1. From the **Areas** menu, select an applicable column you would like to display or hide in the FSA.















To adjust the column size:

1. Turn on the ruler by clicking .
2. Once ruler is turned on, place the mouse cursor on the table heading that you wish to modify the width to (for example, **Business Cycle**).
3. Move your mouse cursor to the gray lines until you see your cursor change to a double-sided arrow on the ruler and click hold and drag to the desired column width.


Changing the Financial Statement Areas Worksheet configure options

To change the pre-defined configure options and generate a new Financial Statement Areas Worksheet:

1. Click **Configure**  to access the configure options area.
2. Select the desired options from the drop-down lists based on how your engagement is designed.
3. Click , or from the **Document** menu, select **Generate**. The **Configure** options area will automatically close after generation.

FSA. Financial statement areas worksheet (CORE)		Year End: December 31, 2012	Completed by	Reviewed by
Performance: Overall \$- Performance: \$- Final Materiality: Overall \$- Performance: \$-				
Document Areas Options Help				
             				
Select options required on generation of FSA.				
Refresh: Changes are applied upon refreshing or regenerating the FSA				
Sort by Col:	▲ Group Number		Include zero amount	<input checked="" type="checkbox"/>
Planning:	Current Year		Grouping:	L/S
Round To:	1's		Include From:	
			Include To:	
			Mask Level:	1 XXXX

Note: Opting to **Generate** clears all changes to the worksheet, including selections, assertions, and work program references.

If your firm author has locked the configure options for the Financial Statement Areas Worksheet, the  button is not visible, and you cannot generate the worksheet.

Configure Options

Configure options enable you to customize the Financial Statement Areas Worksheet. These options are organized into two groups:

- Refresh options, which are applied when the Financial Statement Areas Worksheet is refreshed or regenerated.

- Regenerate options, which are applied only when the Financial Statement Areas Worksheet is regenerated.


Refresh options

Option	Description
Sort by Col	From the drop-down list, select the sorting order on the initial generation of the report. Click the arrow to sort in either ascending or descending order.
Planning	From the drop-down list, select the planning balance on which the Financial statement areas worksheet is to be based. Select Current Year to use the current year preliminary import, or select Prior Year to use the prior year final balance.
Round To	<p>From the drop-down list, select the rounding to use. Select 1's (the default) to round to the nearest dollar, 1000's to round to thousands, or 1,000,000's to round to millions.</p> <p>The rounding selected from this drop-down list is used in the Financial statement areas worksheet, the Risk Report, the Partner and Manager Summary, and all work programs.</p> <p>Note: Rounding difference may occur as the apply rounding relations feature is not set.</p>

Regenerate options

Option	Description
Include zero amount	Use the check box to include line items with zero amounts in both planning and current balances in the worksheet.
Grouping:	From the drop-down list, select the mapping / grouping used in the engagement file. The default is by Leadsheet.
Include From	From the drop-down list, select the starting point of the grouping number.
Include To:	From the drop-down list, select the ending point of the grouping number.
Mask Level	From the drop down list, select the grouping mask level to generate. For example, say a grouping uses three levels (e.g. XXX.XXX.XXX), where the first level represents the financial statement type (Balance Sheet), the second level represents the financial statement line items (Cash and Cash equivalents), and the third represents account details (Bank - foreign). You would likely set the mask level at 2. If you are unsure of your full mapping mask, double click the cell to open a dialog that displays the mask.
Include Parent Numbers	Select this check box if you want to display the parent numbers of the group numbers specified by Mask Level . For example, suppose that Mask Level is 3, which means that group 140.101.1 is displayed. If Include Parent Numbers is selected, parent groups 140 and 140.101 are also displayed.

Note:






- Leaving the **Include From** and **Include To** fields blank will generate all items.
- If the worksheet is regenerated, all details entered related to each financial statement assertion will be deleted. To only update the balances, users should use  **Refresh**.

5.6.1 Assessing Materiality in the FSA


After calculation of the materiality the Financial Statement Areas Worksheet automatically selects which FSAs are material based on balances. Users can override the materiality assignment based on professional judgment. User overrides are clearly shown.

Audit will suggest the deletion of complete audit sections for immaterial FSAs.

Procedure

1. Click  **Refresh** to update the planning balance from the Working Trial Balance.
2. Address the accounts that have the materiality checkbox selected in the **Materiality Assessment** column.
3. Hover of the checkbox to view the materiality details or from the **Areas** menu select **Display Materiality Details**. For more information on these columns, see FSA Columns.
4. If applicable, you can override the automatic assessment if necessary by selecting or clearing checkboxes.
5. When applicable, assess any warning indicators in the column and enter an explanation in the **Audit Response Finalisation** field to remove the warning indicator. Please note that warning indicators only appears if the firm author has the feature enabled in the **AO - General Options** document. The FSA consist of the following warning icons:
 -  - indicates that there is a risk of insufficient audit work. This can when the final balance exceeds materiality and the planning balance does not
 -  - indicates that there is a risk of over-auditing. This can occur when the planning balance exceeds materiality but the final balance does not.
 -  - indicates that the aggregate of proposed adjustments + final balance is greater than materiality.
6. From the toolbar, click the  **Audit Optimiser Confirmation Report** icon to remove any immaterial areas.

Note:

You can bring back programs for material FSA items which were deleted manually or by the Optimiser or from subsequent year. To bring back the program to the file, simply click the  icon located to the right of the reference.

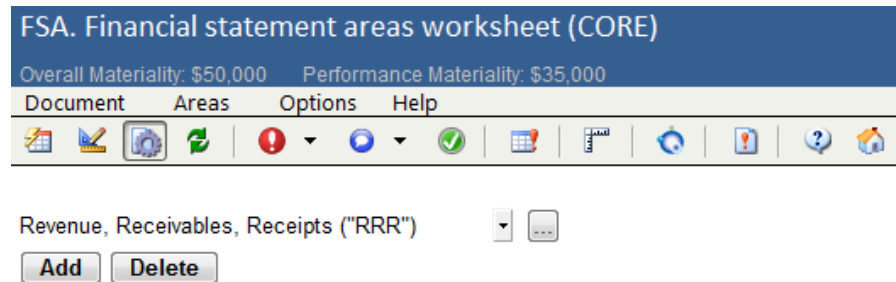
5.6.2 Business Cycles

At the top of the **Financial Statement Areas Worksheet**, business cycles can be added and deleted for the engagement. Business cycles represent the process that initiates, records, processes, and approves transactions and entries that comprise account balances or disclosures.

Once created, the underlying business cycles should then be attached to each financial statement area in the worksheet. You can also reference each business cycle to the relevant Control Matrix and walkthrough documents.


During the audit engagement business cycles and financial statement areas are used when identifying risks and controls. These properties allow the linkage of risks to controls and the assessment of internal controls.

The template includes four default business cycles. Your firm may change these defaults or include additional ones before distributing .





1. From the **Areas** menu, ensure that **Relevant Assertions** and **Business Cycle** columns are visible.

Note: Audit defaults with four assertions: Completeness, Existence, Accuracy, and Valuation. The firm Author may change or include other assertions that are relevant to the engagement.


2. Assess the related assertions. If you need to change the assertions, right-click the FSA item and select **Change Assertions**. Select the applicable assertions for the FSA item.
3. To associate a business cycle to an FSA item, simply click the  icon in the **Business Cycle** column and select the applicable cycle.

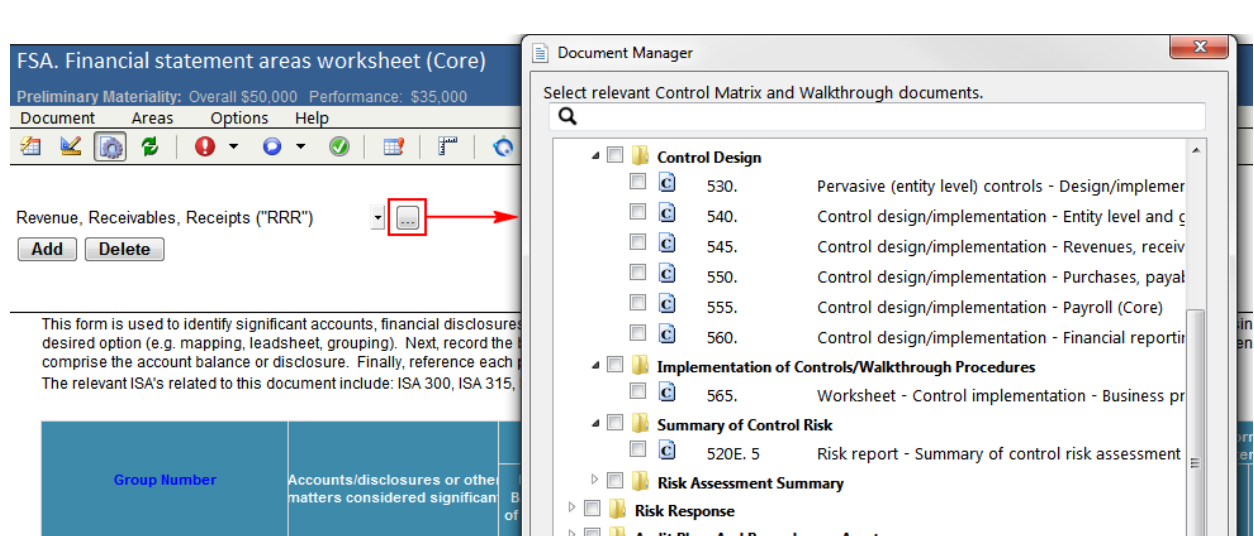
Notes

You can add new business cycles by:

1. Clicking  icon from the toolbar.
2. Click **Add**.
3. Type the new description for the process and an appropriate abbreviation.
4. Click **OK**. Ensure that the abbreviation given is unique – you will get a warning to select an alternative abbreviation if a duplicate abbreviation is used.
5. (Optional) Click  and select/deselect to attach a relevant control matrix or walk-through documents to the business cycle.

To delete a business cycle, select the cycle to be deleted and click **Delete**.

- attach a document reference to a business cycle:**
1. From the drop-down menu, select the cycle to attach the document to.
 2. Click  and select/deselect the relevant control matrix and walk-through documents.
 3. Click **OK**.



6. RISK ASSESSMENT AND IDENTIFICATION

6.1 Introduction

Under a risk based audit, auditors are required to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to report on the financial statements in accordance with audit findings. Reasonable assurance is obtained when sufficient appropriate audit evidence is gathered to reduce audit risk to an acceptable level. Generally, this is done by identifying and assessing the risks of material misstatement in the financial statements and through understanding the entity and its environment, including the entity's internal control.

To assist the auditor in planning and risk assessment, tools within **Audit** are provided to identify and accumulate risks and controls and link them to areas where they are evaluated and conclusions are made. We will take a look at the following documents and tools used to help automate this process:

- Financial statement areas worksheet
- Optimiser
- Risk identification
- Risk reports
- Control identification
- Control matrix

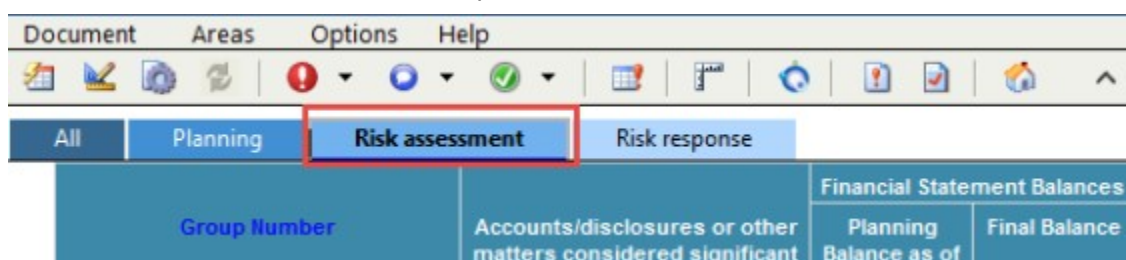
In the FSA, identified risks are shown on the FSA the risks are linked to.

Risks will show at the relevant assertion line. When all assertions are shown in detail, the risk assessment values of identified risks populate the risk at the assertion level in the FSA.

The level set for the Risk of Material Misstatement in the FSA defines which procedures are shown in the linked worked programs.

Procedure

1. Click the **Risk Assessment** tab at the top of the FSA document.




2. In the first row, select the applicable inherent and control for the **Entity level and IT general weaknesses and controls**. This updates the Assessed risks at financial statement level in the detailed audit response section of the work program documents. If the firm author has enabled **Risk assessment at entity level** in the **AO| General options** document, then you can automatically populate the RMM scoring based on a value or proposed value. Select between Proposed, High, Medium or Low from the auto-fill button.

Selecting proposed will base RMM scoring to,

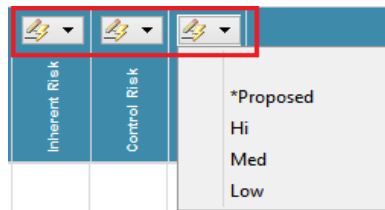
- If the **Inherent** and **Control** risk columns are included, the proposed RMM value of the **Entity level and IT general weaknesses and controls** row is based on the **Defined RMM Scoring** dialog
- If the **Inherent** and **Controls** columns are included, the proposed RMM value of the **Entity level and IT general weaknesses and controls** row is the highest RMM score assigned to a Entity level risk

3. You have two options to complete the risk assessment:

- a. Selecting  to expand the assertion rows for each FSA and manually fill the applicable risk levels for inherent, control or RMM.

<input type="checkbox"/>	CEAV				
<input type="checkbox"/>					
	C		Low	Med	Med
	E		Hi	Low	Med
	A		Hi	Med	Hi
	V		Med	Hi	Hi

- b. If the firm author has enabled the **Automate Assessment of Inherent/Control/RMM** in the **AO | General Options** document, then you can automatically populate the risk assessment based on a value or a proposed value. At the top of the risk level columns are



auto-fill buttons.

Select between Proposed, High, Medium or Low. Selecting ***Proposed** to populate the risk level are based on the following logic:

- **Inherent Risk** - is based on the accumulation of inherent risks collected in the risk dialog and populates the highest value detected per FSA and assertion.
- **Control Risk** - is based on the assessment from the conclusion area of the control matrix associated with the relevant business cycle. For more information, see "About the Control Matrix" on page
- **RMM** - is based on the scoring defined by the firm authors in the **AO | General Options** document.

4. From the Areas menu, select **Risk Ref**. The Risk Ref column will display a risk counter which will show the number of risks linked for each FSA item and assertion. Significant risks will be identifiable with a star icon.

Audit Response Final...	W/P ref.	Risk Ref.
	1.101	★ 3
		★ 2
		★ 2
		1
	5.101	1

Notes

- A bubble tool-tip will display if there are any changes in the proposed risk level since the FSA was last opened.

6.2 Risk Identification

As part of the audit process, risks must be identified for your client engagement and your audit designed to address these risks. The template has automated the accumulation of risks to help you easily manage and track client risks. Risks identified throughout the audit will be accumulated for assessment in the risk reports. Risks can also be linked to specific audit procedures to indicate where the risk has been specifically addressed. Once risks have been identified, the engagement team can identify the controls to mitigate these risks.

To assist the engagement team, your firm author has the ability to create pre-defined common risks in the master template and define how all risks are to be accumulated. By default, the template includes a set of pre-defined risks that can be used or removed as necessary.

Risks appear in the following areas:


- FSA- Identified risks are shown on the FSA item the risks are linked to on an assertion level.
- Risk Report -The risk report shows all of the properties of all risks identified. For procedures linked to a risk, the completion response of the procedures is also shown.
- Work Programs and Checklists- In the **Risks Addressed** or **Risks Identified** tabs in the mini risk report at the top of work program and checklist documents. The Risks Addressed tab displays risks if the document has been marked in the **Addressed** risk field or the risk is **Entity level** . The Risks Identified tab displays risks if the document has been marked as the **Source**.
- CaseWare Constellation - risks are a key element of Constellation, providing views that allow users to easily see if a risk has been mitigated by controls and or responded to sufficiently through audit procedures.
- CaseWare Q - the total number of risks and significant risks identified is published to Q.

Procedure


1. From the **Document Manager**, open the folder **Risk Assessment**, and then the folder **Understanding the Entity**. Double-click the document . **510 Identifying risks through understanding the entity**.
2. To expand the various areas of the document, click "+" beside the title of each major area. To collapse the areas, click "-".
3. Complete the various areas of the document by completing the various input cells and tables. To add an additional line to a table, right-click and select **Insert New Item**.

6.2.1 Adding an Identified Risk

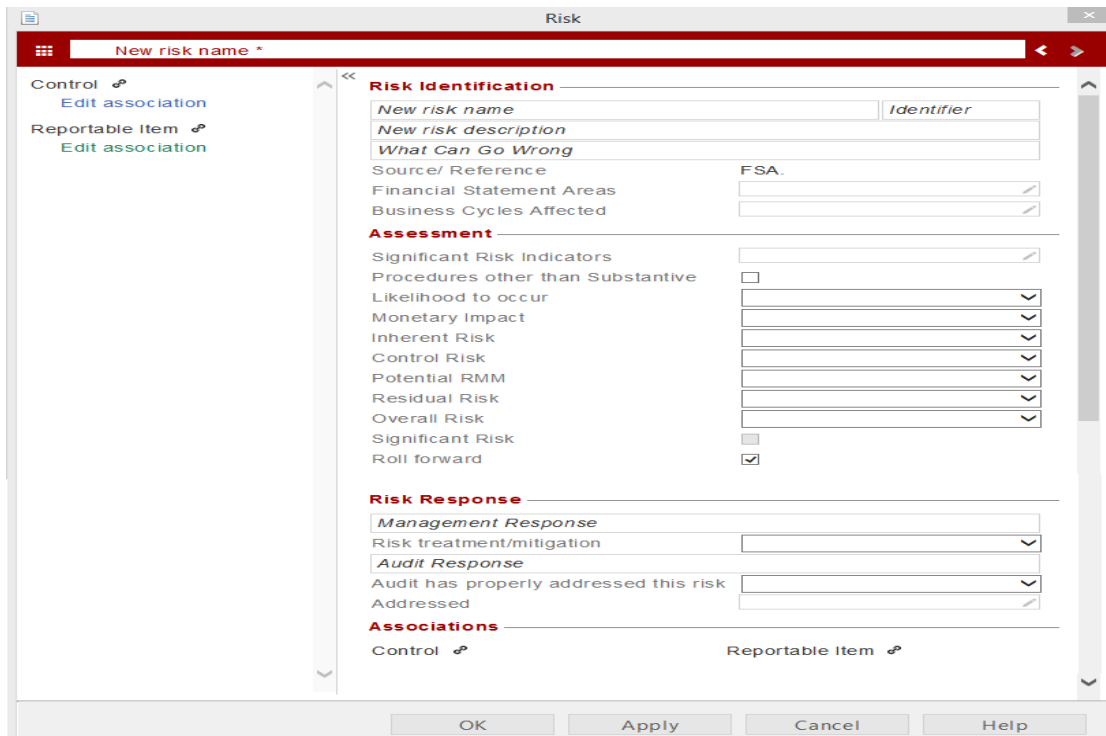
Prerequisite

Before adding risks, ensure the  button is available in your document. If not, then your firm author may have disabled the creation of new reportable items.

Procedure


1. From within the applicable document, or from the CaseWare toolbar, click the **Risk** icon .
2. Complete the fields in the New Risk dialog.
3. You can click **Apply** to save changes already completed in the dialog without closing it.
4. When the information is complete, click **OK**.


6.2.1.1 Risk Dialog



Risk

New risk name *

Control 
 Edit association

Reportable Item 
 Edit association

Risk Identification

New risk name Identifier

New risk description

What Can Go Wrong

Source/ Reference FSA.

Financial Statement Areas

Business Cycles Affected

Assessment

Significant Risk Indicators

Procedures other than Substantive ☐

Likelihood to occur

Monetary Impact

Inherent Risk

Control Risk

Potential RMM

Residual Risk

Overall Risk

Significant Risk ☐

Roll forward ☒

Risk Response

Management Response

Risk treatment/mitigation

Audit Response


Audit has properly addressed this risk

Addressed

Associations



Control	Reportable Item

OK Apply Cancel Help

Section	Instructions																											
Risk Doormat Menu	<p>Click the doormat icon () to open the Risk Doormat menu. The menu lists risks, controls and reportable items that have been defined. You can create, delete and edit a risk, controls or reportable items from this menu.</p> <table><thead><tr><th>RISKS</th><th>CONTROLS</th><th>REPORTABLE ITEMS</th></tr></thead><tbody><tr><td>Create New (item)</td><td>Create New (item)</td><td>Create New (item)</td></tr><tr><td>⊗ Inventory clerk</td><td>★ Cut-off procedures</td><td>Reportable Item test</td></tr><tr><td>✓ Poor control</td><td>★✓ Credit manager ap...</td><td>Establish credit ...</td></tr><tr><td>Revenue recognition</td><td>Accounts over 90 ...</td><td>Develop accounts ...</td></tr><tr><td>✓ Receipts not depo...</td><td>★ Cheques received</td><td></td></tr><tr><td>★⊗ Use of related party</td><td>✓ Sales and a/r report</td><td></td></tr><tr><td>✓ Salesman's bonus</td><td>Aged a/r listing</td><td></td></tr><tr><td>...</td><td>...</td><td></td></tr></tbody></table>	RISKS	CONTROLS	REPORTABLE ITEMS	Create New (item)	Create New (item)	Create New (item)	⊗ Inventory clerk	★ Cut-off procedures	Reportable Item test	✓ Poor control	★✓ Credit manager ap...	Establish credit ...	Revenue recognition	Accounts over 90 ...	Develop accounts ...	✓ Receipts not depo...	★ Cheques received		★⊗ Use of related party	✓ Sales and a/r report		✓ Salesman's bonus	Aged a/r listing		
RISKS	CONTROLS	REPORTABLE ITEMS																										
Create New (item)	Create New (item)	Create New (item)																										
⊗ Inventory clerk	★ Cut-off procedures	Reportable Item test																										
✓ Poor control	★✓ Credit manager ap...	Establish credit ...																										
Revenue recognition	Accounts over 90 ...	Develop accounts ...																										
✓ Receipts not depo...	★ Cheques received																											
★⊗ Use of related party	✓ Sales and a/r report																											
✓ Salesman's bonus	Aged a/r listing																											
...	...																											
Title	Type a description in the New risk name field.																											
Navigation Buttons	Click the arrows to display the previous and next risk. The order in which risks are displayed is specified in the risks drop-down. This field is visible only if you have accessed this dialog from within a risk report.																											

Section	Instructions
Risk Identification	<p>New risk name</p> <p>Type a short description of the identified risk.</p> <p>Identifier</p> <p>The identifier field is automatically populated with the user ID and a sequential number so that each risks, controls and reportable items are unique. This field can be enabled in the AO - General Options in the master template.</p> <p>New risk description</p> <p>Type a detailed description of the risk.</p> <p>What Can Go Wrong</p> <p>Type a description of the possible impact.</p> <p>Source/Reference</p> <p>The Source/Reference field is automatically populated when creating the risk from within a document.</p> <p>Financial Statement Areas</p> <p>Click to display a list of Entity level risks and material financial statements areas (FSAs). From the dialog, select one or more items that affect the identified risk. Once the relevant items have been selected, check off the related assertions within the Financial Statement Areas Affected area. As the material FSAs and assertions populate from the Financial Statement Areas worksheet, the worksheet must be generated before they can be selected.</p> <p>Note: Any assertions that are not relevant to the FSA will be greyed-out.</p> <p>Business Cycles Affected</p> <p>Click to display a list of affected business cycles associated with the risk. The list in business cycles is defined in the Financial Statement Areas worksheet.</p> <p>Note: If an FSA item in the Financial Statement Areas worksheet is already associated with a business cycle through the Financial statement areas worksheet, this area will be automatically filled out with the selection of Financial Statement Areas Affected.</p> <p>Entities</p> <p>In a consolidated file, select the applicable entity the risk relates to. This field can be enabled in the AO - General Options in the master template.</p>

Section	Instructions
Assessment	<p>Significant Risk Indicators</p> <p>Click to display a list of significant risk indicators.</p> <p>Procedures other than Substantive</p> <p>Select to indicate if the risk requires procedures other than substantive.</p> <p>Test of Controls</p> <p>Select to indicate if the risk requires test of controls.</p> <p>Likelihood to occur</p> <p>Select the likelihood of the risk to occur from a range of 1 (low) to 5 (high).</p> <p>Monetary Impact</p> <p>Select the monetary impact of the risk from a range of 1 (low) to 5 (high).</p> <p>Inherent Risk</p> <p>Select to rank the inherent risk as high, medium or low.</p> <p>Control Risk</p> <p>Select to rank the control risk as high, medium or low. You can also rank this risk as significant, medium, or low if your firm author has chosen this scoring system in AO – General options in the master template.</p> <p>Potential RMM</p> <p>Select to rank the potential RMM as high, medium or low.</p> <p>Residual Risk</p> <p>Select to rank the residual risk as high, medium or low.</p> <p>RMM</p> <p>Select to rank the RMM as high, medium or low.</p> <p>Significant risk</p> <p>This is automatically selected when a significant risk indicator is added to the risk.</p> <p>Roll forward</p> <p>Select to include the risk in the next year's file. This is automatically selected for new risks.</p>

Section	Instructions
Risk response	<p>Management Response</p> <p>Type the details of any response from management and any controls they have implemented to deal with the identified risk.</p> <p>Risk treatment/mitigation</p> <p>Conclude whether the risk has been mitigated by these controls.</p> <p>Audit Response</p> <p>Type the details of the detailed audit response that will respond to the identified risks and provide the evidence necessary to support the audit opinion. The detailed audit response would include the type of test that would be planned: test of control, specific procedure, substantive analytical procedure, or substantive sampling.</p> <p>Audit has properly addressed this risk</p> <p>Conclude whether the risk has been addressed by the audit response.</p> <p>Addressed</p> <p>The Addressed field is automatically populated when an item is selected from the Financial Statement Area and that item has been linked to a document in the Financial Statement Area worksheet.</p>
Associations	<p>Control</p> <p>Click  beside Control, to add controls to the risk. The following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New control dialog to create a new control • Import from RiskSpace - adds controls from the CaseWare® RiskSpace. • Import from File - imports controls from a template or other source file, using the import controls dialog. • Edit Association - uses an existing control. A dialog appears that lists the controls that have already been added to this client file. From the dialog, select one or more controls to be associated with this risk. <p>This option is available only if you have enabled controls in the AO - General Options document.</p> <p>Reportable Item</p> <p>Click  beside Reportable Item, to add reportable items to the risk. The following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New reportable item dialog to create a new control • Import from RiskSpace - adds reportable items from the CaseWare® RiskSpace. • Import from File - imports reportable items from a template or other sourcefile, using the import controls dialog. • Edit Association - uses reportable items. A dialog appears that lists the reportable items that have already been added to this client file. From the dialog, select one or more reportable items to be associated with this risk. <p>This option is available only if you have enabled reportable items in the AO - General Options document.</p>


6.2.2 Linking Procedures to Risk

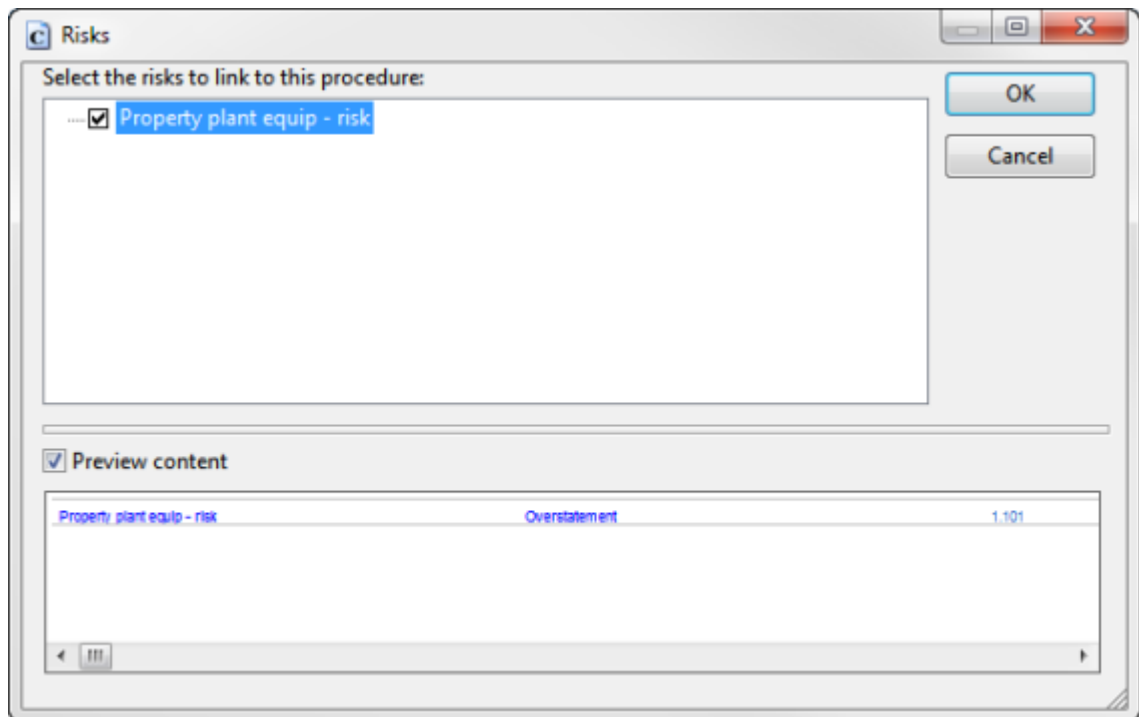
Specific procedures in **Work Programs** and **Checklists** can be linked to a risk to document how the risk was addressed in the audit. You must be in the appropriate work program or checklist document to link procedures. The document must be included in the **Addressed** field in the Risk dialog. Once linked, risks appear beside the linked procedures within work program or checklist documents. As well, the linked procedures appear with the corresponding risks in the Risk Report under the Audit Response column.

Procedures can be linked from the mini-risk report or at the procedure level within the work program or checklist document.

Note: Once a procedure and a risk are linked, this link is maintained even if the risk is removed from the file and re-inserted.

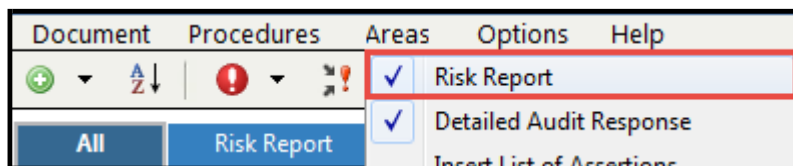
To link risks to the procedures from within the work program or checklist document:

1. Open the work program or checklist.
2. Place the cursor on the procedure to link the risks to, and click  on the top button bar.
3. Select the risks applicable for the procedure. Once done, click **OK**.



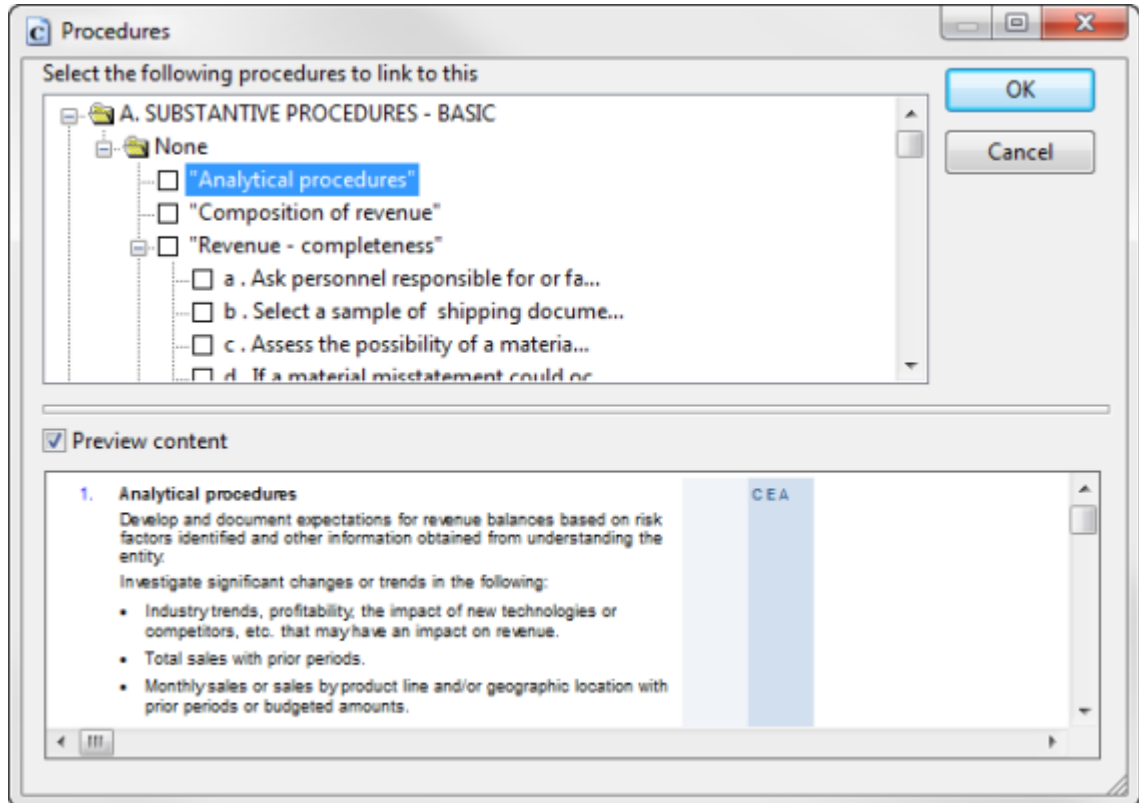
Procedures can be linked to a risk from the mini-risk report (we will discuss the mini-risk report in more detail in the Risk report section of this guide):

1. From the **Areas** menu select **Risk Report** to view the mini risk report.



2. Click on the risk appearing in the mini risk report at the top of the document.

3. Click the **Link procedures** button to launch the **Procedures** dialog.
4. Mark the relevant procedures by clicking the checkboxes and click **OK**. The listed procedures include all procedures from the content library related to the document. Selecting a procedure not included in the work program or checklist document will automatically add the procedure to the document.



Once a procedure is selected, the **Addressed** reference field in the risk dialog will automatically reference the current work program or checklist if it has not already been manually selected.

5. Click **OK** in the Procedures dialog. The risk will appear beside the linked procedure. If a selected procedure is not in the document and is in the Content library, it will be inserted automatically.

Note: Once a procedure and a risk are linked, this link is maintained even if the risk is removed from the file and re-inserted.

You can copy risk from the Risk Report and Control Matrix

Procedure

1. In the **Risk Report** and **Control Matrix**, locate the risk that you want to copy.
2. Right-click and choose **Copy Risk** from the shortcut menu.
3. In the [Risk dialog](#), edit the attributes for your new risk.
4. Click **OK** to create the risk, or click **Cancel** to cancel copying.

You can copy risks from another client file by using the Copy Components Wizard to copy the Risk Report from the other file.

To copy risks from another file:



1. From the **File** menu in Working Papers, select **Copy Components**.
2. Select **Copy Into This File**.
3. Select the **File** tab. From the folder structure, locate the client file from which you want to copy risks. Click **Next**.
4. Select **The following components**. In the Components pane, select **Documents**.
5. In the Documents pane, select **Deselect All** to deselect any documents that were selected in a previous copy operation.
6. In the Documents pane, expand the **Risk Assessment** folder, then expand the **Risk Assessment Summary** sub-folder. Select the **520E. Risk report (CORE)** document. Click **Next**.
7. In the Clearing Components pane, leave all of the check boxes unselected. Click **Next**.
8. In the Copy Components Wizard Complete pane, click **Finish**.
9. If the other client file contains risks that are identical to the risks in your client file, a warning dialog appears, asking whether you want to overwrite the risks in your file. Click **Yes** to overwrite the risks, or click **No** to skip overwriting.
10. If you are overwriting the risks in your file, another dialog appears, asking whether you want to update the Date Identified for the overwritten risks to today's date. Click **Yes** to update the identified date, or **No** to leave the date unchanged.

Note: When you copy the Risk Report from another client file, the settings you provided in the **AO - General Options** document remain unchanged.


6.2.2.1 Importing Risks

You can import risks from CaseWare Riskspace or from another file.

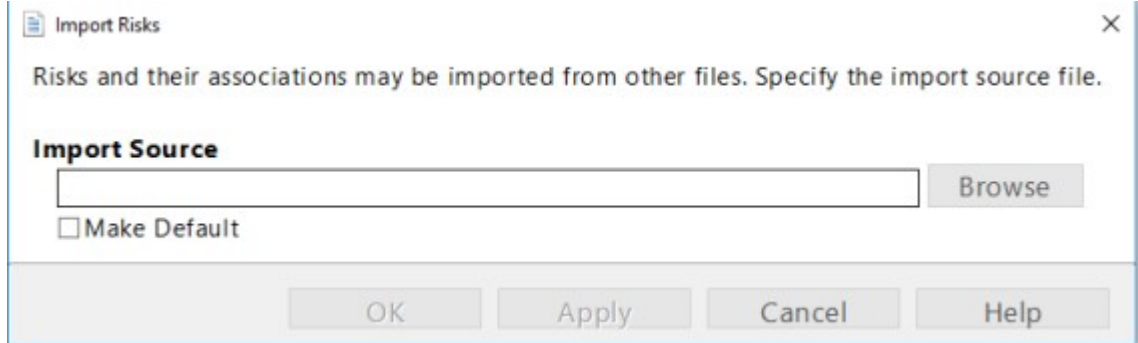
Importing from CaseWare RiskSpace

1. From the New Risk drop-down, select **CaseWare® RiskSpace**. The CaseWare® RiskSpace Risks dialog appears, in which you can select risks to import.
2. Select the check box next to a folder to import all of the risks that it contains.
3. To import individual risks from a folder, expand the folder and select the check box next to the risk to be imported.
4. When you have finished selecting risks to import, click **OK**.
5. The New Risk dialog appears, enabling you to edit the risks that you have imported. To edit a specific risk, select it from the drop-down list at the bottom of the dialog. You can also click  or  to move to the previous or next risk to be edited.
6. Click **OK** to import the risks into your client file.

Importing risks from another file:

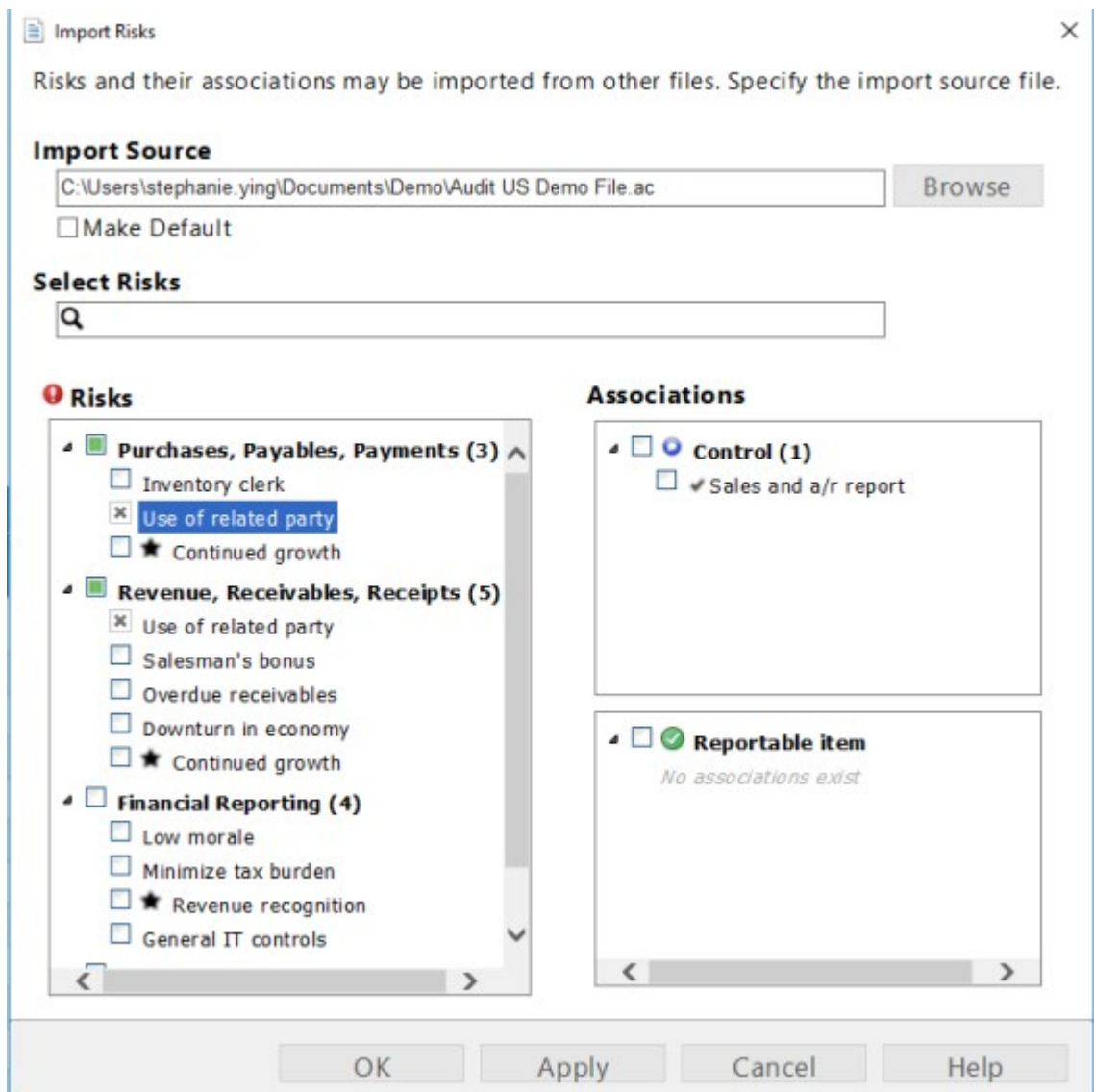
1. Open any work program, checklist, or document that contains the New Risk  drop-down.
2. From the New Risk drop-down, select **Import Risks**.
3. The Import Risk dialog appears. Click **Browse** and use the file locator window to select the file that you want to import risks from. Click **Open**. The Import Risks dialog now lists all of the risks

in the file that you have opened, organized by business cycle. Risks that already exist in your new client file are displayed in gray and in italics.



The 'Import Risks' dialog box has a title bar with a close button. The main text reads: 'Risks and their associations may be imported from other files. Specify the import source file.' Below this is the 'Import Source' section, which includes a text input field and a 'Browse' button. There is also a checkbox labeled 'Make Default'. At the bottom are four buttons: 'OK', 'Apply', 'Cancel', and 'Help'.

4. Select the check box next to a business cycle to import all risks for that business cycle or a risk to import it. Selecting an individual risk will show the related associations that you can also import.



This is the 'Import Risks' dialog box with additional content. The 'Import Source' section is the same as above, with the text field containing 'C:\Users\stephanie.ying\Documents\Demo\Audit US Demo File.ac'. Below it is a 'Select Risks' section with a search bar. The main area is divided into two panes: 'Risks' and 'Associations'. The 'Risks' pane shows a tree structure with three categories: 'Purchases, Payables, Payments (3)', 'Revenue, Receivables, Receipts (5)', and 'Financial Reporting (4)'. Under 'Purchases, Payables, Payments (3)', 'Use of related party' is selected with a checkmark. Under 'Revenue, Receivables, Receipts (5)', 'Use of related party' is also selected. Under 'Financial Reporting (4)', 'Revenue recognition' is selected. The 'Associations' pane shows two sections: 'Control (1)' with 'Sales and a/r report' selected, and 'Reportable item' with the text 'No associations exist'. At the bottom are the same four buttons: 'OK', 'Apply', 'Cancel', and 'Help'.

5. Click **OK**.


- The New Risk dialog appears, enabling you to edit the risks that you have imported (or any risk that you have identified). To edit a specific risk, select it from the drop-down list at the bottom of the dialog.

Notes

- If a risk that is displayed in the Import Risks dialog is not associated with a business cycle, it is contained in a folder named **Other**.
- If the imported risk links to one or more material financial statement areas or Entity level risk categories in the source location, the links are preserved, provided the financial statement areas or Entity level risk categories exist in the client file or template into which the risk is being imported.
- If the imported risk links to one or more Significant Risk Indicators in the source location, the links are preserved, provided the Significant Risk Indicators exist and the feature is enabled in the destination file.


6.2.3 Risk Report

As you accumulate risks for your client, you can view, edit, or copy risks in the **Risk Report**. Audit includes the **520E. - Risk Report** documents in the Document Manager that summarize the various risks accumulated throughout the audit and the responses to procedures. The reports provide a quick view of all identified risks, highlighting their severity and identifying those mitigated by controls and addressed by the audit.

520E. Risk report (Core)					Year End: December 31, 2013	Completed by	Reviewed by		
Preliminary Materiality: Overall \$-		Performance: \$-							
Final Materiality: Overall \$-		Performance: \$-							
Document	Report	Options	Help						
					Search On-line Help				
Risk Name	Date Identified	Risk Description	What Can Go Wrong	Assertions - P, C, E, A, V	Inherent Risk Assessment				Significant Risk
					Likelihood to occur	Monetary Impact	Combined Score	Inherent Risk	
User - returns not recorded	3/19/2014	Sales returns are not properly recorded	Revenues are materially overstated		3	2	6	Medium	No
Revenues				C					
				E					
				A					
				V					

The Risk report (Core) also groups the risks according to the selections made in the **Financial Statements Areas (FSA)** when creating the risk.

Shading is used to highlight risks that are more severe. The colors used, in order from least severe to most severe: white (least severe), grey, violet, magenta, scarlet, bright red (most severe).

Clicking the **Filters and Views** button , allows for different **Views** to be created and saved by selecting various **Filters**, applying a **Layout**, adding and removing columns, and changing column widths.

Different **Views** can be created and saved by selecting various **Filters**, applying a **Layout**, adding and removing columns, and changing column widths.

Document Report Options Help

View: Training View Default

Categories:	All	Potential RMM:	All
Date Identified:	All	Business Cycles:	All
Risk Determination:	All	Materiality:	All
Assertions:	All		

Note: This document is automatically set to Sync-On-Demand in SmartSync environments.

Mini Risk Report

In addition to the Risk Report document, risks can be viewed in the Risks Addressed or Risks Identified mini risk report at the top of work program and checklist documents. The Risks Addressed report displays risks if the document has been marked in the **Addressed** risk field or the risk is **Entity level**. The Risks Identified report displays risks if the document has been marked as the **Source** in the **Risk** dialog.

You can add or remove the mini risk report by selecting **Risk Report** from the **Areas | Risk Report** menu, and you can switch between the mini risk report views by selecting the report from the **Options | Risk Report View** menu. These settings must be applied at the individual work program or checklist level and can be turned on before releasing the master Audit template to the engagement team.

110.101 Inventory - Audit procedures

Planning Balance: \$156,468 Preliminary Materiality: Overall \$50,000 Performance: \$35,000
 Final Balance: \$175,468 Final Materiality: Overall \$50,000 Performance: \$35,000

Year End: December 31, 2014 Completed by AS Reviewed by GA

Document Procedures Areas Options Help

☒ Risk Report
☐ Management Letter Report
☒ Detailed Audit Response
☐ Insert List of Assertions
☐ Edit Conclusion

Risks Addressed

	Audit Response	Source/ Reference
Inventory clerk	under or overstated.	520E
Poor control (P)	- Yes	140.101
- 1. Analytical procedures		
Salesman's bonus (P)	Inflated sales to meet thresholds	505
Low morale (P)	Goods/cash stolen	110.101 140.101
Paying bribes (P)	Legal liability, loss of business, damage to reputation, overstatement of expenses, unaccrued fines.	505
Minimize tax burden (P)	Understate income / overstate expenses	505
Large order from key retailers (P)	Puts strain on bank financing, which could result in breach of debt covenants.	510
Revenue recognition (P)	Inconsistent revenue recognition	520E
Rapid growth (P)	F/S manipulation to avoid bank covenant being violated.	505
General IT controls (P)	Data integrity may be compromised or data may be lost.	510
Continued growth (P)	Breach of debt covenants.	505, 110.101 130.101

Procedure

1. From the Document Manager, open the folder **Risk Assessment** then the folder **Risk Assessment Summary**.
2. Find the **520E** – document.
3. Right-click the document and select **Copy**.
4. Right-click the desired location and select **Paste**. (**Tip:** the copied document will always insert After the selected document/folder.)
5. Right-click the new copied document and select **Properties**
6. Modify the document number, name, and any other properties and click **OK**.

Notes

- All columns are included in the risk report in the default view that may exceed a page. Some suggested print views are available from the default menu. You can edit either of these print views or create a new view and define the columns you wish to print on each page.
- Utilize CaseView's split screen function to keep headings stationary as you scroll. On the **Windows** menu, select **Split Vertically** or **Split Horizontally**. Drag the dotted line to the desired split location. For more information refer to CaseView's Help.

Procedure

1. Open the risk report.
2. Find the risk you would like to modify.
3. Double-click the Risk Name (or on any field other than **Audit Response**, **Reportable Item**, **Source/Reference**, or **Addressed/Reference**).
Alternatively, you can right-click to select the **Edit Risk** menu, or click the risk line and, from the **Report** menu, select **Edit Risk**.
4. Modify the risk in the **Edit Risk** dialog. Click **OK** when complete.

6.3 Control Identification


As part of the engagement process, auditors obtain an understanding of controls and the control environment relevant to the audit, determine whether these controls prevent or mitigate assessed risks, and report on any deficiencies. The template helps you to easily record controls, associate them to identified risks, and indicate whether the identified risks have been addressed. Controls can be added from any specific document, including work programs and checklists. You can choose to accumulate controls in **Control Matrix** documents that allow you to assess their effectiveness in mitigating risk.

Controls information is automatically transferred and used in the following:


- **Control design matrix** - in each matrix (per business cycle) all linked controls are shown as rows and all linked risks as columns, providing a clear overview of which risks are mitigated by which controls. The control design matrix can be filtered on risk assertions, clearly showing the information needed by users to form a conclusion on the CR per assertion.
- **FSA**- the Control assessment can be populated from the conclusions per assertion in the "control design matrix".
- The reportable items report - shows which controls have been reported on in letters like the management letter.
- **CaseWare Constellation**- controls are a key element of Constellation.
- **CaseWare Q**- the total number of controls and key controls is published to Q.

To assist the engagement team, your firm author has the ability to create pre-defined common controls in the master template and define how all controls are to be accumulated.

Procedures

Before adding controls, ensure the  button is available in your document. If not, then your firm author may have disabled the creation of new controls.

Procedures

1. From within the applicable document, or from the CaseWare toolbar, click the **Control** icon .

2. Complete the fields in the **New Control** dialog.
3. You can click **Apply** to save changes already completed in the dialog without closing it.
4. When the information is complete, click **OK**.

Results

Control has been created. If a risk has been mitigated by a control, select the risk within the Control Matrix and complete the **Management Response** or **Audit Response** areas in the Risk dialog.

6.3.1 Controls Dialog

Note: Some options in the dialog may not be available as they are disabled by your firm author.

Control

New control name *

Risk [Edit association](#)

Reportable Item [Edit association](#)

Control Documentation

New control name Identifier

New control description

Financial Statement Areas

Business Cycles Affected

Attributes

Maturity Level

Indirect Control

Manual / Automated

Frequency of Control

Key Control

Evaluate Control Environment

Supporting Working Papers

Control Design

Evaluation Results

Changed Since Previous Evaluation

Roll forward ☒

Tests of Control

Test Control


Supporting Working Papers

Control is Effective

Associations



Risk Reportable Item

OK Apply Cancel Help

Section	Instructions																											
Control Doormat Menu	<p>Click the doormat icon () to open the Control Doormat menu. The menu lists risks, controls and reportable items that have been defined. You can create, delete and edit a risk, controls or reportable items from this menu.</p> <div><table><tr><th>RISKS</th><th>CONTROLS</th><th>REPORTABLE ITEMS</th></tr><tr><td>Create New (item)</td><td>Create New (item)</td><td>Create New (item)</td></tr><tr><td>🕒 Inventory clerk</td><td>★ Cut-off procedures</td><td>Reconciling items</td></tr><tr><td>✓ Poor control</td><td>★✓ Credit manager ap...</td><td>Estimated items</td></tr><tr><td>Revenue recognition</td><td>Accounts over 90 ...</td><td>Debit items</td></tr><tr><td>✓ Receipts not depo...</td><td>★ Cheques received</td><td></td></tr><tr><td>★🕒 Use of related party</td><td>✓ Sales and a/r report</td><td></td></tr><tr><td>✓ Salesman's bonus</td><td>Aged a/r listing</td><td></td></tr><tr><td>...</td><td>...</td><td></td></tr></table></div>	RISKS	CONTROLS	REPORTABLE ITEMS	Create New (item)	Create New (item)	Create New (item)	🕒 Inventory clerk	★ Cut-off procedures	Reconciling items	✓ Poor control	★✓ Credit manager ap...	Estimated items	Revenue recognition	Accounts over 90 ...	Debit items	✓ Receipts not depo...	★ Cheques received		★🕒 Use of related party	✓ Sales and a/r report		✓ Salesman's bonus	Aged a/r listing		
RISKS	CONTROLS	REPORTABLE ITEMS																										
Create New (item)	Create New (item)	Create New (item)																										
🕒 Inventory clerk	★ Cut-off procedures	Reconciling items																										
✓ Poor control	★✓ Credit manager ap...	Estimated items																										
Revenue recognition	Accounts over 90 ...	Debit items																										
✓ Receipts not depo...	★ Cheques received																											
★🕒 Use of related party	✓ Sales and a/r report																											
✓ Salesman's bonus	Aged a/r listing																											
...	...																											
Title	Type a description entered in the New control name field.																											
Navigation Buttons	Click the arrows to display the previous and next controls.																											

Section	Instructions
Control Documentation	<p>New control name</p> <p>Type a short description of the identified control.</p> <p>New control description</p> <p>Type the detailed description of the control.</p> <p>Identifier</p> <p>The identifier field is automatically populated with the user ID and a sequential number so that each risks, controls and reportable items are unique. This field can be enabled in the AO - General Options in the master template.</p> <p>Financial Statement Areas</p> <p>Click to display a list of entity level risks and material financial statements areas (FSAs). From the dialog that appears, select one or more items that affect the identified risk. Once the relevant items have been selected, check off the related assertions within the Financial Statement Areas Affected area. As the material FSAs and assertions populate from the Financial Statement Areas worksheet, the worksheet must be generated before they can be selected.</p> <p>Note: The master template lists all of the FSAs, whereas the engagement client file lists only the material FSAs.</p> <p>Business Cycles Affected</p> <p>Click to display a list of affected business cycles associated with the risk. The list in business cycles is defined in the Financial Statement Areas worksheet.</p> <p>Note: If an FSA item in the Financial Statement Areas worksheet is already associated with a business cycle through the Financial statement areas worksheet, this area will be automatically filled out with the selection of Financial Statement Areas Affected.</p>
Attributes	<p>Maturity Level</p> <p>Select to rank the maturity level of the control from a range of 1 (low) to 5 (high).</p> <p>Indirect Control</p> <p>Select to indicate whether the control is dependent upon other controls.</p> <p>Manual / Automatic</p> <p>Select to indicate whether the control is a manual or an automatic control.</p> <p>Frequency of control</p> <p>Select to indicate how frequent the control is being applied.</p> <p>Key control</p> <p>Select to indicate whether the control provides reasonable assurance that material errors will be prevented or detected in a timely manner.</p>

Section	Instructions
Evaluate Control Environment	<p>Supporting Working Papers</p> <p>Click to open a listing of documents in the Document Manager. In this dialog, select applicable supporting documents from Working Papers.</p> <p>Control Design</p> <p>Select to indicate whether the control design is satisfactory or unsatisfactory.</p> <p>Evaluation Results</p> <p>Select to Indicate whether the control environment was satisfactory or unsatisfactory.</p> <p>Changed Since Previous Evaluation</p> <p>Select to indicate whether the control is identical with the previous year or has been changed.</p> <p>Roll forward</p> <p>Select to include the control in next year's file. This is selected by default for all new controls.</p>
Test of controls	<p>Test Control</p> <p>Select to indicate if a control is to be tested or in which period it was last tested. Tests of control are used to gather evidence of the operational effectiveness of internal control procedures. It may be appropriate to use audit evidence about the operating effectiveness of controls obtained in previous audits.</p> <p>Supporting Working Papers</p> <p>Click to open a listing of documents in the Document Manager. In this dialog, select applicable supporting documents from Working Papers.</p> <p>Control is Effective</p> <p>Select to indicate whether the control is effective, not effective or not tested.</p>

Section	Instructions
Associations	<p>Risk</p> <p>Click  beside Risk, to add risk to the control. The following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New risk dialog to create a new risk • Import from RiskSpace - adds risks from the CaseWare® RiskSpace. • Import from File - imports risks from a template or other source file, using the import controls dialog. • Edit Association - uses an existing risk. A dialog appears that lists the controls that have already been added to this client file. From the dialog, select one or more controls to be associated with this risk. <p>Reportable Item</p> <p>Click  beside Reportable Item, to add reportable items to the risk. The following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New reportable item dialog to create a new control • Import from RiskSpace - adds reportable items from the CaseWare® RiskSpace. • Import from File - imports reportable items from a template or other source file, using the import controls dialog. • Edit Association - uses reportable items. A dialog appears that lists the reportable items that have already been added to this client file. From the dialog, select one or more reportable items to be associated with this risk. <p>This option is available only if you have enabled reportable items in the AO - General Options document.</p>

If you are working on a business process or area for which you need to define a number of similar controls, you can simplify this process by creating a control and then copying it. You can copy a control from within the Control Matrix.


To copy a control:



1. In the Control Matrix, locate the control that you want to copy.
2. Right-click and choose **Copy Control** from the shortcut menu.
3. In the "Controls Dialog" on page 66, edit the attributes for your new control.
4. Click **OK** to create the control, or click **Cancel** to cancel copying.

6.3.2 Importing Controls


You can import controls from CaseWare® RiskSpace or from another client file.

Importing Controls from CaseWare RiskSpace

1. Open any work program, checklist, or document that contains the New Control  drop-down.
2. From the New Control drop-down, select **CaseWare® RiskSpace**. The CaseWare® RiskSpace Controls dialog appears, in which you can select controls to import.
3. Select the check box next to a folder to import all of the controls that it contains.

4. To import individual controls from a folder, expand the folder and select the check box next to the control to be imported.
5. When you have finished selecting controls to import, click **OK**.
6. The New control dialog appears, enabling you to edit the controls that you have imported. To edit a specific control, select it from the drop-down list at the bottom of the dialog. You can also click  or  to move to the previous or next control to be edited.
7. Click **OK** to import the controls into your client file.

Importing Controls from another file

1. Open any work program, checklist, or document that contains the New Control  drop-down.
2. From the New Control drop-down, select **Import Controls**.
3. In the Import Source area, click **Browse**.
4. Use the file locator window to select the file that you want to import controls from. Click **Open**. The Import Controls dialog now lists all of the controls in the file that you have opened, organized by business cycle. Controls that already exist in your new client file are displayed in gray and in italics.
5. Select the check box next to a business cycle folder to import all controls for that business cycle, or select the check box for a control to import it. You can import as many controls as you like. If a control already exists, it cannot be re-imported.
6. Click **OK**.
7. The New Control dialog appears, enabling you to edit the controls that you have imported (or any control that you have identified). To edit a specific control, select it from the drop-down list at the bottom of the dialog.

Note:

- If a control that is displayed in the Import Controls dialog is not associated with a business cycle, it is contained in a folder named **Other**.
- If the imported control links to one or more material financial statement areas or Entity level risk categories in the source location, the links are preserved, provided the financial statement areas or Entity level risk categories exist in the client file or template into which the control is being imported.

6.3.3 About the Control Matrix

As you accumulate controls for your client, you can view, edit or copy controls in the **Control Matrix**. The **Control Matrix** provides a quick and useful view, by business cycle or Financial Statement area, of the controls and the associated risks that are prevented or detected.

The columns in the Control Matrix mirror the fields in the Control dialog. For more information, see "Controls Dialog" on page 66. A date identified column that displays when the control was created has been added to the control matrix.

Controls are highlighted to show how pervasive the control is in addressing the number of risks displayed in the particular matrix. The colors used, in order from fewest risks to most risks, are: white (associated with the fewest risks), grey, violet, magenta, scarlet, bright red (associated with the most risks). For example, a control that has been selected to address most of the displayed risks would likely display as bright red.

550. Control design/implementation - Purchases, payables, payments (Core)

Year End: December 31, 2012 Completed by Reviewed by

Preliminary Materiality: Overall \$10,000 Performance: \$7,500
 Final Materiality: Overall \$10,000 Performance: \$7,500

Document Options Help

Search On-line Help

Categories: Purchases, Payables, Payments ("PPP")

Control procedures	Evaluation Results	Supporting Working Papers	Key Control	Test Control	Supporting Working Papers	Control is Effective	Reportable Item	Risk Factors	Payments are made for goods and services not received	Payments made are unauthorized	Paying bribes	Unauthorized access to assets	Duplicate payments made for goods and services received	Continued growth
1 Payments approved		S		Yes		Yes			P&D	P&D	P	P&D	P&D	P

The template includes **Control Matrix** documents **545**, **550**, **555**, and **560** for the respective default business cycles: **Revenues, receivables, receipts; Purchases, payables, payments; Payroll; and Financial reporting**. You can edit these documents or create additional Control Matrix documents to view controls in a variety of combinations.

The bottom row of the **Control Matrix** lists, for each risk factor, whether the control procedures mitigate the risk. Possible values are **Yes**, **Some**, and **No**. If the Control Matrix is displayed in vertical presentation, these are abbreviated to **Y**, **S**, and **N**.

Do the control procedures mitigate the risk factors?

Different **Views** can be created and saved by selecting various **Filters**, applying a **Layout**, adding and removing columns, and changing column widths. For more information on customizing views, see **Creating a Customized View**.

CTRLN. Control matrix

Year End: December 31, 2012 Completed by Reviewed by

Preliminary Materiality: Overall \$10,000 Performance: \$7,500
 Final Materiality: Overall \$10,000 Performance: \$7,500

Document Options Help

Search On-line Help

View: Default View

Filters for controls:

Categories: All

Date Identified: All

Filters for risks:

Risk Determination: All

Assertions: All

Materiality: All

You can conclude on the assessment of the control risk for each assertion in the table provided at the bottom of the document.

Note: If control risk assessment is automated then the assessment made in the conclusion area will flow to the FSA once the "Proposed" auto fill is selected.

Based on the evaluation of these controls, the level of control risk by assertion is:

Assertions	Do Controls Exist for the Risk?	Assessment	Comments
Completeness	<input type="checkbox"/>	<input type="checkbox"/>	
Existence	<input type="checkbox"/>	<input type="checkbox"/>	
Accuracy	<input type="checkbox"/>	<input type="checkbox"/>	
Valuation	<input type="checkbox"/>	<input type="checkbox"/>	

Note: This document is automatically set to Sync-On-Demand in SmartSync environments.

Procedure

1. From the **Document Manager**, open the folder **New Master Documents**.
2. Right-click the **CTRLM. Control Matrix** document and select **Copy**.



3. Place the cursor on the location where the new document will be placed. Right-click and select **Paste**.

Tip: The new document will appear below the selected document/folder.

4. Right-click the new document and select **Properties**.
5. Modify the document number and name and click **OK**.
6. Open the new document and type any necessary document guidance, introduction or conclusion.
7. Modify the filters and views to suit your needs.
8. **Save** and **Close** the document.

The risk factors can be changed between vertical and horizontal presentation. Vertical presentation will put the risk factors text vertically, allowing more space when there are many risk factors in your control matrix.

To modify the presentation:

1. In the control matrix document, from the **Options** menu, select **Horizontal Presentation** or **Vertical Presentation**.
2. Once selected, the presentation will change from horizontal to vertical, or vice versa.

7. RISK RESPONSE AND WORK PROGRAMS

7.1 Introduction

In the Risk Response section, we will investigate the slight differences between work programs and checklists, and how to work in these documents. Finally, we'll look at customizing the work programs to meet your client's needs. When you have completed this section, you will be able to:

- Identify the components of the work programs and checklists.
- Customize the content within the work programs and checklists.
- Complete the procedures.
- Create new work programs and checklists.
- Incorporate audit evidence into the client file.

7.2 Work Programs

After completing the Planning and Risk Assessment for your client engagement, you must now obtain sufficient and appropriate audit evidence to address the assessed risks of material misstatement through the design and implementation of responses to those risks. To help respond to assessed risks, the template includes work programs that contain all the procedures necessary to complete the testing of a specific financial statement area. You can customize the work program procedures to suit the needs of your client.

Depending on your firm's preference, procedures can be customized, deleted, or added from the knowledge library at the client engagement level. Procedures defined as required by your firm cannot be deleted in a client file.

In certain engagements, customized work programs may be necessary.

New Work Program

1. On the **Document Manager**, click on the location (document or folder) where you would like to add the Work Program.
2. Click the **Work Program** button on the **Template** toolbar to create a new Work Program.



3. Complete the "Work Program Document Properties " on page 93 for the new work program and click **OK**.
4. Customize the new work program and then save it. It will be assigned a document identifier and a position on the document manager automatically.

Work Program based on Master Document Library

1. From the Working Papers menu, select **Document | From Document Library**.
2. In the **Source** box, select the desired source, specifically the master the master template.
3. Highlight the desired work programs and either click **Add** or drag and drop them onto the **Document Manager**.

Notes:

- If you cut and paste content from another document, the formatting will be corrected when you Save the document.
- Copying a document from the Master Template Document Library does not override the engagement file's loaded Profile.

7.2.1 Work Program Document Properties

Each work program has the following properties that users can define:

General Tab

Property	Description
Name	The document name, which appears at the top of the document. It can also be changed in the Headings Extended Description for CaseView in the Document Properties dialog in the Working Papers Document Manager. To insert a line break to create multiple lines, use Shift-Enter.

Procedure Response

When Work Program Responses is selected as the Response Type, select from a list of work program responses that are to be made available to the user that is completing this checklist.

Other

The **Use Input Response** check box set the work program to respond to user responses and the **Show Note Row** check box displays note rows in the Work Program.

Additional Details Tab

Additional details for work programs are set by the firm author.

7.3 Checklists

In addition to automated work programs, Audit includes automated checklists. These checklists contain procedures to address the engagement as a whole and for the planning, risk assessment, risk response and completion phases of the engagement. Checklists can be used for Yes/No and input type questions. They also have the ability to use the completion responses from work programs. Besides the differences in response types, the conclusion section is an optional component and there are no assertions to associate with specific procedures.

301. Worksheet - Engagement quality control review checklist

Preliminary Materiality: Overall \$10,000 Performance: \$7,500
Final Materiality: Overall \$10,000 Performance: \$7,500

Year End: December 31, 2012 Completed by Reviewed by

Document Procedures Areas Options Help


Search On-line Help

Procedure	Result	By	Ref
GENERAL			
1. Client acceptance/retention I confirm that the working papers include sufficient appropriate evidence that either initial client acceptance (first time engagement) or client continuance (recurring engagements) requirements have been complied with and documented.			
2. Engagement letter I confirm that I have reviewed the engagement letter and that the scope of the work specified therein is appropriate.			
3. Independence I confirm that the necessary independence has been maintained throughout the duration of the audit by all relevant personnel, including auditor's experts, and has been evidenced at Forms 405/405G, 406, 410/410G.			
4. Audit planning I confirm that I have reviewed the audit planning section and consider it identifies the relevant risks and is appropriate to the entity.			
5. Auditing standards I confirm that all requirements of applicable auditing standards have been complied with and such compliance is evidenced within the file.			
6. Materiality I confirm that overall, performance and specific materiality documented on Form 420, has been considered in planning and performing the audit. These materialities have been revised during the course of the audit where additional information caused a different amount to be determined.			

In certain engagements, customized checklists may be necessary.

Blank checklists can be added to an engagement by copying the master checklist. Users may enter the procedure text by copying/pasting from another document or manually entering the content.

To create a new checklist in an engagement file:

1. Return to the Document Manager.
2. Click the  **Checklist** on the toolbar.
3. Complete the "Checklist Document Properties " on page 94 for the new checklist and click **OK**.
4. Customize the new checklist and then save it. It will be assigned a document identifier and a position on the document manager automatically.

Note:

- If you cut and paste content from another document the formatting will be corrected when you Save the document.
- You can also right-click on **NWPG New Checklist** in the New Master Documents folder and copy/paste the file to create a new checklist.

7.3.1 Checklist Document Properties

Each checklist has the following properties that the author can define:

General Tab

Property	Description
Name	The document name, which appears at the top of the document. It can also be changed in the Headings Extended Description for CaseView in the Document Properties dialog in the Working Papers Document Manager. To insert a line break to create multiple lines, use Shift-Enter.
Structure Version	This field is used for version tracking for updates.

Show Column

Property	Description
----------	-------------

Property	Description
Procedure Sign-off	Select this check box to require the user to enter initials and date beside the procedure when completed.
Reference	Select this check box to include the reference column. The reference column allows cross-references to be added by the user and the related drill-down to the document referenced.

Show Row

Property	Description
Notes	Select this check box to include the notes row. The notes row provides an input area where users can type text.

Heading

Property	Description
Procedure	The text of the column heading for the procedures.
Result	The text of the column heading for the results.
Conclusion	The text of the column heading for the conclusion.

Other

Property	Description
Response Type	<p>The response type for the Result column. Select the required format from the drop-down list:</p> <ul style="list-style-type: none"> • Work Program Responses - display the Procedure Response panel, which lists the responses defined in the Completion Responses area of the AO - General Options document. Select check boxes to specify the responses that are to be made available to the user that is completing this checklist. • Yes/No/NA/Other (No requires explanation) - when a No response is selected, an explanation is always required. • Yes/No/NA/Other (Yes requires explanation) - when a Yes response is selected, an explanation is always required. • Input Type Response - create an input area for the response. • Yes/No/NA/Other (No explanation required for Yes/No) - no explanation is required if a Yes or No response is selected. • Yes/No/NA/Other - an explanation is required only if the Other response is selected. • Yes/No

Property	Description
Conclusion Area	<p>The author specifies the conclusion options. Select the required option from the drop down list:</p> <ul style="list-style-type: none"> • Do not use - no conclusion area is included. • Conclusion & Sign-off - a text area for a conclusion and a sign-off area are included. • Sign-off Only - only the sign-off area is included. • Conclusion Only - only the text area for a conclusion is included.

Procedure Response

When Work Program Responses is selected as the Response Type, select from a list of work program responses that are to be made available to the user that is completing this checklist.

Additional Details Tab

Additional details for checklists are set by the firm author.

7.4 Work Program and Checklist Areas

The template includes automated **Work Program** and **Checklist** document types. Work Programs contain procedures for each specific financial statement area as provided by the content author. Checklist documents are similar to Work Programs, but contain fewer components and are used where the procedures and responses require less detail, such as for Yes/No and input type procedures. Within the template, Checklists are predominantly found in the Planning, Risk Assessment, Response to Assessed Risks, and Completion Documents folders.

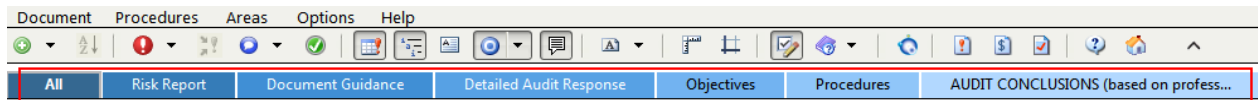
When opening a work program or checklist for the first time, the content is based on the selections made by the content author and your firm. Optional procedures can be added from the content library or you can modify and draft procedures to address specific issues within each engagement.

Professional judgment must be used in applying the procedures set out in the work programs and checklists when determining the extent to which they would be applied in each particular circumstance.

Except as noted, work programs and checklists include the following sections and components:

1. Risk report
2. Document guidance
3. Detailed Audit Response (only available in Work Programs)
4. Objectives (only available in Work Programs)
5. Financial Statement Assertions (only available in Work Programs)
6. Procedures
7. Conclusions

Tabs located at the top of each work program and checklist enable you to access a specific area of the document. When you select a tab, only that area is displayed. To return to displaying all areas of the work program, click the **All** tab. If an area is hidden or disabled, its tab is not displayed. Clicking the **Audit Procedures** or **Procedures** tab displays an additional row of procedure tabs, enabling you to select a specific group of procedures.



7.4.1 Mini Risk Report

A mini risk report can be included at the top of a work program or checklist document that displays risks associated with that document. You can choose to display one of two mini risk report views. The Risks Addressed report displays risks if the document has been marked in the **Addressed** risk field or the risk has been assessed as **Entity level**. The Risks Identified report displays risks if the document has been marked as the **Source** in the **Risk** dialog.

All	Risk Report	Document Guidance	Detailed Audit Response	Objectives	Procedures	AUDIT CONCLUSIONS (based on profess...
Risks Identified		What Can Go Wrong			Addressed/ Reference	
User - returns not recorded		Revenues are materially overstated			1500.101	
Firm - sales in wrong period		Revenues and income are materially over/understated			1500.101	

To **show** or **hide** the mini risk report, select **Risk Report** from the **Areas** menu or click the Risk Report button . To switch between the mini risk report views, select the report from the **Options | Risk Report View** menu.

When a mini risk report is included at the top of a work program or checklist, an additional area on the right of the procedures is also included that displays risks for any procedures that have been linked to a specific risk. For more information on how to link risks to procedures, refer to **Linking Procedures to Risk**.

You can also **Edit** or **Copy** Risks from the mini Risk Report by right-clicking on the risk.

To insert the mini- risk report:

1. From the **Document Manager**, open the work program or checklist you wish to edit.
2. From the **Areas** menu, select **Risk Report**, or click .

To remove the mini-risk report:

1. From the **Areas** menu, select **Risk Report**, or click .

To print the mini-risk report:

1. From the **Options** menu at the top of the checklist, select **Print Risk**.

In a work program, checklist, or the Financial Statement Areas Worksheet, you can specify whether the mini risk report displayed at the top of the document is a Risks Addressed or a Risks Identified mini risk report. The Risks Addressed mini risk report lists entity level risks and risks addressed in the work program or checklist in which the report is contained. The Risks Identified mini risk report lists risks where the work program, checklist, or Financial Statement Areas Worksheet is the risk source. In the Financial Statement Areas worksheet, the Risks Identified mini risk report also lists entity level risks.

To specify the mini risk report type:

1. From the **Options** menu, select **Risk Report View**.
2. From the submenu that appears, select **Risks Identified** to display the Risks Identified mini risk report, or select **Risks Addressed** to display the Risks Addressed mini risk report.
3. If a dialog appears that asks whether you want to change the currently used view from auto to manual, click **Yes**. Setting the view to manual enables you to specify the mini risk report type.

4. In the dialog that asks whether you want the currently selected view to be the new default view for this document, click **Yes**.

7.4.2 Guidance

The author or your firm may have added guidance to documents and procedures to assist you with completing documentation. Document guidance is provided at the top of the work program and provides overall guidance for the work program. Procedure guidance is provided below each procedure or sub procedure specific to the individual item.

To show/hide document guidance:

1. From the **Options** menu, highlight **Display Document Guidance**.
2. A checkmark will appear beside the menu item when document guidance is on.

7.4.3 Detailed Audit Response (only available in Work Programs)



Each of the work programs contains a planning area for use in designing a work program that responds to assessed risks at both the financial statement and assertion level. This area is used to document the nature and extent of planned audit procedures.

Alternative formats for the detailed audit response area may have been made available by your firm.

To make it easier to work in the document once the detailed audit response is inserted into a work program, the area can be collapsed or hidden.


If the firm has elected to include the audit response columns in the FSA – Financial statement areas worksheet (set in **AO – General options**), parts of the detailed audit response will be filled out automatically instead of manually in the work program. The work should be done in the **FSA – Financial statement areas worksheet** which should have been completed during the planning stage of your audit engagement, which then will populate the detailed audit response.

Indicator buttons may be shown in front of the detailed audit response based on the procedure group/sub group associated with the procedures included in the work program:

-  will be shown if procedures exist in the work program that may not be necessary, and you may be doing too much work.
-  will be shown if there are any necessary procedures missing in the work program that are critical information for your engagement.



The Detailed Audit Response area allows you to plan and design a work program that responds to assessed risks at both the financial statement and assertion level.

To insert the detailed audit response area:

1. From the **Areas** menu at the top of the work program, select **Detailed Audit Response**. You can also click .
2. Select the required format and click **OK**.
3. A checkmark beside the relevant area in the **Areas** menu indicates that the area will display.

Results

The detailed audit response area will display at the top of the work program. To delete the response area, simply navigate to the Areas menu and re-select the **Detailed Audit Response**.

Note: Indicators  or  are displayed in the Audit Response Tables to inform users whether each FSA response is not addressed or does not need to be addressed in the corresponding work program. Selecting an icon will prompt you to delete or insert procedures as required.

To complete the Detailed Audit Response area:

1. Answer the questions in the **Detailed audit response considerations** section, and determine the impact (if any) on the audit plan.

Detailed audit response considerations	Yes/No	Comments
1. Is this account balance material or potentially material?	<input type="checkbox"/>	
2. Are there assertions that cannot be addressed by substantive tests alone? If yes, tests of controls may be required.	<input type="checkbox"/>	
3. Are internal controls over related transaction streams/processes expected to be reliable? If yes, consider tests of controls.	<input type="checkbox"/>	
4. Are substantive analytical procedures available (such as on related transaction streams)? If yes this could reduce need for other substantive procedures.	<input type="checkbox"/>	
5. Does fraud risk (such as management override) need to be addressed? If yes, explain how. (Refer to Form 605.)	<input type="checkbox"/>	
6. Are there "significant risks" to be addressed?	<input type="checkbox"/>	

2. Determine the **Assessed risks at assertion level** and whether the assessed risks have changed from the previous period. This section is automatically populated from the Financial Statement Areas worksheet, **RMM** column.
3. Using professional judgment, determine the appropriate nature and extent (mix) of audit procedures to address each assertion. If your firm has elected to include the audit response columns in the Financial Statement Areas worksheet, this section is automatically populated from the worksheet instead of manually in the work program document. The types of suggested audit procedures include:
 1. **Substantive procedures - basic** are typical procedures performed on most audits. These procedures should always be tailored to address the assessed risks with any unnecessary procedures removed. Where the risk of material misstatement is very low, no further procedures may be required.

2. **Substantive procedures - extended** are procedures performed in situations where the assessed risks for an assertion are higher than what would be covered by basic procedures, where specific or significant risks exist. These procedures also include tests of detail using sampling techniques.
3. **Substantive analytical procedures** can be used where an amount can be predicted and then compared to actual amounts.
4. **Tests of controls** are used to evaluate the operating effectiveness of controls at the assertion level. Depending on the extent of testing, tests of control may reduce risk from a high level to moderate or even low levels.

Points to consider:

- Audit procedures that address multiple assertions may eliminate or reduce some other tests.
 - Perform tests of controls over comparable test of details. Sample sizes are generally smaller.
 - Work performed (such as tests of controls) on other parts of the transaction stream.
4. Using professional judgment, determine whether the outlined procedures are sufficient to address assessed risk.

To add/delete the detailed audit response area after insertion:

1. From the **Areas** menu, select **Detailed Audit Response**. A checkmark indicates that the area will display.
2. To delete the detailed audit response area, select **Areas** and clear **Detailed AuditResponse**. Click **Yes** to confirm that you want to delete the Detailed Audit Response area.

7.4.4 Objectives (only available in Work Programs)

Found only in work program documents, the **Objectives** area defines the objectives of each work program. The template defaults with the Objectives area displayed. However, your firm has the option to turn it off.

You can associate objectives with audit procedures and sub procedures. Associated objectives will display next to the procedure.

Objectives 1. To respond appropriately to assessed risks at the financial statement level (overall responses) and at the assertion level through procedures.			
Procedure	Obj	Assert	Result
Procedures A. SUBSTANTIVE PROCEDURES - BASIC 1. Analytical procedures Develop and document expectations for revenue balances based on risk factors identified and other information obtained from understanding the entity. Investigate significant changes or trends in the following: <ul style="list-style-type: none"> • Industry trends, profitability, the impact of new technologies or competitors, etc. that may have an impact on revenue • Total sales with prior periods • Monthly sales or sales by product line and/or geographic location with prior periods or budgeted amounts 			
		CEA	

To **show** or **hide** the Objectives area, select **Insert List of Audit Objectives** from the **Areas** menu. Hiding the Objectives area will not affect the associated objectives displaying in the Audit Procedures area.

To **delete** the Objectives area and the list of objectives, right-click in the Objectives area and select **Delete Objectives**. Deleting the Objectives area will clear the objectives displaying in the Audit Procedures area.

To **insert**, **edit**, **delete**, or **sort** an objective from the Objectives area, right-click and select the appropriate item.

7.4.5 Financial Statement Assertions (only available in Work Programs)

Assertions are representations by management, explicit or otherwise, that are embodied in the financial statements. An auditor must obtain sufficient and appropriate evidence to support the financial statement assertions.

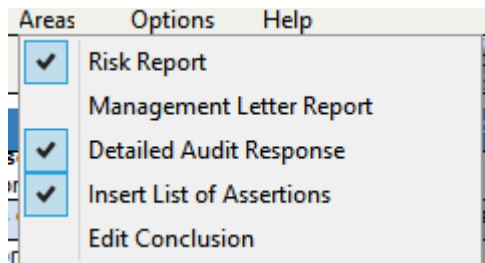
Audit defaults with four assertions: **Completeness**, **Existence**, **Accuracy**, and **Valuation**. Your firm may change or include other assertions. Additional assertions cannot be added by the engagement team.

Found only in work program documents, the **Financial Statement Assertions** area displays all available assertions and their abbreviations. This area is optional, and can be turned off for each work program. The assertions area may be turned off globally by your firm.

To insert the assertions area:

1. From the Document Manager, open the work program you wish to edit.
2. If the Assertions area is not currently displayed, it can be reinserted, assuming that the content author or your firm is using this area in your firm.

- From the **Areas** menu at the top of the work program, select **Insert List of Assertions**.



- A checkmark beside the relevant area in the **Areas** menu indicates that the area will display. To remove the list of assertions, clear the check mark in the Areas menu.

To show or hide the assertions area, select **Insert List of Assertions** from the **Areas** menu or click the toolbar button.

To add or change an assertion:

- From the Document Manager, open the work program you wish to edit.
- Place your cursor on the procedure or sub procedure to be modified.
- Right-click and select **Assertions**. You can also use the **Procedures** menu at the top of the work program.
- Select or clear the applicable assertions.
- Click **OK**.

7.4.6 Procedures




The Procedures area contains the steps to be completed by the engagement team. You can modify, delete, and insert procedures.

Except as noted, the Procedures area in work program and checklist documents includes the following columns:

Column	Description
Procedure	Steps to be completed by the engagement team. Depending on your firm's preferences, you can modify , insert , or delete procedures from a right-click menu or from the Procedures menu. Procedures marked as Required , by either your firm or the content author, cannot be deleted.
Obj (Work Program only)	Associate objectives from the Objectives area to procedures. To change objectives on a procedure, select Objectives from the Procedures menu or by right-clicking the procedure. Depending on your firm's preferences, this column may not be available.
Assert (Work Program only)	Displays the assertions assigned to the individual procedures or sub procedures. You can only add or change assertions to procedures you have inserted. To change the assertion, select Assertions from the Procedures menu or by right-clicking the procedure. Depending on your firm's preferences, this column may not be available.
Result	Select a response to the audit procedure from the drop-down menu. Depending on your firm's preferences, the drop-down menu list may differ or may instead be an input cell. Note: Once a procedure is signed off, the signoff must be removed before your result can be changed.


Column	Description
By	Once a Result has been entered for a procedure, this displays the procedure sign off with your user ID and date. Depending on your firm's preferences and the Result selected, sign off may be automatically entered or you may be required to manually check it off.
Ref	Create document reference links to documents where your work was performed. To enter a reference, select Insert New Reference from the Procedures menu or by right-clicking the procedure.
Procedure Allocation	Displays the user to which the procedure has been assigned. This column is displayed only if procedure allocation has been enabled in the client file.

Where your firm has elected to require an issue to a response type, other indicators that can appear at the end of a procedure row include:

Indicator	Description
	Indicates that you must create an Issue based on a Result response of Completed with exceptions noted below . Clicking on the icon will launch the issue dialog.
	Indicates that an Issue has been assigned to the procedure.
	Indicates that an Issue has been assigned to the procedure and the Issue appears in the Partner and Manager Summary document .
! New risk	Indicates that a Risk has been linked to the procedure. The text will match the Risk name..



The Working Papers **Issues** feature allows you to create electronic review notes that can be assigned to any specific document in the client file or to the client file as a whole.

To add additional procedures from the content library:


1. Place your cursor on any procedure or sub procedure.
2. Right click and select **Insert New Procedure from Content Library**. You can also use the Procedures menu at the top of the work program / checklist or the drop-down in the toolbar toolbar to the right of .
3. From the drop-down at the top of the Content Library dialog, select either the summary view or the detail view. The summary view displays the procedure name, industry code if applicable, and owner name. The detail view displays what the summary view displays, plus the version number, date created, and date modified.
4. Select the appropriate check boxes beside the desired procedures. Multiple procedures can be selected at one time. To review the content in the bottom pane prior to insertion, select the **Preview Content** check box.
5. Optional procedures can be identified by the ** next to the procedure names.
6. Once the procedures are selected, click **OK**. Optional procedures are inserted at the bottom of the document.
7. Modify or sort the procedures as required.

Procedure

1. Place your cursor on any procedure or sub procedure.

2. Right-click and select **Insert New Procedure**. You can also use the Procedures menu at the top of the work program / checklist or click . Additional alternatives are available from the drop-down next to the  button.
3. Select the number of procedures to insert and click **OK**.
4. Type the required text or copy and paste text from another document. You can use the CaseView Style Bar to bold, italicize or underline any text added. Tip: if copied from another document, the font may not look the same upon copying. Save the document, and the procedure will be applied with the font to match the rest of the procedures.
5. Sort the procedures as required.

To add new sub procedures:

1. Place your cursor on any procedure or sub procedure.
2. Right click and select **Insert New Sub Procedure - 1st Level** or **Insert New Sub Procedure - 2nd level**. You can also use the Procedures menu at the top of the work program / checklist or the drop-down next to the  button. You can specify the number of procedures to add, but sub procedures are limited to a maximum of 30.
3. If you require the sub procedures at the second level, you must start with your cursor on a sub procedure.
4. Type in the required text or copy and paste text from another document. You can use the CaseView Style Bar to bold, italicize or underline any text added. Tip: if text is copied from another document, the font may not look the same upon copying. Save the document when complete, and the sub procedure will be applied with the font to match the rest of the procedures.
5. Sort the sub procedures as required.

To import procedures from a work program or a checklist:

1. In the menu bar, click **Procedures** and select **Import Procedures**. The Import Procedures dialog will open with the current client file as the Import Source.
2. If the work program or checklist that you wish to copy is in another client file, click **Browse** to change the import source. Select the client file (.ac) from which you want to copy.
3. The Import Source Document Manager below will show the document manager of the source you have selected. Refresh the list, if necessary, by clicking **Refresh**.
4. Select the document source from which to import the procedures and click **OK**.
5. The Import Procedures dialog will open with the list of procedures that can be imported. Select the check box beside each procedure that you wish to import.
6. Click **OK**.

Prerequisites

If an author has set the procedure to be required for all engagements or if a Risk has been linked to the procedure, you will not be able to delete the procedure. You also will not be able to delete the procedure if all of the following are true:

- Procedure allocation has been implemented for the client file
- The procedure has not been assigned to you.
- You do not have Assigner permissions.

To delete procedures and sub procedures:

1. Place your cursor on the procedure or sub procedure to be deleted.
2. Right-click and select **Delete Procedure** or **Delete Sub Procedure**. You can also use the **Procedures** menu at the top of the document.

Deleted procedures are not permanently removed from work program and checklist documents until the Working Papers' **Clean Up** feature is performed in the client file.

To review deleted procedures:

1. From the **Procedures** menu, select **Review Deleted Procedures**. Once selected, a checkmark will appear beside the menu to indicate that the deleted procedures are visible.
2. Review the document from top to bottom. Any deleted procedures and sub procedures will show in the original location, in the CaseView skip text color, and note numbering will be shown as {N#}.


Note: To display the CaseView skip text color, select **Preferences** from the CaseView **View** menu.

3. If you want to restore any deleted procedures or sub procedures, right-click the deleted procedure and select **Restore Procedure** or **Restore Sub Procedure**. Or, alternatively, place the cursor on the deleted procedure and, from the **Procedure** menu, select **Restore Procedure** or **Restore Sub Procedure**.
4. When you are done with the review, from the **Procedure** menu, select **Review Deleted Procedures** again to hide the deleted procedures.

Note: When you perform a "Cleanup" on page 160, all deleted procedures are permanently removed, and can no longer be reviewed.

Procedure Guidance

Similar to **Document Guidance**, the content or firm author can provide procedure level guidance in the **Audit Procedures** area. The guidance displays below each procedure or sub procedure and will never print.

To show or hide all procedure guidance, click on the **Procedure Guidance** icon  in the toolbar.

7.5 Procedure Allocation and User Permissions

Procedure allocation enables the ability to assign procedures in a work program or checklist document to specific users, and allows only those users to complete their assigned procedures. This capability is useful if a checklist or work program is to be completed by multiple members of the team. In addition, if responses to procedures could potentially contain sensitive information, the procedures can be marked as **Sensitive** and their responses hidden from other members of the team. Procedure allocation must first be enabled by your firm author in the master template.

Your firm author may have implemented support for procedure allocation in the client file you are working in. If procedure allocation has been implemented, and Working Papers Protection has been enabled, three types of engagement team members are defined: Assigners, Reviewers and Assignees.

Assigners have the ability to:

- assign or reallocate work program and checklist procedures to members of the engagement team
- complete procedures assigned to any team member
- mark procedures as Sensitive
- view all responses to procedures marked as Sensitive
- specify procedure allocation options in the AO - General Options document

Reviewers have the ability to:

- complete procedures assigned to any team member
- mark procedures as Sensitive
- view all responses to procedures marked as Sensitive

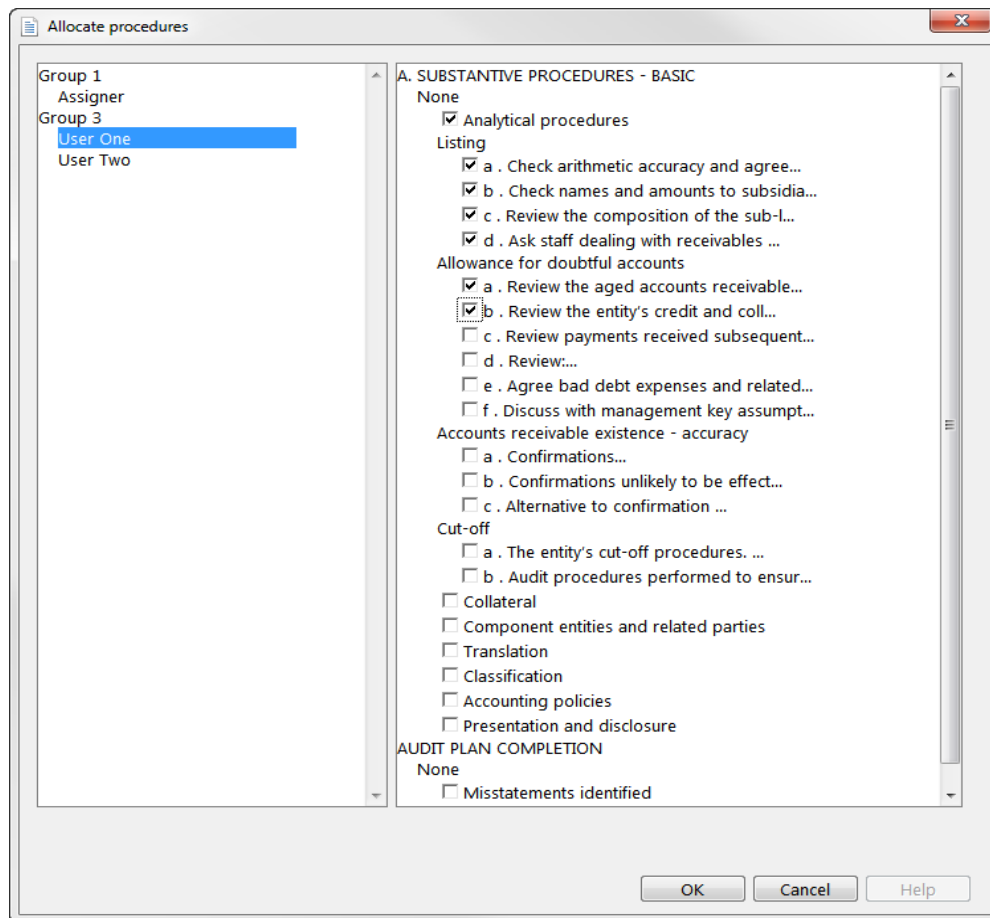
Assignees have the ability to:

- complete procedures assigned to them
- view only those responses to procedures marked as Sensitive that are assigned to them

Assigner and Reviewer rights are provided by the firm author to security groups. Team members that are neither Assigners nor Reviewers are given Assignee permissions by default.

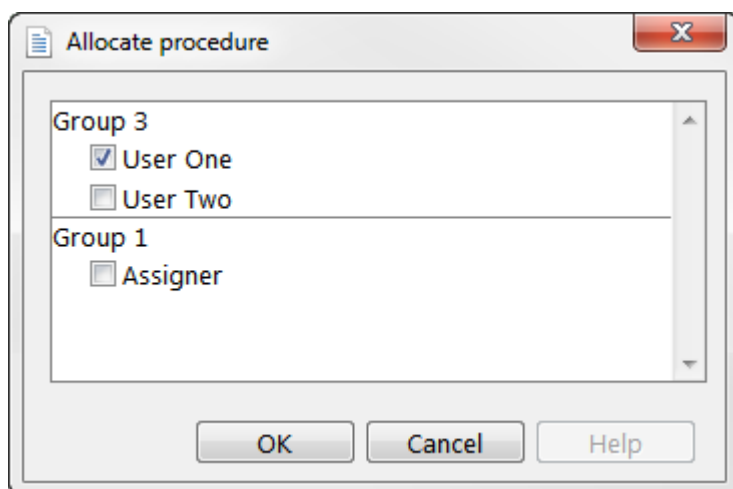
To assign procedures or sub procedures:

1. Open the work program or checklist document.
2. From the **Procedures** menu, select **Allocate Procedures**.
3. From the left pane, select a user.
4. From the right pane, select the check boxes next to the procedures or sub procedures that you want to assign to this user.
5. Repeat steps 2 and 3 to assign procedures or sub procedures to additional users.
6. Click **OK**.



Alternatively, you can assign a user to a single procedure or sub procedure:

1. Position your cursor on the procedure or sub procedure to assign.
2. Right-click and select **Procedure allocation**.
3. From the list of users that appears, select the user to assign to the procedure or sub procedure.
4. Click **OK**.

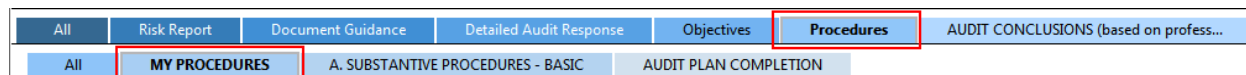


When completing procedures, you can configure the work program or checklist to display only the procedures that have been assigned to you.

To display the assigned procedures:

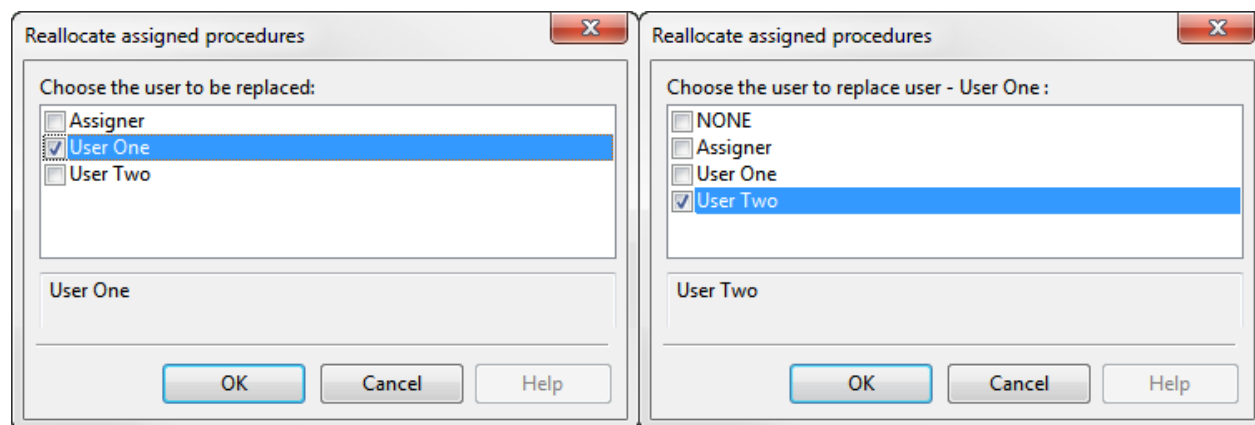
1. Open the work program or checklist document.
2. In the row of tabs located just below the toolbars, click the **Procedures** tab.
3. In the row of tabs that appears, click **My Procedures**.

Note: The **My Procedures** tab is available only if procedure allocation has been implemented.



To reallocate assigned procedures to another member of the team:

1. Open the work program or checklist document.
2. From the Procedures menu, select **Reallocate Assigned Procedures**.
3. From the dialog, select the user to be replaced. Click **OK**.
4. Select the user to which the procedures and sub procedures are to be reassigned. Click **OK**.



To mark a procedure or sub procedure as sensitive:

1. Open the work program or checklist document.
2. Position your cursor on the procedure or sub procedure to be marked as sensitive.
3. Right-click and select **Sensitive**.

If the procedure or sub procedure is already marked as sensitive, a check box appears next to the **Sensitive** entry in the menu. Selecting **Sensitive** again will unmark the procedure.

Procedure Allocation Maintenance Report

If procedure allocation has been implemented for a client file, the Procedure Allocation Maintenance Report enables you to keep track of how procedures have been allocated in work programs and checklists.

This report consists of two sections:

- A section that lists the documents that have unallocated procedures. This section lists the number of procedures defined for each document, and the number of unallocated procedures.
Documents for which procedure allocation has not been specified are not included in this section.
- A section that lists all documents in which procedures have been assigned to users that are no longer part of the engagement team.

Note: If you were granted Assigner permissions when the client file was created, the **AO - General options** document enables you to manage how staff will be allocated after year-end close and enables you to specify who can complete unallocated procedures.

The following columns are defined in the first section of the Procedure Allocation Maintenance Report. This section lists documents with unallocated procedures.

Column	Description
Number	The document number.
Name	The document name.
Unallocated Procedures	The number of unallocated procedures.
Total Procedures	The total number of procedures.

The following columns are defined in the second section of the report. This section lists documents with procedures that are assigned to users that are no longer active.

Column	Description
Number	The document number.
Name	The document name.

7.5.0.1 Specifying procedure allocation options

Prerequisites

- Firm Author has enabled procedure allocation.
- You are granted assigner permission when the client file was created.

Procedure

1. Open the **AO - General options** document.
2. From the **Year-end close (staff allocation)** drop-down, select either **Retain** (retain staff allocation and permissions after year-end close) or **Clear** (remove all staff allocation and permissions).
3. From the **Procedure allocation** drop-down, select who can complete unallocated work program and checklist procedures. You can select either **Anyone** or **No one**.

Procedure Allocation



The following engagement options manage the year-end close process and unallocated procedures.

Year-end close (staff allocation):

Retain



Procedure allocation:

Anyone



7.6 Locking User Procedure Customizations

has functionality enabling the user to lock the work program content once it has been customized.

Work programs can be locked at the engagement level in two ways:



Locking Method	Description
Lock all procedure customizations	Locks all customizations of the work procedures. Users can complete the existing procedures but cannot add any new procedures, delete or edit existing procedures.
Lock existing procedure customizations	All existing procedures currently in the work program are locked from modifications. Users can add, modify and edit new user created procedures.

For example, this function can be used to ensure that the engagement team completing the work program does not modify the procedures and completes the work program with the authored content as is.

When user procedure customizations have been locked, the Optimiser does not delete procedures when the work program is opened, even if the procedure threshold is above the overall assessed risk.

If user procedure customizations are locked by the engagement team, the lock is automatically removed after year end close has been performed. User procedures customizations that have been created by the firm author are retained after year end close.

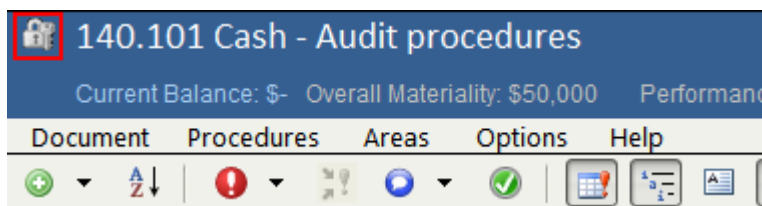
Note:

- Each work program must be locked independently.
- The locked state of the document is indicated by the unlocked  or locked  icon to the left of the document name. Hovering over the icon displays a tooltip indicating the lock state, while clicking on the icon launches the feature.
- For firms using the Working Papers Protection feature, the Lock User Procedure Customization feature requires the user to belong to a group with a CaseView Access Level of 6 or higher.
For more detailed information on protection, users, and groups in Working Papers, refer to the Working Papers help topic .

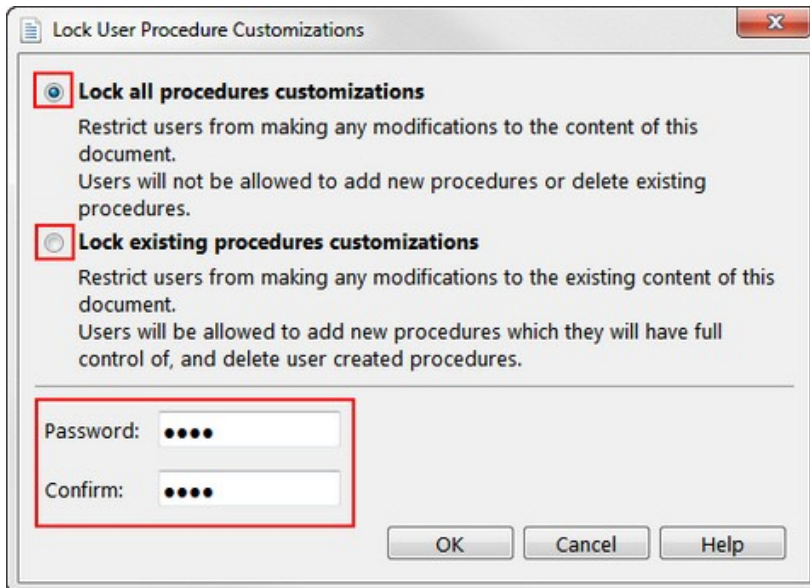
To lock customizations made to work program and checklist documents:

- From the Document Manager, open the work program / checklist you wish to edit.
- From the template **Document** menu, select **Lock User Procedure Customizations**.

Alternatively, click on the unlocked icon  to the left of the document name.



3. Click the radio button to select the type of locking required.
4. Type a **Password**, then retype the password to **Confirm** it.
5. Click **OK**.



7.7 Audit Documentation and Identified Misstatements

As part of the audit process, auditors are required to obtain appropriate audit evidence. During the gathering of audit evidence, it may become necessary to include copies of the client's records (for example, significant contracts and agreements). For electronic documents (including Outlook Email document types) you can simply copy and paste the items directly into the Document Manager. Where only paper copies are available, CaseWare Working Papers provides the ability to scan images and insert them as documents in the Document Manager. The images can be saved in BMP, JPEG, GIF, PDF, or TIFF formats.

An image can be shown in an external viewer, such as Microsoft Paint, or it can be shown through the Working Papers internal image viewer. By using the internal image viewer, you can include a header; also, roles and annotations can be added to the document and, if necessary, it can be converted to a PDF.

Note: The scanned document function does not appear unless a TWAIN compatible scanner is installed. Most scanners currently available support the TWAIN standard.

Once an image is added to Working Papers using the internal image viewer, you can annotate the image if needed.

7.7.1 Scanning an image

To scan an image:

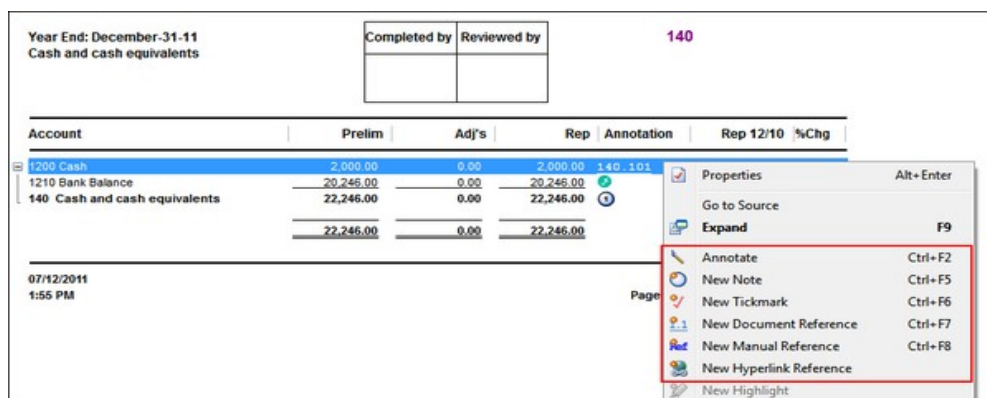
1. In the Document Manager, right-click where you want to place the new scanned document and select **New | Scan Document**. You can also click the **New scanned document** button on the toolbar. The New Document Link dialog box opens with preset options selected.
2. In **Number**, type a number to identify the document.
3. In **Name**, type a descriptive name for the document.

4. In **Type**, select **Scan Document**.
5. In **Location**, enter the file name and extension of the image to be saved and choose where to save the image. By default, the image is saved in the client file directory (set under **Tools | Options**) and the extension is set to PDF. You can change the extension and file path if needed. Examples of file extensions you can use for different image formats: .tif, .jpg, .bmp, .gif, .pdf.
6. In **Viewer**, select where to display the scanned image. To show the image within Working Papers, select **Internal image viewer** or **Internal image viewer - no header**. To show it in an external application associated with the image format, select an External viewer option.
7. Click **Scan**. Scanning commences. Each scanner is different, so follow the documentation provided with your scanner to complete the dialogs that appear.
8. Once the scanning is completed, the dialog boxes used by the scanner close and you are returned to the New Document Link dialog box in Working Papers. The document type is changed to Image Document.
9. Select any of the following document options that are applicable: **Include in Document Index**, **Retain on Cleanup**, **Roll Forward**, **Lock Down**.
10. Click **OK**. The image is inserted into the Document Manager as a document. To view the document, double-click it.

7.7.2 Annotations

To assist in preparing organized audit documentation with links to where significant matters are addressed, CaseWare Working Papers provides an **Annotation** feature. Annotations may be added in the form of **notes**, **tickmarks**, or **references**, and can be added to most Working Papers documents, adjusting journal entries, and the Working Trial Balance.

To add an annotation, right-click a line and either select the specific type of annotation or **Annotate** to launch the annotation dialog that allows you to add any of the annotation types.



Document annotations will only appear in the current document, whereas Global annotations will appear in any document that includes the annotated account.

Line Annotation

Document: Global

Reference: 140.101 Cash - Audit procedures

Tickmark: None

Note:

OK Cancel Help

Working Papers includes a default set of tickmarks. However, your firm can create and define their own set of tickmarks within the Audit master template. This will provide consistency across all engagement files.

7.7.3 Identified Misstatements

Part of the objective for the auditor is to evaluate the effect of identified misstatements on the audit and the effect of uncorrected misstatements on the financial statements. In addition to the audit documents in **Audit**, CaseWare Working Papers provides you with the ability to accumulate uncorrected misstatements identified during the audit and analyze their effects before requesting any corrections by management.

Documents Issues Trial Balance Adj. Entries Other Entries Cloud Industry Engagement Details

Current Entry: 3 New Delete Renummer |< < > >|

Created By: A Trainee (AT)

Period Type: Yearly Date: 31/12/2013 Reference:

Type: Normal adjusting Accounts: Financial Apply To: N/A

Misstatement: Unrecorded - factual

Description: Unrecorded - projected Unrecorded - judgmental

Recurrence: ☒ None ☐ Recurring ☐ Reversing Advanced...

Calculated

Number	Total Amount
	0.00

The Adjusting Journal Entries feature allows you to create uncorrected entries as:

Entry Type	Description
Unrecorded – factual	Unrecorded proposed entries can represent factual misstatement entries that will not be recorded because of materiality, or proposed entries that may be subsequently changed to a normal status.
Unrecorded – projected	<p>Unrecorded projected entries can represent projected misstatements that will not be recorded because of materiality, or projected entries that may be subsequently changed to a normal status.</p> <p>Projected misstatements are the auditor's best estimate of misstatements in populations; usually derived from sampling.</p>
Unrecorded – judgmental	<p>Unrecorded judgmental entries can represent judgmental misstatements that will not be recorded because of materiality, or judgmental entries that may be subsequently changed to a normal status.</p> <p>Judgmental misstatements are differences arising from the judgments of management concerning accounting estimates, or the selection or application of accounting policies that the auditor considers inappropriate or unreasonable.</p>

These entry types can be viewed in the automatic document types:

Entry Type	Description
Uncorrected misstatements	Lists unrecorded journal entries, grouped by the unrecorded type, with balances organized by Assets, Liabilities, and Income based on the Class account property.
Journals - Adjusting journal entries	Lists unrecorded journal entries as they were entered.

8. COMPLETING AND REPORTING

8.1 Introduction

Once the work is done for the client file, the template provides tools to complete your tasks, and create reports to review to ensure all the work has been completed and all issues have been resolved. The tools are as follows:

- Partner and Manager Report
- Document Sign-Off Report
- Issue Notes, Review Notes and Client Discussion Notes

8.2 Partner and Manager Summary Report

The Partner and Manager Summary Report is a tool the engagement can use to provide key information in the engagement audit file such as the materiality values, issues, and risks gathered throughout the engagement and summarizes it in a customizable report. This summary assists reviewers by consolidating key information and issues in the audit in one document for review. If more detail is required on an item, the reviewer can then review the relevant individual documents.

Information created in Issues can be transferred to this summary report. All issues created through document level from Working Papers or through an exception found in a work program or checklist at the procedure level can be shown in the report. Issues recorded through the work program or checklist will have the procedure response, user ID and date from the procedure, if the issue has been created after the procedure has been completed. This text can be modified in the report.

Additional comments can be added to the issue in the partner manager summary to provide additional information for the reviewer. This information is only added to the partner manager summary and is not added to the original issue.

Issues and risks are included in two areas – the Financial Statement Area section includes only those issues that are referenced to a financial statement area, through the FSA - Financial Statement Areas Worksheet. The Other Issues/Other Risks section includes issues and risks that have not been attached to a financial statement area.

A summary area of any risks that have not been referenced as addressed in a work program or checklist is also available to be included in this report.


The following sections are available when configuring the Partner and Manager Summary Report:

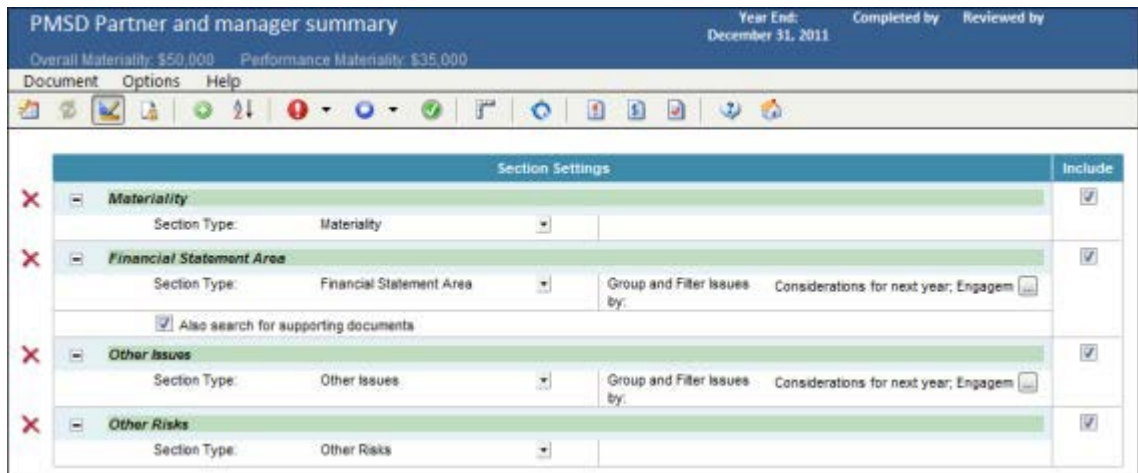
Section	Description
None	Creates a blank area for input only. The engagement team could highlight or add additional information for the reviewer.
Materiality	Summarizes materiality information from the Materiality document.
Financial Statement Area	<p>Displays the Risks and Issues associated to documents that are linked to items on the Financial statement areas (FSA) worksheet. Risks and Issues are grouped by the related FSA with information such as planning balance, current balance and materiality types from FSA.</p> <p>"Also search for supporting documents" option: When this item is selected, any Risk or Issue associated with documents that share the same folder as the document referenced to the FSA is also included.</p>

Section	Description
Other Issue(s)	Includes issues from work programs or checklists that are not attached to an FSA. Issues are ordered in the order specified in the Document Manager.
Other Risk(s)	Includes risks that have not been attached to any FSA, and issues recorded in the associated FSA line item are detailed.

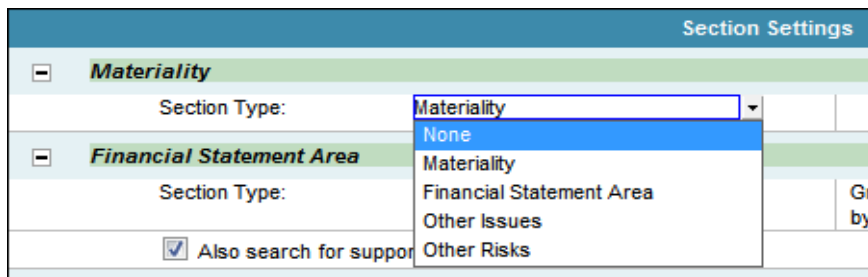
Audit includes the document **PMSD - Partner and manager summary** in the Document Manager and defaults to include the **Materiality**, **Financial Statement Area**, **Other Issue(s)**, and **Other Risk(s)** sections. You may want to customize the report to show fewer items or filter some areas into multiple sections.

To configure a partner and manager summary report:

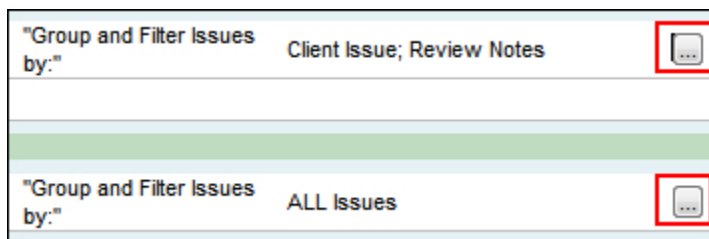
1. Open the relevant partner and manager summary report.
2. Click  to configure the report.




3. In each section area, from the drop-down list, select the type of section to include.

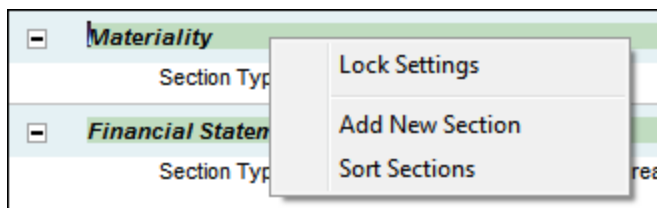





4. If **Financial Statement Area** or **Other Issues** is set as the section setting, select, from the drop-down list, the type of issues to be included.



Audit defaults to display ALL Issues.

5. Change the name of the section by typing in the desired title in the **New Section Title** area.
6. Make the desired checkbox selections for sections to include in the report.
7. To add additional sections, click . Or, from the **Document** menu or right-click menu, select **Add New Section**.



8. To sort sections to an alternative order, click . Or, from the **Document** menu or right-click menu, select **Sort Sections**.
9. To delete sections from the report, click  beside each section.
10. When complete, click  to generate the report.

Results

The Partner and Manager Summary report is now configured. You can lock configurations by clicking  or, from the **Document** menu, select **Lock/Unlock Settings**.


Once the report has been generated, Issue text can be modified in the report without changing the text in the original Issue, allowing you to add or remove text pertinent at the report level. The summary also provides you with the ability to **Restore to Original** with a right-click from each Issue and to **Restore All Issues to Original** from the **Document** menu. When re-generating the report, you can also restore all issues by first selecting **Clear Modified Issues on Generate** from the **Document** menu.

Additional Partner and Manager Summary Reports

You can create additional reports with different options or generate the report at different times during the engagement. For example, a report can be generated after the planning stage and another near the end of the audit. You can also create additional partner and manager summary reports to show different sections of the report, such as Materiality only. Once generated, the contents of the partner and manager summary report will not change unless you regenerate the report. All comments made in the report will also be lost during the regeneration.

Once the report is complete, you may want to **Save as PDF...** from the CaseView File menu to capture the document at a particular time during the audit.

To create a new partner and manager summary report:

1. From the Document Manager, open the **New Master Documents** folder.
2. Right-click the **NPMSD Partner and manager summary** document and select **Copy**.
3. Right-click the **Completion Documents** folder and select **Paste**.
4. Right-click the new document and select **Properties**.
5. Change the document **Number** and **Name** in the **General** tab and click **OK**.
6. Open the new document and **Configure** as required.
7. Click  to **Generate** the report.

8.3 Document Sign-Off Report

The **Document Sign-Off Report** is a read-only report that shows the status of work program and checklist documents, indicating whether the document has **Not Started**, **In Progress**, or **Completed**. The folders can be expanded or collapsed as necessary.

Documents			Status
November-19-12 2:51 PM			
24.	Response To Assessed Risks (8 Documents)		
33.	Audit Plans And Procedures - Assets (CORE) (16 Documents)		
34.	Property, Plant And Equipment (1 Document)		
35.	1.101 Property, plant and equipment - Audit procedures		Partially Completed
36.	Investment Property (1 Document)		
37.	5.101 Investment property - Audit procedures		In Progress
38.	Intangible Assets (1 Document)		
39.	10.101 Intangibles and goodwill - Audit procedures		Not Started
40.	Investments (1 Document)		
41.	20.101 Long-term investments - Audit procedures		Fully Completed
42.	Receivables, Non-Current (1 Document)		

To generate a document sign-off report, in the Document Manager, expand the **Control Documents** folder and open the **DSORPT Document sign-off report** document. To refresh the report while still open, click the refresh icon . Documents can have the following sign-off status:

Status	Description
Not Started	No procedures have been signed off.
In Progress	One or more procedures have been signed off, but the document has not been signed off.
Partially Completed	One or more procedures have not been signed off, and the document has been signed off.
Fully Completed	All procedures have been signed off, and the document has been signed off.

Combined with the Document Manager, you can easily determine how far along each document is in the signoff process. For example, if your Firm uses four different roles for sign off (Preparer, Reviewer, Manager, Partner), each role will display as a separate checkmark. Once all four roles are signed off, a larger green checkmark will be displayed.

Audit Plans And Procedures - Assets (CORE)	
Property, Plant And Equipment	
1	Property, plant and equipment leadsheet
1. 1	Property, plant and equipment - Cost
1. 2	Property, plant and equipment - Depreciation
1.101	Property, plant and equipment - Audit procedures

8.3.1 Sign-Off Report - ASA Requirements

As the auditor completes relevant programs and checklists, the Sign-Off Report automatically indicates which requirements of the Audit Standards have been addressed.

It is designed to allow reviewers to ascertain the progressive completion of the requirements during the engagement and to ensure all requirements of the Standards have been addressed at the completion of the audit.

Document Areas

Area	Description
Filters	Type a filter criterion in the shaded input cell and/or select an item from the drop-down to filter the list of requirements.
Sort	In the Sort By Column area, select which column you would like to sort by and whether to sort in ascending or descending order.
Select Inapplicable Standards	Select Options Select Inapplicable Standards from the menus to select any Standards that are not applicable to the audit.
Hide Inapplicable Standards	If inapplicable Standards have been selected, select Options Hide Inapplicable Standards to hide those Standards.

Document Columns

Column	Description
Paragraph	Contains the Audit Standard and paragraph number of every requirement of the Audit Standards.
Doc. Refs	Contains a reference to the audit program or checklist in which the requirement is referenced. Click this reference to jump to the appropriate document.
Procedure	Contains the specific procedure number (and a brief description of the procedure) in which the requirement is referenced.
Paragraph Addressed	Automatically shows the sign-off details from those procedures in programs/checklists that reference the requirements.

What is linked

By scrolling through the document, it is possible to see where each requirement is referenced in the template. In programs and checklists, procedures that reference requirements are bold and contain the paragraph reference.

What happens if a linked procedure is deleted

If a user deletes a procedure that is linked or deletes the entire program, a message will appear saying that the procedure has been deleted. In the **Paragraph Addressed** column, a drop-down will appear where the auditor can select an appropriate reason why it has been deleted. The options from the drop-down are:


- Procedure is not considered relevant
- Balance or disclosure is not material
- An Alternative procedure has been used

Notes:

- When refreshing, the audit program or checklist being worked on needs to be saved and closed. The Sign-Off Report - ASA Requirements document then needs to be re-opened before it will refresh.
- If your firm customizes and repackages the Audit System template, the firm administrator is able to create programs, checklists and procedures. You can create procedures that reference the requirements and link those procedures to the Sign-Off Report - ASA Requirements document.


8.3.2 Generating a document sign-off report

To generate a document sign-off report:

1. In the Document Manager, double-click **Document sign-off report**.
2. When the report is generated, a Generate Document Listing dialog will appear. Click **OK**.
3. To refresh the report while it is still open, click .

8.4 Issue Notes, Review Notes, and Client Discussion Notes

As part of the file review process, or to capture significant issues that require further discussion with the client or partner, the Working Papers **Issues** feature can play a key role within the audit process.

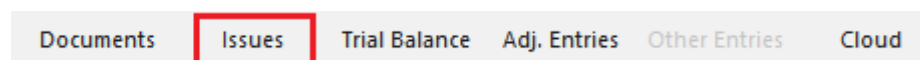
To open the Issues pane in Working Papers, locate the **Navigation** toolbar and click **Issues**. In CaseView, locate the **Control** toolbar and click the  button. In CaseView, the Issues pane also opens automatically whenever a new issue is added.

Tip: Right-clicking in the Issues pane allows you to add New Issues, Edit Issues, and Delete issues. You can also change information directly from the Issues pane without opening the issue.

Note: The Issues feature could be used as an alternative to ISA engagement forms:

- 320. Notes on significant audit decisions (CORE)
- 330. Worksheet - Audit findings and matters for discussion
- 370. Worksheet - Matters for future consideration

To open the Issues pane in Working Papers, locate the **Navigation** toolbar and click **Issues**.



In CaseView, in the **View** tab, from the **Issues** group, click **Issues**.

Right-clicking in the Issues pane allows you to add New Issues, Edit Issues, and Delete issues. You can also change information directly from the Issues pane without opening the issue.

Procedure

1. While in the document, right-click and, from the shortcut menu, select **Add New Issue**. Within a CaseView document, you may have the option to add an issue to a Cell, a Paragraph, or the Document.
2. Alternately, while in the Document Manager, locate and highlight the document you want to assign the issue to, right-click, and select **Add New Issue**. **Note:** Selecting multiple documents will create multiple issues, one for each document selected.

Untitled - New Issue

DT-1 ☐ Cleared

Subject:

Type: Considerations for next year ☐ Retain on Cleanup ☐ Roll Forward

Assigned to: Everyone Priority: Normal

Document: 140.101 Cash - Audit procedures

Description

Resolution

Status: Not Started % Complete: 0

Start on: 12/10/2012 Due on: 12/10/2012

Reminder: 12/10/2012 Time: 11:05:23 AM

OK Cancel Help

3. Type the subject of the issue in the **Subject** field.
Click in the next field or use the tab key to progress through each field. The Enter key closes the dialog and saves all changes.

4. In the **Type** box, select the appropriate issue type from the list. You or your firm can change the default issue types or add new ones as required.

Untitled - New Issue

DT-1 ☐ Cleared

Subject:

Type: **Client Issue**

Assigned to: **None**

Document:

Description:

Priority: **N**

☐ Retain on Cleanup

Client Issue
None
Client Issue
Considerations for next year
Engagement Issue
Review Notes
Client discussion notes
Issue discussion notes
Planning meeting notes
Significant matters

5. If applicable, assign the issue to a specific user. The drop-down displays the following choices:
- **Everyone** – All members of the engagement team can change the Resolution tab of the issue.
 - **None** – Prevents all users from updating the Resolution tab of the issue.
 - **User group names** – Denoted by "(group)". Select a protection user group to assign the issue to. All users in that group will be able to update the Resolution tab.
 - **User names** – Select from a list of user names already associated with the file.
 - **Add new user** – Select to add a new user to the issues list. This means that users who have not yet accessed the file can be added and then assigned an issue.
6. The **Document** field is automatically populated. You can change this association as necessary.

7. Type the details of the issue in the **Description** field. You can use the **Start on**, **Due on**, and **Priority** fields to set start and due dates and the priority.

The screenshot shows a 'Cash Count - New Issue' dialog box. The 'Description' field is highlighted with a red border and contains the text 'Obtain details of the cash count'. Other fields include Subject (Cash Count), Type (Client Issue), Assigned to (Everyone), Document (140.101 Cash - Audit procedures), Priority (Normal), Status (Not Started), % Complete (0), Start on (12/10/2012), Due on (12/10/2012), Reminder (12/10/2012), and Time (11:05:23 AM). Buttons for OK, Cancel, and Help are at the bottom.

8. Click **OK**.

Results

Issue has been created and assigned to the applicable users.

Document Manager

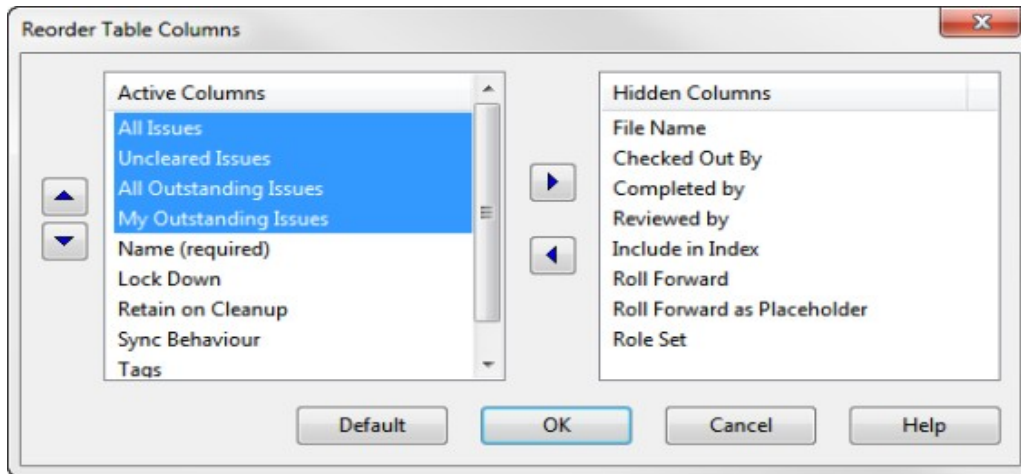
You can customize the appearance of the document manager to include indicators showing the number of issues attached to each document.

1. While the **Document Manager** is the active window, on the **View** menu, select **Reorder Columns**.
2. Under **Hidden Columns**, select one or more of the following:

Option	Description
All Issues	All issues, including Completed and Cleared issues.
Uncleared Issues	Only issues that have been Completed and not yet Cleared.
All Outstanding Issues	All issues that are not Completed or not Cleared.

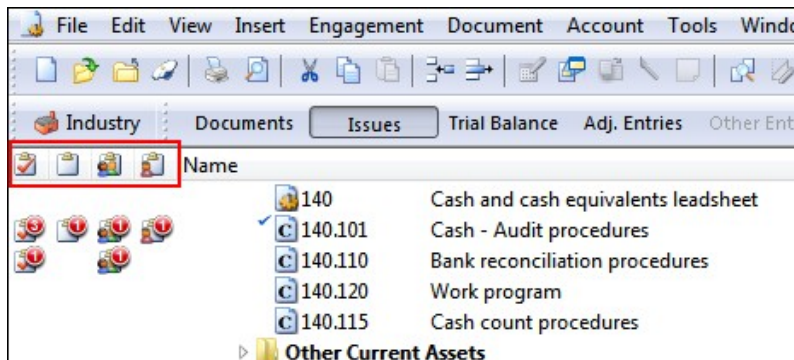
Option	Description
My Outstanding Issues	All issues that are not Completed or not Cleared and are assigned to the current user, including a group the current user belongs to or to everyone.

3. Drag the columns to the **Active Columns** box or click the left arrowbutton to bring over the selected items.

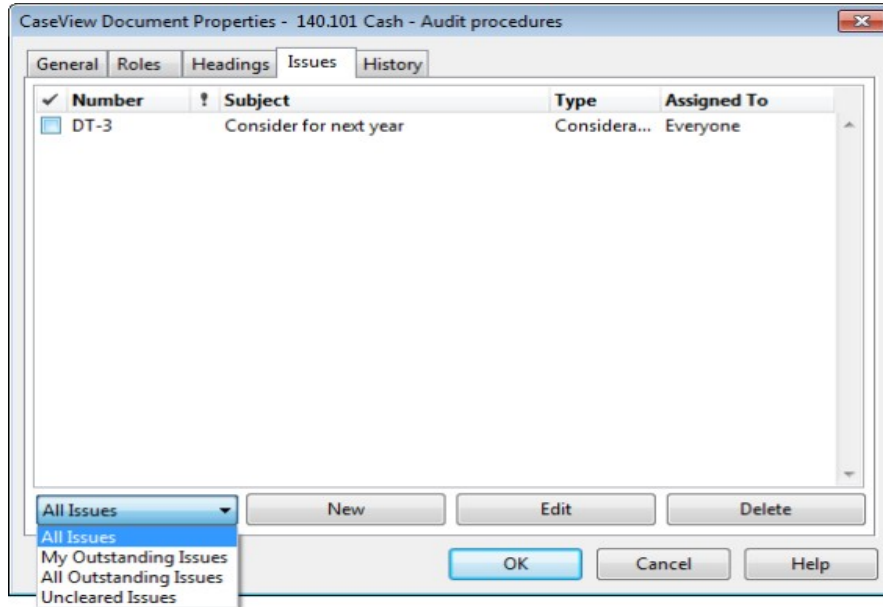


If necessary, reorder the displayed columns by clicking the up or down arrow buttons.

4. Click **OK** when completed. The indicators will show in the areas allocated in the Active Columns on the document manager.



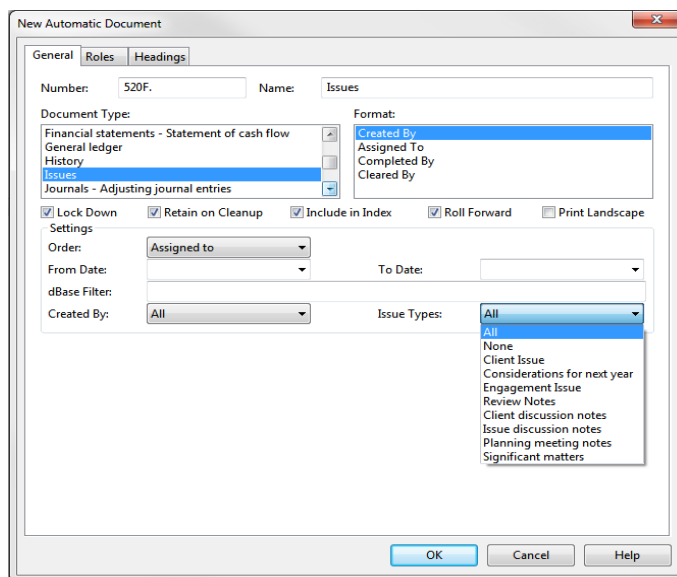
Clicking on an indicator launches the document properties dialog automatically set to the Issues tab. The view will also automatically filter based on the indicator selected.



Automatic Document Reports

To create simple Issue reports:

1. From the Document Manager, right-click where you want to insert the document and select **New | Automatic Document**.
2. Type a document **Number** and **Name**.
3. Select Issues in the **Document Type** field.
4. Select other options as necessary.
5. Click **OK**.



8.5 Management Letter Report

The **360. Management Letter Report** document provides a convenient way to view the reportable items () that have been identified in the engagement client file and to keep track of what findings are to be published to various types of letters, or to keep track of other significant issues. . By default, the letters that are tracked are the management letter and the report for those charged with governance. The list of letters to be tracked can be added to or changed by your firm.

The report groups reportable items by classification, and displays current year, prior year, and other reportable items. The columns of the **Management Letter Report** correspond to fields specified in the reportable item dialog.

The **Source** column in the **Management Letter Report** will now display the linked procedure numbers and names beside the document numbers.

360. Management letter report

Year End:
December 31, 2014

Completed by
GA

Reviewed by

Preliminary Materiality: Overall \$50,000

Performance: \$35,000

Final Materiality: Overall \$50,000

Performance: \$35,000

Document

Report

Options

Help

View:

Default View

Finding:

All

Classification:

All

Grouping:

All

Rating:

All

10

11

12

13

14

15

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23



24

The management letter report summarizes the various reportable items accumulated through the engagement.

Reportable Items	Date Identified	Identified By	Included in			Reason
			Management let...	Report for those ...	Internal Audit	

Creating and Configuring the Management Letter

Procedure

1. From the Document Manager, open the **New Master Documents** folder.
2. Right-click the **MGTLETTER Sample management letter** document and select **Copy**.
3. Right-click the location in the Document Manager for the new management letter and select **Paste**.
4. Right-click the new document and select **Properties**.
5. Change the document **Number** and **Name** and click **OK**.
6. Open the new document and click the **Configure**() icon.
7. Select applicable options and areas to display for your letter.
8. Click the **Refresh** button  to populate the letter with the specified settings and for pre-defined reportable items.

Note: Selecting **Refresh** will overwrite any changes to reportable items that have been modified. Any changes to the text of reportable items must be made to the reportable item by selecting each item from within the letter or from the **360. Management letter** report.

Hiding and Showing Columns

1. Right-click a reportable item or click the **Report** menu.
2. Select the columns that you want to display, or unselect the columns that you want to hide.

Specifying Views and Filters

1. From the **View** drop-down, select the view to display. You can display the default view or display unreported items only.
2. Use the other drop-downs and check boxes to filter what is to be displayed in the Management Letter Report.

Filters

The following filters are defined in the Management Letter Report:

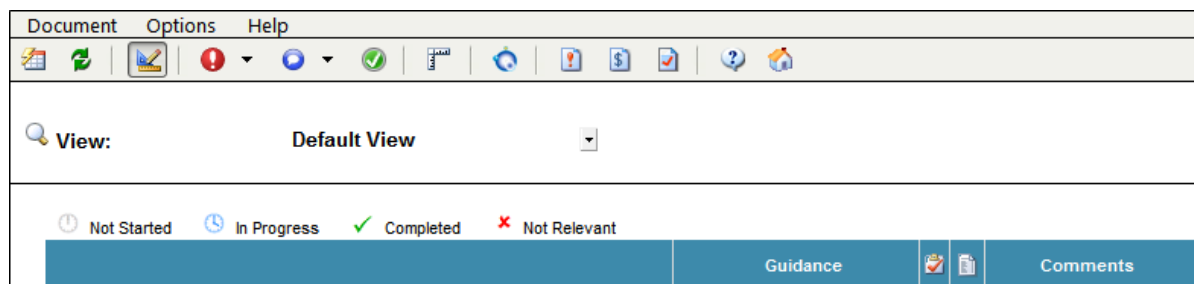
Filter	Description
Finding	Select one of All (the default), the current finding, the previous finding, or other reportable items.
Grouping	Display all groupings (the default), or a specific grouping. For each reportable item, the grouping can be specified in the New reportable item dialog when the reportable item is created.
Classification	Display all classifications (the default), or a specific classification. For each reportable item, the classification can be specified in the New reportable item dialog when the reportable item is created.
Rating	Display all ratings (the default), or a specific rating. For each reportable item, the rating can be specified in the New reportable item dialog when the reportable item is created.

8.6 Work program/checklist progress report



The firm author has the option to define one or more Work program/checklist progress reports for your engagement. Each Work program/checklist progress report enables you to keep track of the progress on all work programs and checklists of a specified type, as defined by the firm author. A separate Work


program/checklist progress report should be provided for each type of document whose status is to be tracked.





For example, the firm author could create a report to track all work program and checklist documents related to the planning phase of the engagement.



The following columns are defined for each Work program/checklist progress report:


Column	Description
Document topics and names	The first column of the report displays an icon indicating the progress of the document and the document name and number. Documents are organized by topic, which is specified in the document properties for each work program or checklist by the firm author.
Guidance	A link to guidance that may be useful when completing this work program or checklist.
	This column displays any issues that have been defined for the document.
	Unselect this check box if a document is not relevant to the engagement.
Comments	Type any comments that might be useful for a particular document.

As the engagement progresses, you can click  to update the Work program/checklist progress report. For each document that appears in the report, one of the following progress icons is displayed:

Icon	Description
	Not Started
	In Progress
	Completed
	Not Applicable

You can use the **View** drop-down to specify a view for the Work program/checklist progress report. Each view displays some or all of the documents in the report. The following views are defined:


View	Description
Default View	Display all documents.
In Progress	Display all documents currently in progress.
Issues	Display documents for which issues have been defined.

View	Description
Not Relevant	Display only documents that are not relevant. A document is marked as not relevant if the check box in the  column has been unselected.
Relevant	Display only documents that are relevant.

To create a Work program/checklist progress report:



1. In the Document Manager, create a copy of the Work program/checklist progress report, located in the Master Documents folder.
2. Right-click the copy that you have created. From the shortcut menu, select **Properties**.
3. In the CaseView Document Properties dialog, in the Number, Name and Identifier fields, type the number, name and identifier of the new report. Click **OK**.
4. Double-click to open the progress report.
5. In the field containing the text **Input document type for this report**, type the document type for this Work program/checklist progress report (for example, Planning).

Note: Document types are specified by the firm author in the document properties for each work program or checklist created.

6. Click  to generate the report.

8.7 Reportable Items


As part of the client engagement process, the engagement team may identify issues or items that require reporting to management or other parties charged with governance. To deal with these issues, your firm author may have enabled the Reportable Item feature, which allows for the accumulation, management, and automatic reporting of reportable items.

Record reportable items as they are identified throughout the engagement process by clicking  in any work program or checklist document and from other selected forms. This displays the New reportable item dialog, which enables you to select the applicable reportable item attributes, add recommendations, and link each item to specific letter types. (If the  button is not available, your firm author has disabled reportable items.)


Reportable items identified throughout the engagement can be accumulated in the Management Letter Report. From within the Management Letter Report, reportable items can be created, copied, and edited.

Management letters can be created that automatically link and generate with the appropriate reportable items.

Prerequisite

Before adding reportable items, ensure the  button is available in your document. If not, then your firm author may have disabled the creation of new reportable items.

Procedure

1. From within the applicable document, or from the CaseWare toolbar, click the **Reportable Item** icon .
2. Complete the fields in the **New Reportable Item** dialog.
3. You can click **Apply** to save changes already completed in the dialog without closing it.

- When the information is complete, click **OK**.

8.7.1 New Reportable Item Dialog

Note: Some options in the dialog may not be available as they are disabled by your firm author.

Reportable Item

New reportable item name *

Reportable Item

New reportable item name Identifier

Observation/Weakness

Weakness

Other reportable item ☐

Source

Addressed

Status

Recommendation and Response

Include in the following letters:

New reportable item name * ☒ ☒ ☒ ☒ ☒

Management Response

Reason

Roll forward ☒

Letter Structure

Year Identified Current Year

Classification


Rating

Grouping


Associations



Risk Control

OK Apply Cancel Help

Section/Buttons	Description
Reportable Item Doormat Menu	Click  to open the Reportable Item Doormat menu. The menu lists risks, controls and reportable items that have been defined. You can create, delete and edit a risk, controls or reportable items from this menu.
Title	Displays the description entered in the New reportable item name field.
Navigation Buttons	Display the previous and next reportable item. The order in which risks are displayed is specified in the risks drop-down. This field is visible only if you have accessed this dialog from within a risk report.

Section/Buttons	Description
Reportable Item	<p>New reportable item name</p> <p>Type a short description of the reportable item. This short description appears in the document 360. - Management letter report and by the letters linked to specific reportable items.</p> <p>Observation/Weakness</p> <p>Type a description for the observation or weakness for which the reportable item has been created.</p> <p>Identifier</p> <p>Type an alphanumeric identifier.</p> <p>Weakness</p> <p>Type an additional description for the weakness for which the reportable item has been created.</p> <p>Other reportable item</p> <p>Select if the reportable item is not a Current Finding or a Previous Finding. When this check box is selected, the Associated Controls, Associated Risks and Add Recommendation fields are hidden.</p> <p>Source</p> <p>Click to open a link to the original source document where the reportable item was identified in the Document Manager dialog. The source/reference is automatically populated when adding a reportable item inside a document.</p> <p>Note: You can link a specific procedure to a reportable item by clicking near the work program.</p> <p>Addressed</p> <p>Click to add a reference link to where the audit work was completed to address the reportable item.</p> <p>Status</p> <p>Select the status of the reportable item to assist in tracking the reportable item.</p>


Section/Buttons	Description
<p>Recommendation and Response</p>	<p>Add Recommendation</p> <p>Click  beside the reportable item name, to add recommendations. When you click button the following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New Recommendation dialog and create a new recommendation • Import from RiskSpace - adds a recommendation from the CaseWare® RiskSpace Management Letter Points dialog • Import from File - - imports risks from a template or other source file, using the Import Reportable Items dialog. • Edit Recommendation - edits an existing recommendation. A dialog appears that lists the recommendations that have already been added to this client file, select a recommendation to edit and click OK. <p>When you have selected the recommendations to add to the reportable item, you can then select the letters that are to contain the reportable item and the recommendations.</p> <p>Management Response</p> <p>Type the details of any response from management and any controls that have been implemented with respect to the reportable item.</p> <p>Reason</p> <p>Type the reason for choosing this response for the reportable item.</p> <p>Roll forward</p> <p>Select to include the reportable item in next year's file. This is selected by default.</p>
<p>Letter Structure</p>	<p>Year Identified Select from current or prior year in which the reportable item was identified.</p> <p>Classification</p> <p>Select the grouping to use. This can be left blank, or can be any defined business cycle.</p> <p>Rating</p> <p>Select the rating for this reportable item. The firm author specifies the list of available ratings.</p> <p>Grouping</p> <p>Select the grouping to use. This can be left blank, or can be any defined business cycle.</p>

Section/Buttons	Description
Associations	<p>Risks</p> <p>Click  beside Risk, to add risk to the control. The following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New risk dialog to create a new risk • Import from RiskSpace - adds risks from the CaseWare® RiskSpace. • Import from File - imports risks from a template or other source file, using the import controls dialog. • Edit Association - uses an existing risk. A dialog appears that lists the controls that have already been added to this client file. From the dialog, select one or more controls to be associated with this risk. <p>Controls</p> <p>Click  beside Control, to add controls to the risk. The following choices appear:</p> <ul style="list-style-type: none"> • Create New (item) - opens the New control dialog to create a new control • Import from RiskSpace - adds controls from the CaseWare® RiskSpace. • Import from File - imports controls from a template or other source file, using the import controls dialog. • Edit Association - uses an existing control. A dialog appears that lists the controls that have already been added to this client file. From the dialog, select one or more controls to be associated with this risk.

8.8 Uploading key engagement information to CaseWare Collaborate

After completing the engagement, you can upload key engagement information to CaseWare Collaborate using SmartSync. Such key information includes materiality, material financial statement area balances, significant risks, key controls and reportable items.

To specify key engagement information to be uploaded:

1. In the Document Manager, locate the Template Toolbar.
2. In the Template Toolbar, click  (Refresh Q).
3. A confirmation dialog appears, asking you whether you want to publish the current engagement details. Click **Yes**.
4. A dialog appears that indicates that engagement details have been successfully published. Click **OK**.

9. Constellations








9.1 About Constellation

Constellation™ provides a user the ability to configure various views and reports to display all the key knowledge accumulated in the engagement file at different stages of the audit. The views and reports will ensure the auditor can identify, assess and respond to those risks that have the potential to materially affect the financial statements. Constellation comes with preconfigured views to assist the user in reviewing key relationships.

Using this **Constellation** feature, you can do the following:

- Easily and graphically see the relative importance of FSAs, risks and controls focusing staff's attention on the most critical parts of the engagement.
- Assess if the impact of identified risks on FSAs is complete.
- Detect any gaps in audit work or evidence, for example any risks that are not responded to.
- Isolate identified controls that may not be properly considered with the risk resulting in possible over-auditing.
- Displays areas where the engagement team may be over-auditing.
- Filter and zoom in on a specific part of the engagement, for example a business cycle.

The **Constellation** feature populates specific data from the following areas in the Audit template into a graphical representation:

-  Financial Statement Areas (FSAs)
-  Business Cycles
-  Risks
-  Controls
-  Reportable Items
-  Entity level risk Categories
-  Unassociated

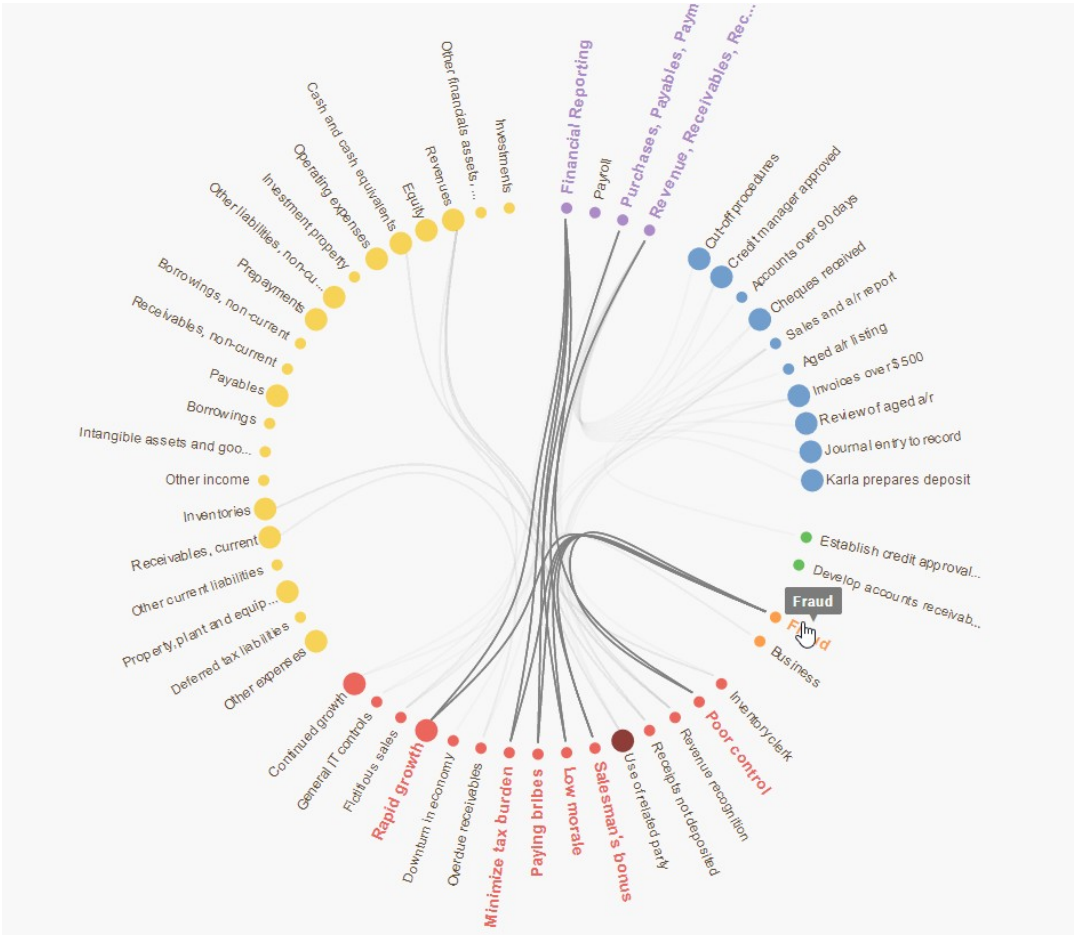
It maps any direct relationships between these areas and generates a graphical representation based on the user selections.

Users can select between three different constellation layouts

- Force
- Multi-force
- Edge

9.2 Constellation Layouts

Layout	Description
Force Layout	<p>This layout organizes nodes and connects associated areas using lines. Hovering on a node will highlight the relationship.</p> 
Multi-Force Layout	<p>This layout organizes nodes and associated areas into clusters.</p> 

Layout	Description
Edge Layout	<p>This layout displays all nodes and connects associated areas using lines. Hovering on a node will highlight the relationship.</p> 

9.3 Constellation Filters

Filter	Description
Balance	Use the sliders to filter which nodes to display based on the balance range. The maximum and minimum ranges in the sliders are populated by planning balance.
Associated Risk	Use the sliders to filter how many risk nodes to display based on the range of associated risks attached to the financial statement area.
Associated Controls	Use the sliders to filter how many control nodes to display based on the range of associated controls attached to the financial statement area.
Percent change between years	Use the slider to filter based on the percentage change between current and prior year.
Materiality	Select to filter which nodes to display based on whether the amounts are material or non-material.

Filter	Description
Associated Risks	Use the sliders to filter how many risk nodes to display based on the range of associated risks attached to the business cycle.
Associated Controls	Use the sliders to filter how many control nodes to display based on the range of associated risks attached to the business cycle.
Unassociated	Select to display nodes without associations.
Business Cycle	Select to filter by business cycle.

Filter	Description
Associated Controls	Use the sliders to filter how many control nodes to display based on the range of associated controls attached to the risk.
Associated Reportable items	Use the sliders to filter how many reportable item nodes to display based on the range of associated reportable items attached to the risk.
Procedures Addressed	Use the sliders to filter by the amount of procedures addressing the risk.
Significant Risks	Select to display significant risks.
Risk Treatment	Select to filter based on risks that have risk treatment/mitigation, risks that have some or risks that have none.
Created	Enter a date range to filter based on the date the risk was created.
Last modified	Enter a date range to filter based on the date the risk was last modified.

Filter	Description
Associated Risks	Use the sliders to filter how many risk nodes to display based on the range of associated risks attached to the control.
Associated Reportable items	Use the sliders to filter how many reportable item nodes to display based on the range of associated reportable items attached to the control.
Key Control	Select to display key or non key controls.
Control Design	Select to filter based on whether the control was satisfactory, unsatisfactory or unassigned.
Evaluation Results	Select to filter based on the control's evaluation results.
Control is Effective	Select to filter based on controls that is effective, not effective or not tested.
Created	Enter a date range to filter based on the date the control was created.
Last Modified	Enter a date range to filter based on the date the control was last modified.

Reportable Items

Filter	Description
Associated Risks	Use the sliders to filter how many risk nodes to display based on the range of associated risks attached to the reportable item.
Associated Controls	Use the sliders to filter how many control nodes to display based on the range of associated controls attached to the reportable item.
Created	Enter a date range to filter based on the date the reportable item was created.
Last Modified	Enter a date range to filter based on the date the reportable item was last modified.

Entity Level Risk Categories

Filter	Description
Associated Risks	Use the sliders to filter how many risk nodes to display based on the range of associated risks.

Unassociated

Select to show/hide unassociated nodes.

Assertions

Select to filter based on the assertions.

10. PRINTING DOCUMENTS

10.1 Introduction


Prior to printing any documents, print options should be reviewed. In this section we will look at the following features:

- Setting the print options
- Changing the display settings
- Changing the page orientation
- Inserting page breaks
- Saving as a PDF document

10.2 Setting the print options

In your client file, you can set the default print options for all work programs and checklists. In a document, you can set the print options for that document.

To specify the default print options for all work programs and checklists:

1. In Working Papers, click the  Page Setup button. This button is located on the Template Toolbar. If this toolbar is not visible, see Displaying the Template Toolbar for instructions on how to display it.
2. In the Page Setup dialog, from the **Page Orientation** radio buttons, select the page orientation.
3. From the **Paper Type** radio buttons, select the paper type.
4. Click **OK** to save your changes.

The page setup selections that you have specified are now the default selections for work programs and checklists in your client file. You can override these selections by setting the print options for a single document.


To set the print options for a single document:

1. In the document, from the **Options** menu, mark the check boxes for the desired print options.
2. From the CaseView **File** menu, select **Print..**

10.3 Changing the display settings

Certain tables in work programs, checklists and other audit documents can be resized using the horizontal ruler. If you prefer to work in work programs and checklists documents with grid lines, they can be toggled on or off.

To adjust column widths:



1. Click .
2. Click and drag the tab marker on the ruler bar to the desired position.

To display/hide grid lines in work programs and checklists:

1. Click .

10.4 Changing the page orientation

To change the page orientation in a work program or checklist:

1. Open the work program or checklist document.
2. Click  to change the page orientation. The drop down list to the right of  provides additional options.

Note: You can also specify the page orientation for all work programs and checklists. For more details, see "Setting the print options" on page 158.

10.5 Inserting a page break

To insert a page break:

1. Place your cursor on the procedure or sub procedure where a page break is required.
2. Press **Ctrl+Enter** to insert a page break at the insertion point. You can also select **Page Break** from the **Insert** menu.
3. Select the type of page break to create and click **OK**.

Note: When a page break is added, the actual page break will always occur at the top of the procedure or sub procedure when the document is printed. While the page break marker on the screen may display the break at a place within or at the end of the procedure, the printed copy will always create the page break at the top of the procedure or sub procedure.

Saving Documents as PDF

In the case where you choose to add a document from the master template that already exists within the current file, the current file copy will be replaced and any customizations may not be retained. Prior to replacing such documents, it is recommended that you temporarily save the document as a PDF file within the client file so that they can be manually compared. Once reviewed, the PDF version of the documents can be removed from your current file.

To save as PDF:

1. From the Document Manager, right-click the document and select **Save as PDF File**.
2. In the **Save as PDF** dialog, select the option to **Add to client file and Document Manager** and click **OK**.

11. GETTING READY FOR NEXT YEAR

11.1 Introduction

Once the engagement file is completed, the client file should be cleaned up, and you should perform a year-end close to prepare for the following year. Note that retains or clears information based on the following:

Work programs - Completion responses, references and conclusions are retained / cleared based on the customization your firm has made based on the firm's policy in **AO – General Options**.

Checklists - All information entered in checklists will clear upon year end close.

Other forms - The information retained / cleared in each document is defined in the CaseWare Document Tips in each of the document, as guidance.

Letters - All content is retained.


Reports:

- Partner and Manager Summary retains risks and issues until refreshed at which point issues and risks that were not set to roll forward will clear. Risks rolled forward are moved to the "Other Risks" section of the report.
- Financial statement areas worksheet updates balances based on the changes to the trial balance, and all other information is retained.
- Risk report retains all information on all risks set to roll forward.
- Other report documents concerned with the status of your engagement file will represent information relevant to the current status of the file.

11.2 Cleanup

The **Cleanup** process deletes unwanted issues, documents, and procedures in the client file. The document references to the deleted documents are also cleared, and any procedures that have been specified for deletion are permanently removed. The **Engagement Cleanup Wizard** automates the process to make file cleanup simple and efficient. Through the wizard, you also have the option to clear **History**, **Milestones**, and the **Recycle Bin**.

To clean up your client file:

1. Decide which documents and issues should be removed from the file by unchecking the **Retain on Cleanup** property. By default, the checkbox is checked for documents and unchecked for issues.
 **Retain on Cleanup**
2. From the **Engagement** menu, select **Clean Up**.
3. Where applicable, select options to **Retain History**, **Retain Milestones**, and **Keep Documents in Recycle Bin**. Click **Next**.
4. The Engagement Cleanup Wizard displays the items that will be removed from the file when the Cleanup process is run. If any items should be retained, click **Cancel** to stop the Cleanup process and ensure the **Retain on Cleanup** property is checked for the applicable items. Otherwise, click **Finish**.

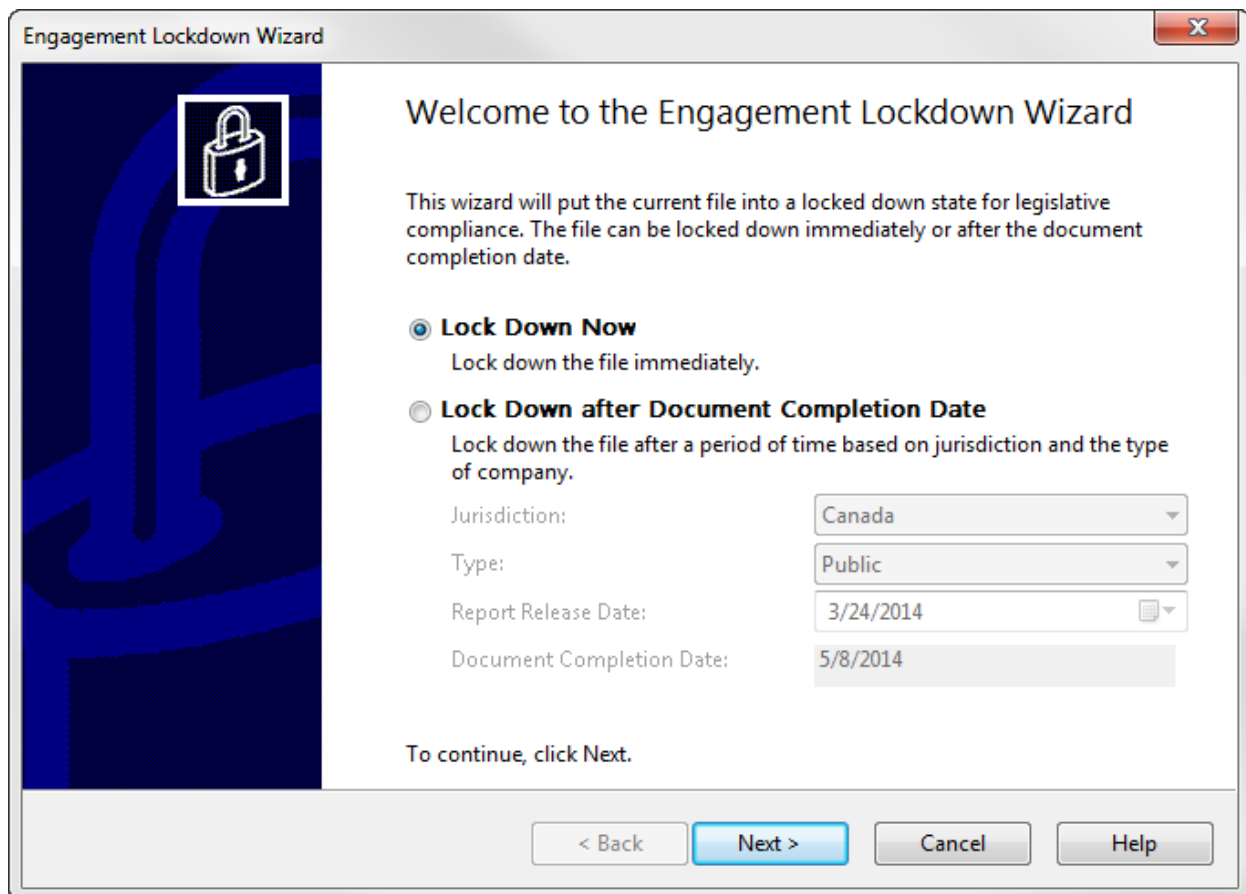
Note:

- On the Document Manager, you can use filters to quickly see which items have been or have not been set to be retained on cleanup. From the Working Papers **View** menu, select **Filter by**, and then either **Retained on Cleanup** or **Deleted on Cleanup**.
- Cleanup permanently removes all previously deleted work program and checklist procedures. (Until cleanup, deleted procedures remain available for review.)

11.3 Lockdown

Lockdown allows you to comply with established standards governing the documentation an auditor should prepare and retain in connection with engagements such as an audit of financial statements, an audit of internal controls over financial reporting, and reviews of interim financial information. For compliance with these standards, lockdown is not reversible.

With lockdown, you lock all documents in a client file at a point in time. At the time of lockdown, Working Papers creates a permanent copy of all locked documents, which can be viewed at any time. In a locked down state, all locked down documents and most shared data in the file are read-only. No changes can be made to the file without unlocking the file and documenting the change. You can only unlock the file if you have authorization.



The image shows a screenshot of the 'Engagement Lockdown Wizard' dialog box. The title bar reads 'Engagement Lockdown Wizard'. On the left is a blue sidebar with a white padlock icon. The main area has a white background with the text 'Welcome to the Engagement Lockdown Wizard'. Below this, it says 'This wizard will put the current file into a locked down state for legislative compliance. The file can be locked down immediately or after the document completion date.' There are two radio button options: 'Lock Down Now' (selected) and 'Lock Down after Document Completion Date'. Under 'Lock Down Now' is the text 'Lock down the file immediately.' Under 'Lock Down after Document Completion Date' is the text 'Lock down the file after a period of time based on jurisdiction and the type of company.' Below this are four fields: 'Jurisdiction:' with a dropdown menu showing 'Canada', 'Type:' with a dropdown menu showing 'Public', 'Report Release Date:' with a date field showing '3/24/2014' and a calendar icon, and 'Document Completion Date:' with a date field showing '5/8/2014'. At the bottom, it says 'To continue, click Next.' and there are four buttons: '< Back', 'Next >' (highlighted in blue), 'Cancel', and 'Help'.

You have the option of locking down a file immediately or setting the lockdown for a future date after a period of time based on your jurisdiction. Until lockdown occurs, files are modifiable.

To lock down your client file:

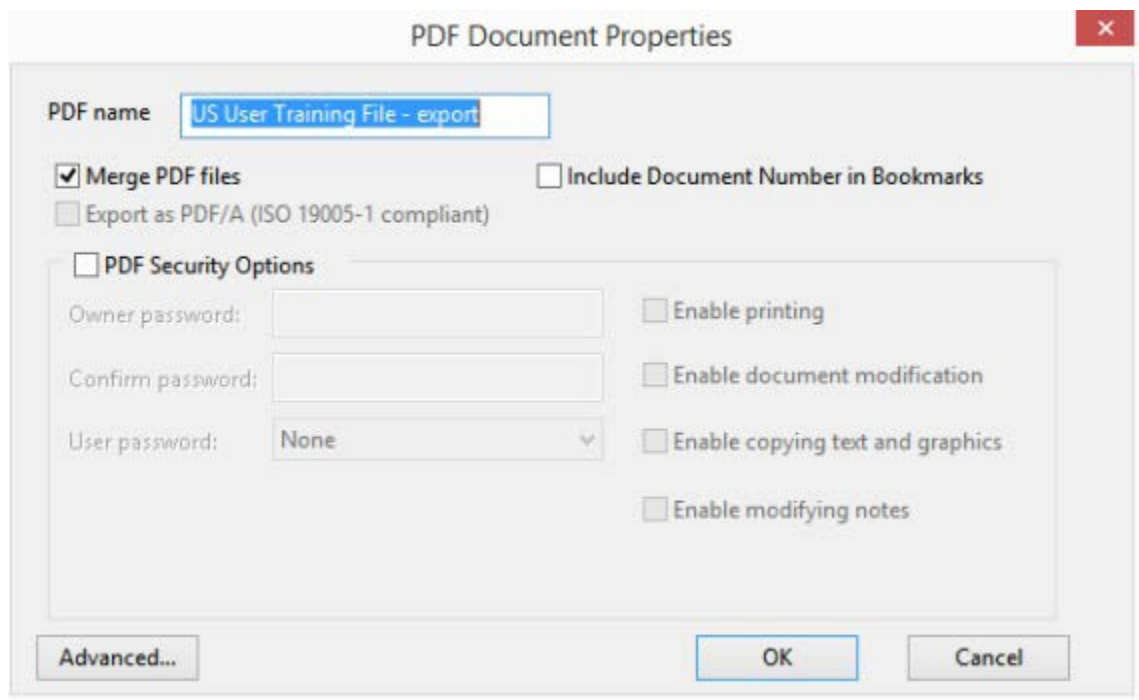
1. While in the file you wish to lock down, select **Engagement | Lock Down**. The **Engagement Lockdown Wizard** opens. Select when to lock down the report and other relevant information.
2. Click **Next**. The **Lockdown Considerations** page of the wizard opens. Based on the contents of your client file, you have the option to run certain actions before the file locks down, such as **Clean Up**. Select actions as required.
3. Click **Next**. If multiple entities exist in a client file, or more than one reporting period is available for selection, the **Lockdown Context** page opens.
4. Click **Next**. The **Engagement Lockdown Wizard Complete** page opens, identifying when lockdown will occur: immediately or at a predetermined date. Where applicable, type a password.
5. Click **Finish**.

11.4 Exporting documents as PDF files

As an alternative to Lockdown, the **Batch PDF** export feature in Working Papers allows you to copy all documents in the client file at a point in time into one or more PDF files.

To export the documents as a PDF file:

1. From the **Engagement** tab, in the **Data** group, click **Export | Batch PDF**.
2. Next to **PDF Documents**, select either **Properties** or **New** to define the PDF document.



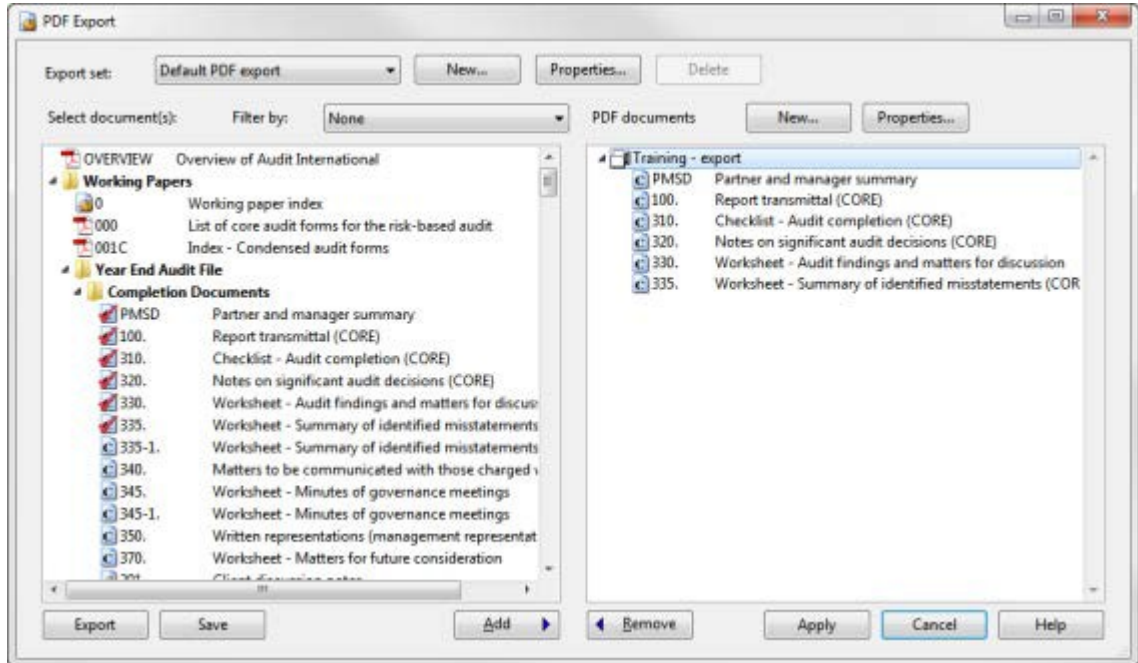
The screenshot shows the 'PDF Document Properties' dialog box. At the top, the title bar reads 'PDF Document Properties' with a red close button on the right. The main area contains the following fields and options:

- PDF name:** A text box containing 'US User Training File - export'.
- Merge PDF files:** A checked checkbox.
- Include Document Number in Bookmarks:** An unchecked checkbox.
- Export as PDF/A (ISO 19005-1 compliant):** An unchecked checkbox.
- PDF Security Options:** A section with a header checkbox that is unchecked. Below it are three password fields: 'Owner password:', 'Confirm password:', and 'User password:'. The 'User password:' field has a dropdown menu currently showing 'None'. To the right of these fields are four checkboxes: 'Enable printing', 'Enable document modification', 'Enable copying text and graphics', and 'Enable modifying notes', all of which are unchecked.

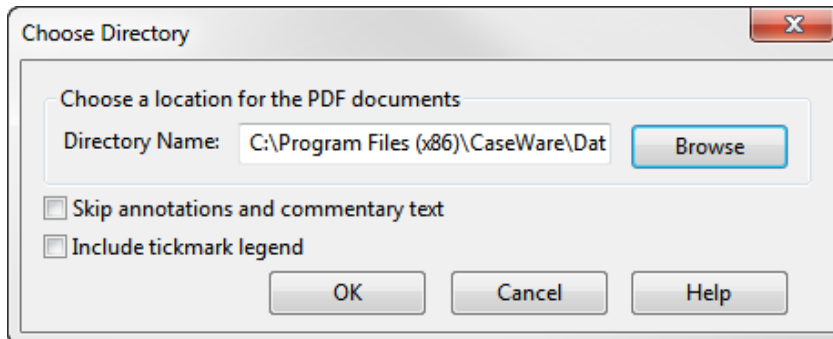
At the bottom of the dialog, there are three buttons: 'Advanced...', 'OK', and 'Cancel'.

3. Click **OK**.

4. Select and drag the documents you want to include into the PDF document or click **Add**.



5. Click **Save** to save the export settings as an **Export Set** for later use, if applicable.
6. Click **Export** to create the PDF document(s).
7. In the **Choose Directory** dialog, type the folder for the export file and click **OK**.



11.5 Performing Year End Close

After completing the audit engagement or once you are ready to start next year's engagement file, Working Papers provides a means to close out the client file for the next year's engagement.

To perform a Year End Close:

1. From Working Papers, from the **Engagement** tab, in the Manage group, click **Year End Close**
2. Type a new client File Name.
3. Select the necessary Roll Forward and clearing options. For the template, the **Update CaseView Roll Forward Cells** option must be selected. It is also recommended that you choose to **Update prior year balance data** so that the current year balances become the prior year balances in

the new file.

4. Click **OK**.

Year End Close and Roll Forward

File to be Used for Next Year

File Path: C:\Program Files (x86)\CaseWare\Data\

File Name: New year file Browse...

Roll Forward Options

☐ Compress prior year file ☐ Include BAK files

☒ Update prior year balance data

☐ Update next year's opening balance data with: Consolidated

R/E Account Number: Multiple...

☐ Roll forward Forecasts ☐ Update current year Budgets with Forecast

☒ Update CaseView Roll Forward Cells ☐ Roll forward Budgets

☐ Roll forward all Custom Balances

Include in Next Year's File

☐ Spreadsheet Analysis Data

☐ Foreign Exchange

☐ Program Assertion Info

☐ Program/Checklist Completion

☐ Commentary Text

☐ Outstanding Transactions

Annotations

☐ Document References

☐ Tickmarks

☐ Notes

☐ CaseView Document References

☐ CaseView Tickmarks

☐ CaseView Notes

Account Number: Multiple...

OK Cancel Help

Note:

- Although you can close the file to the same name as your current file, the new file will replace the old file. It is recommended that you choose a different file name to create a new client file.
- Your firm has the option to set certain clearing options which will supersede the following options under **Annotations**:
 - CaseView Document References,
 - CaseView Tickmarks, and
 - CaseView Notes.

11.6 Client File Updates

From time to time, your firm may distribute an updated version of the master template and the corresponding library components. When you open your client file, if an updated version of the master template has been made available, you will see a notification balloon that informs you that the source templates that this engagement file is based on have been upgraded to newer versions. Click in the balloon to view dialog boxes that will display the updates that are available and enable you to select the updates to apply to your client file.

The available updates may include the following:

- Functionality updates when a new version of the template is made available
- Mapping and grouping structure updates
- General options settings updates
- Documents added, deleted, or replaced
- Changes to procedures in work programs and checklists
- Customizations to the master template toolbar

Note

- Custom sorting in the FSA is preserved during updates.

12.6.1 Update from Template

The Update from Template notification process provides a simple to use method of updating each engagement file. Depending on the stage of the engagement process, professional judgement should be used when choosing to update all or parts of the client file.

Through this process, you can elect to update:

- Functionality updates when a new version of the template is made available
- Mappings and groupings
- AO - General options document
- CaseView and external documents to add new documents, delete out-dated document, or update existing documents

Note: Automatic documents must be updated using the Document Version Report.

- Work program and checklist documents to update all procedures

Notes: All procedures in the selected document automatically update, regardless of the Update Options set by your firm. To manually update each procedure you must use the **Check for Updates** feature within each document.

Notes:

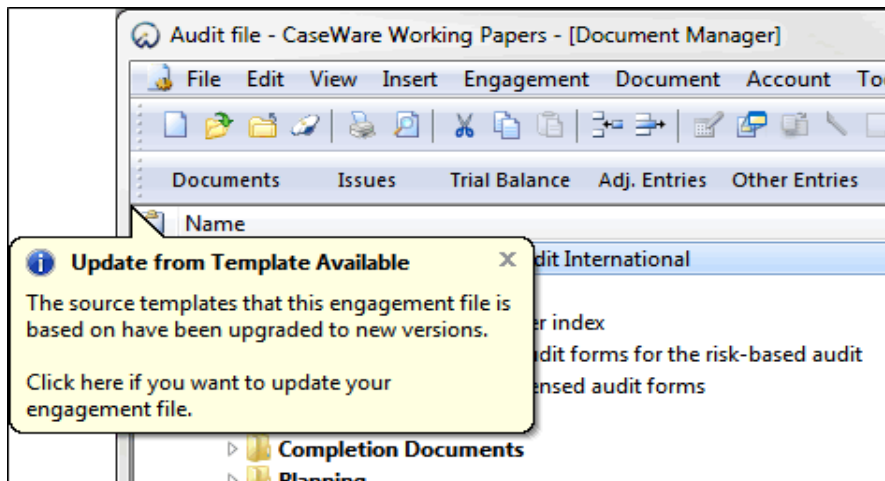
- In the event of an error during the update process, refer to [this article](#) for information on restoring from a backup in SmartSync.
- Documents and templates shown may differ from your engagement.


Procedure

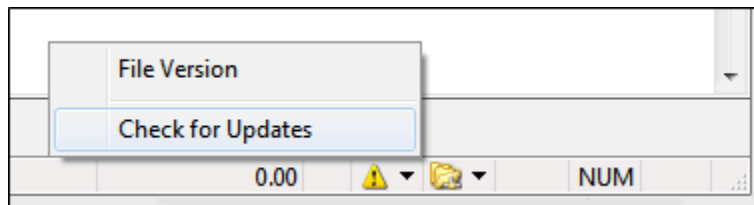
The following steps describe how to update the client file if a notification balloon has been displayed that indicates that updates are available.

Note: Documents and templates shown may differ from your engagement.

1. After launching the engagement file, click in the notification balloon near the top left of the window to start the update process.



You can also click **Check for Updates** from the Update popup menu , in the status bar near the bottom right of the window.



2. An **Update from Template Notification** dialog appears that displays a list of the components and documents to be updated. The update process indicates which documents are new in that version and separately, which documents exist in the previous version but are not included in the file being updated. The counts for new, updated, and deleted documents filter out N/A documents to provide a more meaningful count. The sign off state for documents, checklists and procedures is also displayed during the update process.

Update from Template Notification



Do you wish to update the following components and documents of your engagement file to the updated template versions?

Components (2)			
Component	Engagement Version	Template ID	Template Version
Overall Structure	15.0.159	Audit C-PEM	16.0.294
Document Structure	2.0.0	Audit C-PEM	3.0.0

Documents (34)			
Document	Engagement Version	Template ID	Template Version
335-1 -- Worksheet - Summary of identified misstatements (Core)	4.0.0.0 (CV)	Audit C-PEM	5.0.0.0 (CV)
340 -- Matters to be communicated to TCWG (those charged with governance)	1.0.0.0 (CV)	Audit C-PEM	2.0.0.0 (CV)
426 -- Planned risk assessment procedures (Core)	4.0.0.0 (CV)	Audit C-PEM	5.0.0.0 (CV)
436 -- Team planning discussions	4.0.0.0 (CV)	Audit C-PEM	5.0.0.0 (CV)

Yes No Never Cancel

3. Select from the following options:

- **Yes** - Continue with the update.
- **No** - Ignore the current update for the engagement file. The notification balloon will no longer appear for the client file until a subsequent update is detected. Note: The update can still be manually performed by clicking **Check for Updates** from the Update popup menu .
- **Never** - Ignore all updates for the engagement file. The notification balloon will no longer appear for the client file for the current and all future updates. This may be applicable when reviewing a prior year file that will never require updating. Note: The update can still be manually performed by clicking **Check for Updates** from the Update popup menu .
- **Cancel** - Postpone the update. The notification balloon will reappear each time the client file is reopened.

4. The Template Update dialog appears. Before updating, you have the option to save the settings to reuse in a future file or load from a previous settings file. Click **Update** to begin the update or click **Cancel** to postpone the update process.

CaseWare® Audit

Template Update

A new version of the template is available



Audit

ISA Engagement



Revision A

Your file will be updated from version 16.00 to 18.00.

Press the 'Update' button below to begin the update process.

Update actions  

Load and update

Existing settings  

AUDITINTRELEASE16_01.scf

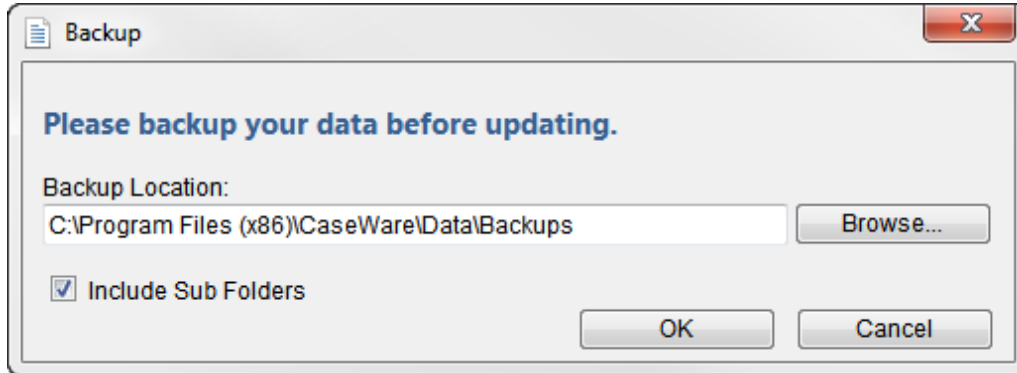
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[Release notes](#)

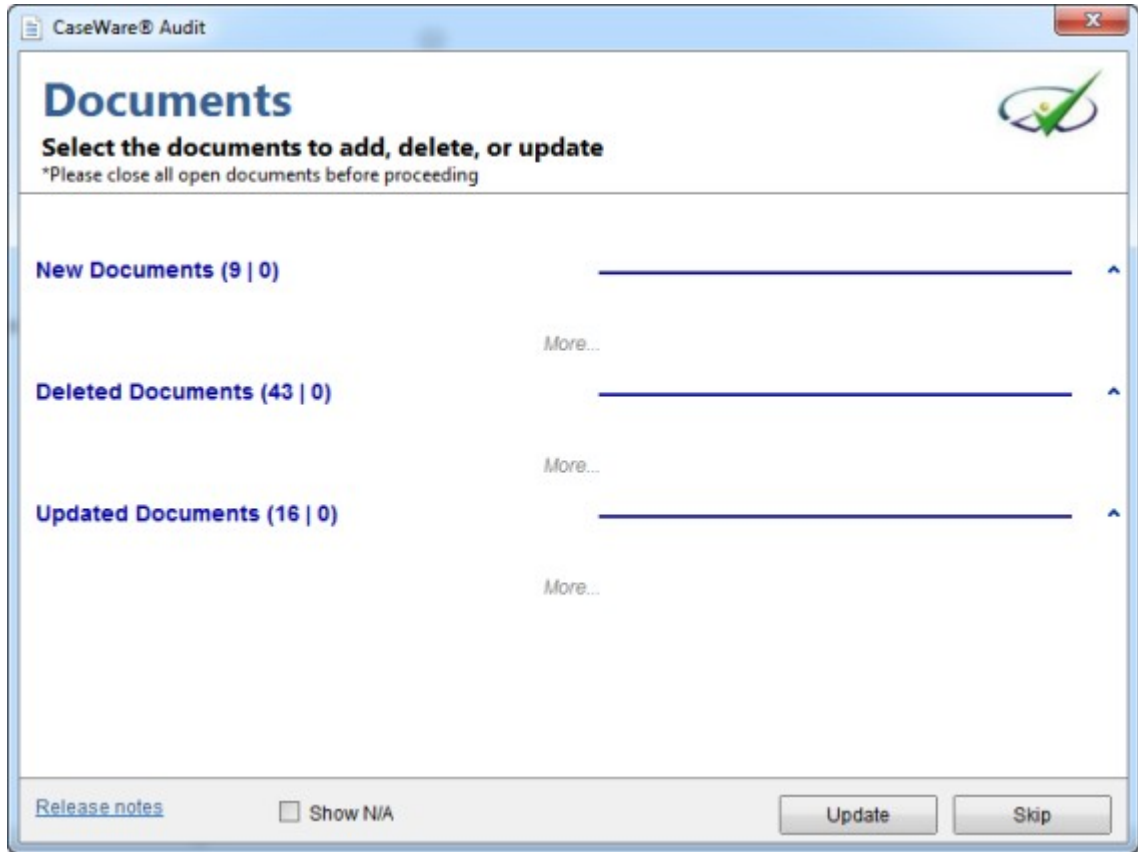
Update Cancel

Option	Description
Update Actions	<p>Create Settings File Select to save your selections, which can be used when updating new files.</p> <p>Load and Update Select to load the selections made in a saved settings file and immediately update the template.</p> <p>Load and Review Select to load the selections made in a settings file with the ability to review before updating the template.</p>
Existing Settings	Select the settings file to be used during the update process.

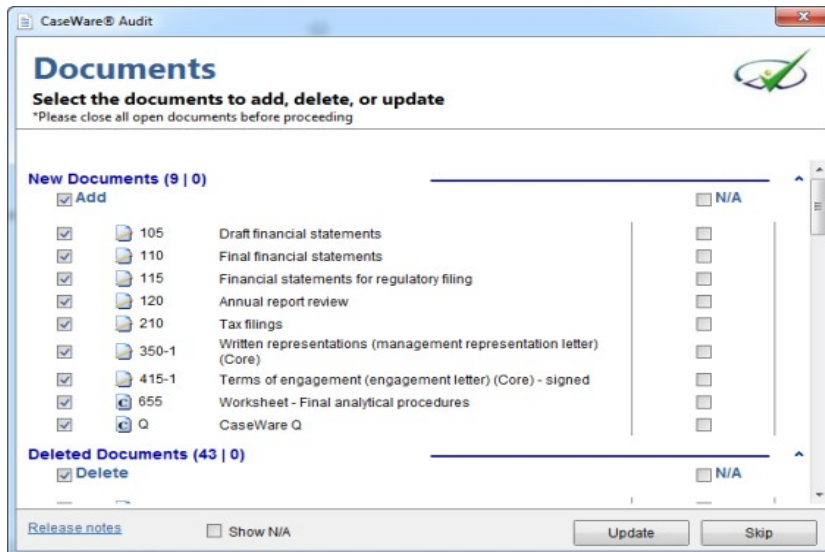
4. **(Optional)** During the update process, a **Backup** dialog will appear. This enables you to back up your client file before performing any updates. In this dialog, type the location of the backup folder. Click **OK** to perform the backup, or click Cancel to cancel the backup.



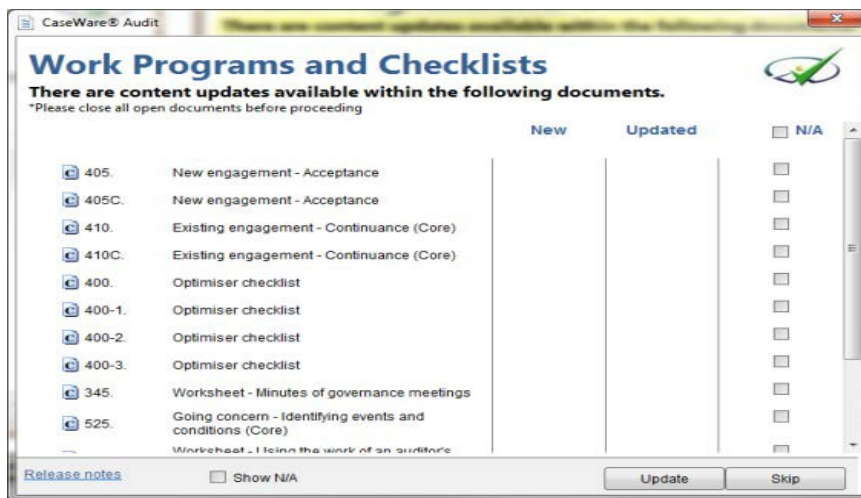
5. The **Documents** dialog appears if documents have been added, deleted, or changed as part of this update.



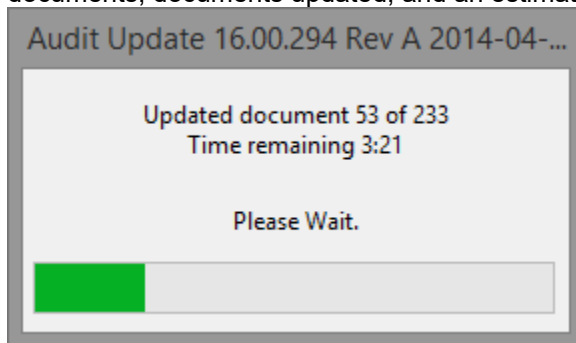
The file listing is collapsed by default. Click on each heading to view the individual documents in each section.



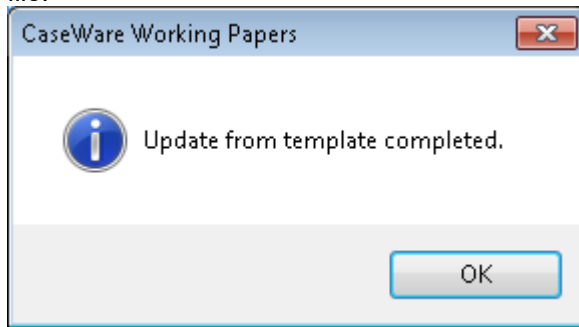
6. For each document in the update, click on the checkbox under **Add** (selected by default), or **Delete** (selected by default), or **Update** to include this document in the update, or click **N/A** to indicate it is not applicable and exclude it from the update. For example, if a document does not need to be in this engagement file, under the **New Documents**, select **N/A** and the document will not be brought into the file. Once **N/A** is selected, the document will hide in the dialog and will stay hidden during future updates. Click the **Show N/A** checkbox at the bottom to display all items that have been selected as not applicable or if N/A was selected in error.
7. Click the **Update** button to perform the document update, or click **Skip** to skip this step for now. The update bubble will prompt you next time the file is opened if you skip an update step. We recommend updating documents and procedures during a single content update.
8. If work programs or checklists contain new or updated procedures, the **Work Programs and Checklists** dialog appears. For each work program or checklist in the update, click the **N/A** check box to indicate it is not applicable and to ignore all procedure updates for the work program or checklist. Click **Update** to update all procedures in work programs and checklists that are not ignored, or click **Skip** to skip this step for now.



9. A dialog appears listing information about the update progress, including the total number of documents, documents updated, and an estimate of the time remaining for the update.



10. A notification is displayed when the update is complete. Click **OK** to begin working in the updated file.



Results

The client file has been updated. Any new or updated documents will be tagged and placed based on its location in the Master Template.

12.6.2 Engagement Profiles

When updating your client file, it may become necessary to select an engagement profile for the file. Each engagement profile represents a specific type of engagement, and includes a list of the documents that are used to complete the engagement.


Engagement profiles may also specify global settings for the client file.

To view the engagement profiles available for your client file, and to select the engagement profile to use, open the **AO - General options** document.

Note: When adding new documents from the Document Library, the documents will use the default settings from the master template. The engagement profile should be reselected to ensure the documents follow the client file's proper engagement profile.

When you are updating a client file, if the firm author has enabled engagement profiles, you can select an engagement profile to use.

Procedure

1. Upon creating a new file, the **Engagement Profile Selector** will appear. Alternatively, you can open the **AO - General options** document from the Document Manager and select an applicable Engagement Profile.
2. Click  to load an engagement profile into your client file. This updates the list of documents to be included in the engagement, and may change the global settings used in your file. A detailed comparison of the included engagement profiles is available [here](#).

Note: If the firm author has not enabled engagement profiles for your client file, this list of available engagement profiles is not displayed. Instead, a **Check for Updates** button appears in the **AO - General options** document. Clicking **Check for Updates** ensures that the client file is updated to include all of the changes to the global settings that have been made by the firm author.

12.7 Updating Work Programs and Checklists

From time to time, the content in work program and checklist documents will change. Procedures can be automatically updated using the Update from Template notification process or manually using the following updating tools within each work program and checklist document:

- Check for updates
- Check for updates summary
- Procedure highlight options

Note: Where an update includes template enhancements from the template provider, work program and checklist documents may automatically update, depending on how your firm manages the update process.

12.7.1 Check for Updates

Check for Updates - Work Programs and Checklists




As an alternative to the automatic updating of procedures in engagement files, you can use Check for Updates to update procedures in your work program and checklist documents. Depending on the settings set by your firm, performing a Check for Updates will either update procedures automatically or will require you to manually update procedures. In either case, after procedures have been updated, you must turn off the Check for Updates state to continue using the document for your engagement.

To initiate the update process within a work program or checklist document, select **Check for Updates** from the **Document** menu. When updating manually, the check for updates allows you to compare the procedures included in your client file with the new content provided in the content library. Procedures set by your firm as "required" will always be automatically updated and added to your document. Messages appear throughout the update process advising you of the options.

To turn off the **Check for Updates** state and use the document in your engagement, unselect **Check for Updates** from the **Document** menu.

While in the **Check for Updates** state, each procedure displays the following columns:

Column	Description
Status	Indicates if the procedure is: <ul style="list-style-type: none">• Up-to-date - matches the content library.• Up-to-date* - matches the content library but has been customized by the engagement team.• Out-of-date - a newer version of the procedure exists in the content library.• Removed from library - procedure has been removed from the content library.
Req	Indicates whether the procedure has been marked as required in the client file, either by the content author or your firm.
Ver	Indicates the version number of the procedure in the client file.
Modified Date	Indicates the date of the procedure in the client file.

Column	Description
Other actions	<p>For procedures not Up-to-date, additional actions become available:</p> <ul style="list-style-type: none"> • View  the differences between the procedure in the client file and the updated procedure. • Update  the procedure from the content library. • Remove  the procedure from the client file. This only appears if the procedure has been removed from the content library.

12.7.2 Check for Update Summary

At the completion of the **Check for Updates** process, you can display a summary document of automatic changes made to the document. Information is generated on the changes made, including:

- **New required procedures inserted** - procedures that your firm has set as required are always inserted.
- **Existing procedures that became required** - procedures that your firm has now set as required.
- **New procedures inserted** - new procedures added by your firm.
- **Procedures saved as an engagement** - procedures that have been changed by the firm but were previously in the engagement file. The procedure has been retained in the engagement **and** the new procedure has been added. Review the differences between the two procedures, as it is likely that the engagement will only need one of these procedures.
- **Procedures removed** - procedures removed by your firm as no longer relevant.
- **Procedures signed off and not updated** - any procedure that is signed off at the engagement level is not updated. If you wish to update a completed procedure, the sign off must be removed and the update process applied again.
- **Miscellaneous updates** - information that does not fit in the above categories, such as Document Guidance when it is updated automatically.

To view the summary of automatic changes, from the **Document** menu, select **View Check for Updates Summary**. The check for updates summary will appear in your web browser.

[Close window](#)

140.101 Cash - Audit procedures

CHECK FOR UPDATES SUMMARY

The following is a summary of changes made to this document during the Check for Updates process.

New required procedures inserted

N/A

Existing procedures that became required

N/A

New procedures inserted

N/A

Procedures saved as an engagement

N/A

Procedures removed

N/A

Procedures signed off and not updated

N/A

Miscellaneous updates



N/A




12.7.3 Procedure Highlighting

The **Display Highlight Options** feature in the **Document** menu allows you to review procedures highlighted for various states. Highlighting can be done for any document that you do not wish to immediately update but wish to know if the procedures are out of date. This is particularly useful for firms that have set the **Check for Updates** to automatically update some or all procedures.

When selected, highlighting will mark specific procedures with a distinctive color and outline style. This helps to identify changes made at the engagement level that are important to review. Procedures can have multiple highlights (for example, the procedure can be updated AND edited) and highlights can overlap. Turning the different options on and off ensures that you do not miss any state that may be overlapped and therefore hard to see.

Highlighting can be specified for the following:

Item	Description	Highlight Color
Updated Procedures	Procedures updated through check for updates.	
Inserted Procedures	Procedures inserted after the document was initially created.	

Item	Description	Highlight Color
Edited Procedures	Procedures edited from the original content.	
Out of Date Procedures	Procedures where there is a more current version available in the content library.	
Procedures Removed from Content Library	Procedures that exist in the client file but have been removed from the content library, as they are no longer necessary.	



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1. Practice Set – Create a new file

At the end of this practice set, you will be able to:

- Create a new client file from existing client data.
- Select an Engagement Profile.
- Complete the Optimiser checklist.

1.1 Objective: Create a new file from existing data

1. Open CaseWare® Working Papers and select **File | New**.
2. Name the file **User Training File**.

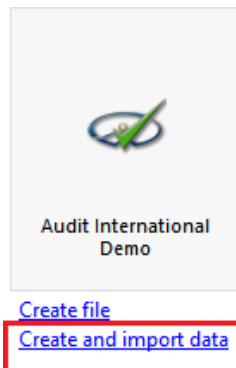
Create a New File



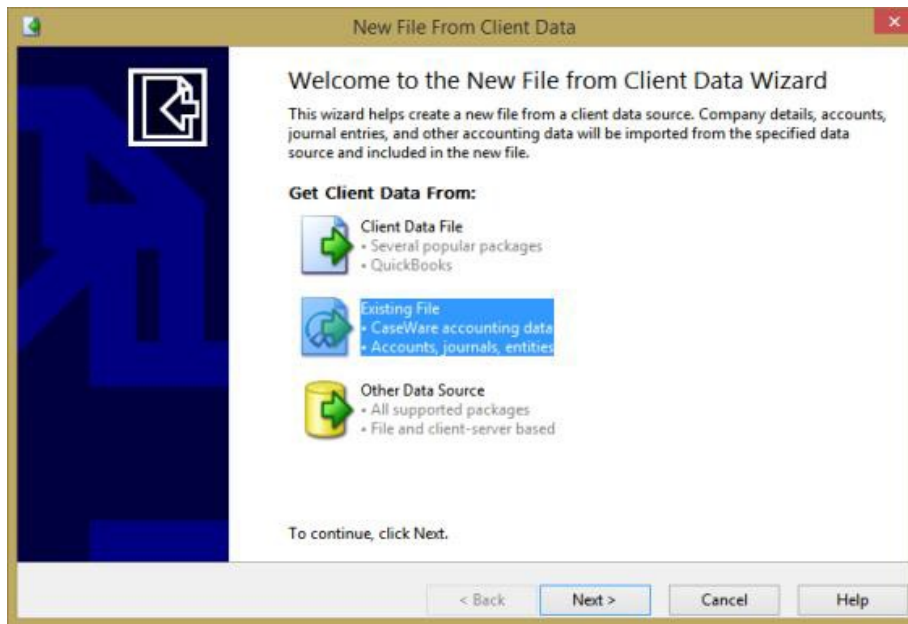
Training File

in folder [C:\Program Files \(x86\)\CaseWare\Data](#) ▼

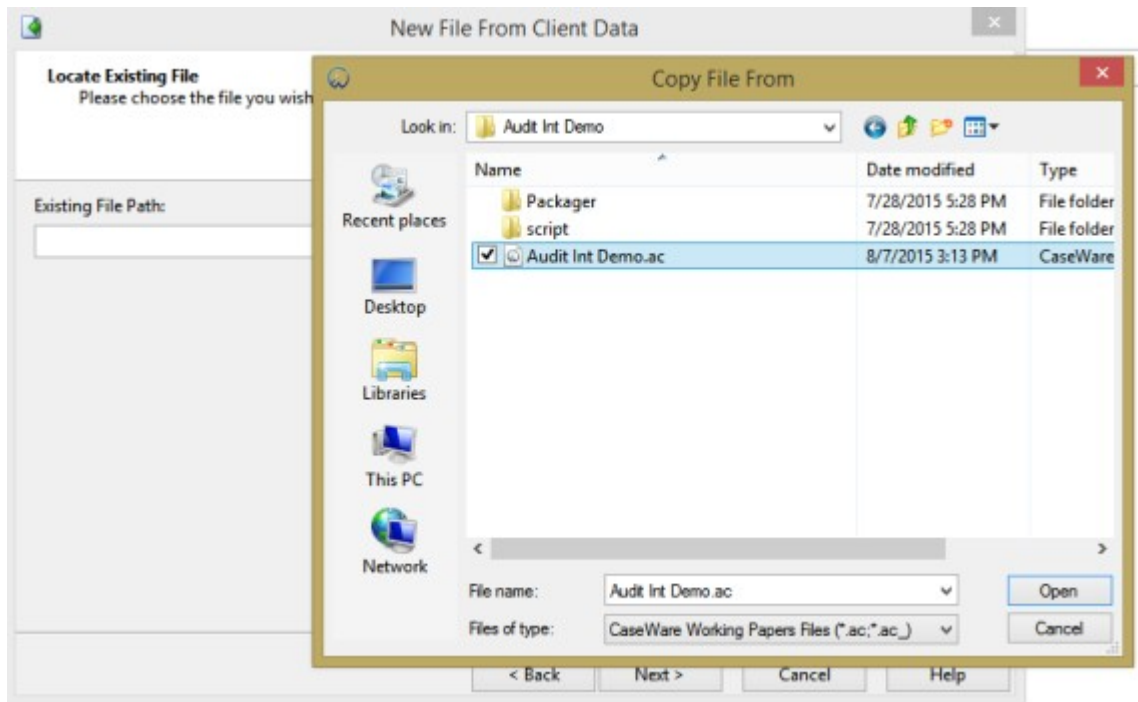
3. Locate **Audit International Demo** and click **Create and import data**.



4. In the New File from Client Data dialog, select **Existing File** and click **Next**.



5. Click **Browse** and select **Audit Int Demo.ac**.



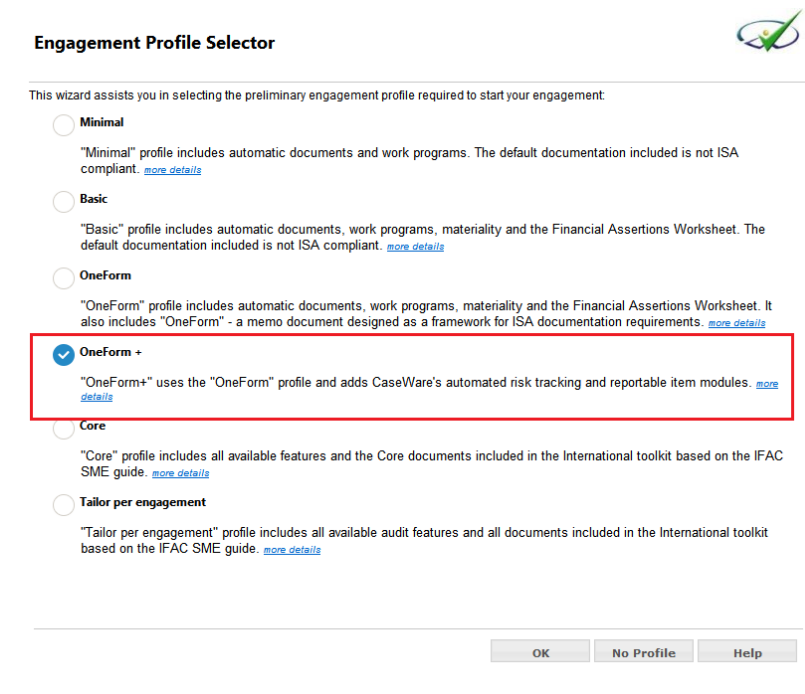
6. Click **Open**, then click **Next**.
7. Click **Finish**.

Result:

A new client file is created based on existing client data.

1.2 Objective: Select an engagement profile

1.2.1 In the Engagement Profile Selector dialog, select **OneForm+**.



The image shows a screenshot of the 'Engagement Profile Selector' dialog box. The title bar reads 'Engagement Profile Selector' with a green checkmark icon on the right. Below the title bar, a subtitle states: 'This wizard assists you in selecting the preliminary engagement profile required to start your engagement.' There are five radio button options listed: 'Minimal', 'Basic', 'OneForm', 'OneForm +', 'Core', and 'Tailor per engagement'. The 'OneForm +' option is selected, indicated by a blue checkmark in its radio button. A red rectangular box highlights the 'OneForm +' section, which includes the text: '"OneForm+" uses the "OneForm" profile and adds CaseWare's automated risk tracking and reportable item modules. [more details](#)'. At the bottom of the dialog, there are three buttons: 'OK', 'No Profile', and 'Help'.

Engagement Profile Selector

This wizard assists you in selecting the preliminary engagement profile required to start your engagement.

☐ **Minimal**

"Minimal" profile includes automatic documents and work programs. The default documentation included is not ISA compliant. [more details](#)

☐ **Basic**

"Basic" profile includes automatic documents, work programs, materiality and the Financial Assertions Worksheet. The default documentation included is not ISA compliant. [more details](#)

☐ **OneForm**

"OneForm" profile includes automatic documents, work programs, materiality and the Financial Assertions Worksheet. It also includes "OneForm" - a memo document designed as a framework for ISA documentation requirements. [more details](#)

☒ **OneForm +**

"OneForm+" uses the "OneForm" profile and adds CaseWare's automated risk tracking and reportable item modules. [more details](#)

☐ **Core**

"Core" profile includes all available features and the Core documents included in the International toolkit based on the IFAC SME guide. [more details](#)

☐ **Tailor per engagement**

"Tailor per engagement" profile includes all available audit features and all documents included in the International toolkit based on the IFAC SME guide. [more details](#)

OK No Profile Help








1.2.2 Clic

k **OK. Result**

The file contains all the related audit forms and template features based on the OneForm+ profile.

1.3 Objective: Complete the Optimiser checklist

1.3.1 Complete the **Optimiser** checklist as shown.

Optimiser question		
1.	An auditor's expert will be required.  If YES, individual procedures in work programs related to the use of auditor's experts will be included.	No
2.	It is anticipated that sampling will be used for tests of details.  If YES, Forms 110.125 , 130.125 , 425.125 , 1600.125 , 1600.103 , 1600.107 will be included.	Yes
3.	Substantive analytical documents to be included for each financial statement area.  If YES Forms in each Financial statement area related to substantive analytical procedures will be included.	Yes
4.	Include detailed views of the risk report.  If NO, preconfigured views of the Risk Report at various points in the audit, Forms 520E.1 , 520E.2 , 520E.3 , 520E.4 , 520E.5 , 520E.6 and 520E.7 will be marked for deletion, Form 520E will be included.	Yes
5.	There are transactions between component entities and/or related parties that need to be considered in financial statement areas.  If YES, individual procedures in work programs related to transactions with related parties and component entities will be included.	Yes
6.	The entity conducts business in another currency.  If YES, procedures relating to foreign exchange translation will be included.	No
7.	A physical inventory count will be conducted.  If NO, Form 110.110 will be suggested for deletion and related procedures in Form 110.101 will be deleted.	Yes
8.	The financial statements of the entity are subject to extensive estimates, allowances, accruals, prepayments and other provisions that are based on estimation techniques rather than specific factual information.  If YES, individual procedures in work programs relating to estimates will be included.	No
9.	The auditor is concerned that provisions, estimates, allowances and accruals are subject to significant management bias.  If YES, individual procedures in work programs related to management bias will be included.	No
10.	Do you want to use the reporting optimiser to tailor the procedures included in the Reporting checklist?  IF NO, Form 304 , will be excluded. Selecting YES will allow you to tailor the reporting checklist to the engagement. Form 305 , Reporting Checklist includes procedures to cover the ISA audit reporting standards (except those noted in Form 305 , guidance). All procedures can be included in Form 305 , where you want to document responses to each of the specific standards. Alternatively, you can tailor Form 305 , procedures to your engagement and only document your compliance with the applicable standards.	Yes

1.3.2 Click **Save**  and close the document.

Result

Documents based on the answers above are deleted in the Audit Optimiser Confirmation Report (AOCR).

Tip: Complete the materiality before proceeding with the AOCR.

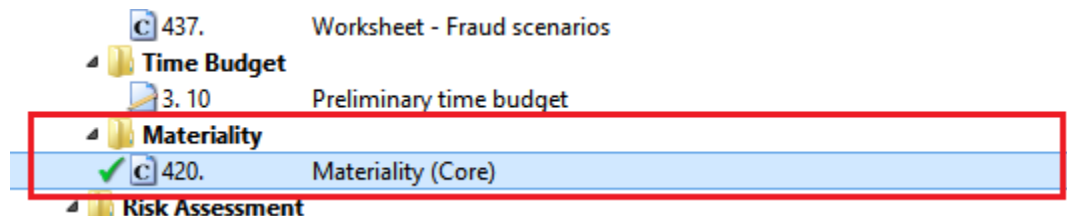
1.3.3 Practice Set – Complete materiality

At the end of this practice set, you will be able to:

- Complete the materiality worksheet.
- Generate a new Financial Statements Area worksheet.
- Customize the worksheet by sorting, adding a subtotal and adding a title.

3.1 Objective: Complete the materiality worksheet


- 1.3.3.1 On the Document Manager, expand the **Materiality** folder and double-click **420. Materiality (Core)** to open the document.



- 1.3.3.2 Enter the **Previous period** as **\$73,000** and **Was based on revenues**.
- 1.3.3.3 Enter **Preliminary** and **Final amount** for **Overall Maternity** as **\$77,000**. Enter **Total revenue was determined to be the most meaningful measure in relation to the needs of F/S users** as the reason for the change.
- 1.3.3.4 In **Performance Materiality**, select **Moderate risk 70%**. The values will be calculated automatically.
- 1.3.3.5 Enter the reasons for preliminary materiality as **Based on 70% of overall materiality, as we have not found many misstatements in prior periods (other than revenues and inventories) where we plan to reduce our performance materiality (see below)**.
- 1.3.3.6 In the **Trivial misstatements** section, enter **\$2,500** and **Amounts below 5% materiality are considered trivial**.
- 1.3.3.7 In the **Final materiality assessments** section, select **No** for the first question and comment **No reasons for revision during audit**.

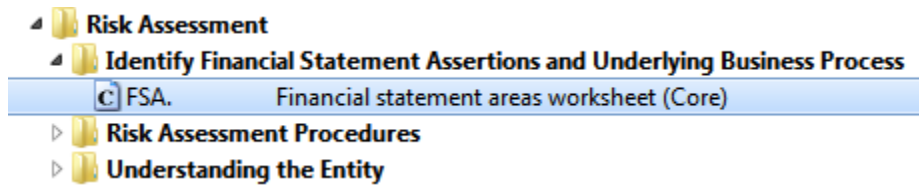
Result

Overall and Performance Materiality is updated and now populates at the top of Audit documents.

Tip: Click **Work Flow panel**  to return to the Document Manager. Click **Yes** to save the materiality document.

3.2 Objective: Generate a new financial statement areas worksheet


1. On the Document Manager, double-click **FSA. Financial statement areas worksheet** to open the document.





2. Click **Configure** .
3. Clear the option **Include zero amount** and set the **Mask Level** to **2**.


Select options required on generation of FSA. Reset Options


Refresh: Changes are applied upon refreshing or regenerating the FSA


Planning: Current Year 


Include zero amount ☐

Sort by Col:  Group Number 

Grouping: L/S 


Include From: 

Include To: 

Mask Level:  2 XXXX.XXX

Include Parent Numbers ☒

4. Click **Generate**  to generate.

Note: As the financial statement areas worksheet is pre-generated in the template, the engagement team may only have to select **Refresh** , which updates the **Planning Balance** column of the worksheet. For the purposes of this practice set, we will regenerate to reset parts of the worksheet.

5. Click **Yes** to continue.

Result

The generated FSA document only displays financial statement areas with a balance.

3.3 Objective: Customize parts of the worksheet

Prerequisites

- **FSA. Financial statement areas worksheet** document is open.

3.3.1 Sort the worksheet

1. Double-click the **Accounts/disclosure or other matters considered significant** to sort by the description in ascending order.

Group Number	Accounts/disclosure or other matters considered significant	Planning Balance	Current Balance	Prior Year	Prior Year 2	Overall Materiality	Statement Level
	Click to sort by Accounts/disclosure or other matters considered significant						

2. Right-click on a group number and select **Sort | Ascending** to sort by the group number.

Refresh	0	175,560	(45
Change Assertions...	6	22,246	1,12
Insert Business Cycle...	3	860,933	-
Display Materiality Details	7	64,657	-
Display Non-Material Items	7)	(121,397)	-
Display Hidden Items	4)	(102,754)	-
Display All Assertion Rows	3)	(18,643)	-
Audit Area	7	75,627	-
Titles	8	175,468	-
Totals	3	1,299,043	(45
Insert New Item			
Delete Item			
Hide Item			
Sort			
Insert New Reference			
Delete Reference			

Manual...

Ascending

Descending

Result

The worksheet is sorted by description in ascending order.

3.3.2 Add a subtotal

1. Right-click last asset row, **140 Cash and Cash Equivalents**, and select **Totals | Insert New Subtotal**.

Group Number	Accounts/disclosures or other matters considered significant	Prior Year	Materiality assessment	Relev
	Entity level and IT general weaknesses and controls			All
1	Property, plant and equipment			
1.1	Property, plant and equipment - cost			
110	Inventories			
110.1	Raw materials			
110.2	Work in progress			
110.3	Finished goods			
130	Receivables, current			
130.1	Trade receivables			
135	Prepayments			
140	Cash and cash equivalents			

2. Enter **Assets** as the new subtotal name.
3. Click **OK**.
4. Select the following **Financial Statement Areas**:
 - **Property, plant and equipment**
 - **Inventories**
 - **Receivables, current**
 - **Prepayments**
 - **Cash and cash equivalents**
5. Click **OK**.

Result

The subtotal is added.

3.3.3 Add a title

1. Right-click the **Assets** row and select **Titles | Insert New Title**.

Refresh	97)	-	(79,282)
Change Assertions...	43)	-	(18,643)
Insert Business Cycle...	54)	-	(60,639)
Display Materiality Details	00)	-	(80,000)
Display Non-Material Items	75)	(1,128)	(238,775)
Display Hidden Items	41)	(1,128)	(107,188)
Display All Assertion Rows			
Audit Area			
Titles			
Totals			

2. Enter **Liabilities and Equity** as the new title name.

3. Click **OK**.

Result

The title is changed to **Liabilities and Equity**.

4. Practice Set: Risk assessment and identification

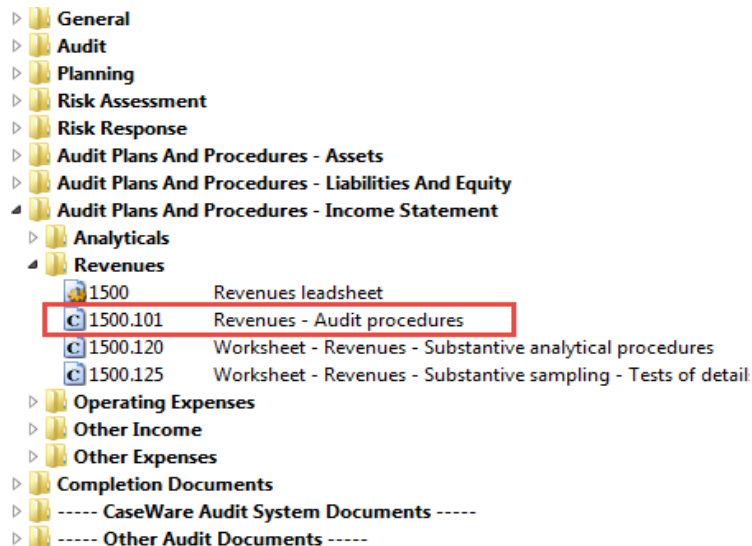
4.1 Objective: Add and edit risks


At the end of this practice set, you will be able to:

- Add a new risk to the engagement.
- Importing Risks from CaseWare RiskSpace.
- Link audit procedures to the risk from the Risk dialog.
- Link audit procedures to the risk from the procedure.
- Edit an existing risk.

4.1.1 Add a new risk to the engagement

1. On the Document Manager, double-click **1500.101 Revenues – Audit procedures** to open the document.



2. Click **New risk** .
3. In the Risk dialog, in the **Risk Identification** group, enter the following details:
 - **New risk name:** Continued growth.
 - **New risk description:** Continued growth (despite downturn) and poor inventory control.
 - **What Could Go Wrong:** F/S manipulation to make statements attractive to lenders.
4. Select the box next to **Financial Statements Areas** and select **Revenues** as shown:

Financial Statement Areas				
<input type="checkbox"/> Cash and cash equivalents	C	E	A	V
<input type="checkbox"/> Equity	C	E	A	V
<input type="checkbox"/> Equity - Shares	C	E	A	V
<input type="checkbox"/> Equity - Retained earnings	C	E	A	V
<input type="checkbox"/> Other liabilities, non-current	C	E	A	V
<input type="checkbox"/> Payables	C	E	A	V
<input type="checkbox"/> Trade payables	C	E	A	V
<input type="checkbox"/> Other payables	C	E	A	V
<input checked="" type="checkbox"/> Revenues	C	E	A	V
<input type="checkbox"/> Operating expenses	C	E	A	V
<input type="checkbox"/> Cost of sales	C	E	A	V
<input type="checkbox"/> Distribution costs	C	E	A	V
<input type="checkbox"/> Administrative costs	C	E	A	V
<input type="checkbox"/> Other operating expenses, area by function				

OK Cancel

5. Select the box next to **Business Cycles Affected**. Then, select the box next to **Revenues, Receivables, Receipts** and click OK.
6. In the **Assessment** and **Risk Response** groups, enter the details as shown. For the **Audit Response** field, enter **Examine growth plans and forecasted cash flows. Compare forecasted versus actual cash flows. Ensure valuations of receivables/inventory are reasonable. Review the company's refinancing submission to the bank.**

Assessment	
Likelihood to occur	Medium
Monetary Impact	Medium
Inherent Risk	Medium
Control Risk	Medium
RMM	Medium
Significant Risk	<input type="checkbox"/>
Procedures other than Substantive	<input type="checkbox"/>
Roll forward	<input checked="" type="checkbox"/>

Risk Response	
<i>Management Response</i>	
Risk treatment/mitigation	Some
<i>Audit Response</i>	
Audit has properly addressed this risk	Yes
Addressed	1500.101 1500.125

Associations	
Control	Reportable Item

Note: The **Addressed** field is automatically populated with the documents associated with the Revenues FSA.

7. Click **OK** to save the risk.

Result

The new Risk is saved and displays at the top of the document in the mini risk report. Risks also appear in the **Risk Report** document.

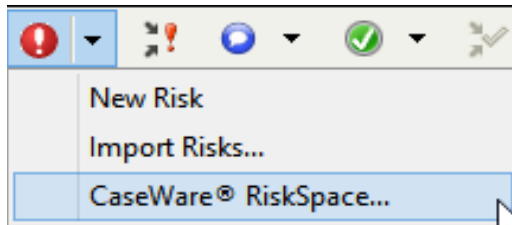
Tip: To display the Risks Identified mini report, select **Options | Risk Report View | Risks Identified**.


4.1.2 Import risks from CaseWare RiskSpace

To import risks from CaseWare RiskSpace:

1. On the Document Manager, double-click **425.101 Accounts payable and accrued liabilities – Audit Procedures** to open the document.

2. Click the down arrow next to **New risk** . Select **CaseWare® RiskSpace**.




3. In the **CaseWare® RiskSpace** dialog, collapse **Expense/Purchases/Payables** and select the following risks:
 - **Payments are made for foods and services not received.**
 - **Payments made are unauthorized.**
 - **Duplicate payments made for goods and services received.**
4. Click **OK** to open the **Risk** dialog with the imported risks.
5. Double-click the **Addressed** field to open the Document Manager dialog.
6. Expand **Audit Plans and Procedures – Income Statement and Revenues**. Click **Risk**  near **1500.101 Revenues – Audit procedures** to open the Procedures dialog.
7. Select the following options:
 - **Analytical Procedures**
 - **Revenue – completeness**
 - **Revenue – existence and accuracy**
 - **Sales Returns**
 - **Revenue – cut off**
8. Click **OK** to display the linked procedures in the **Addressed** field.

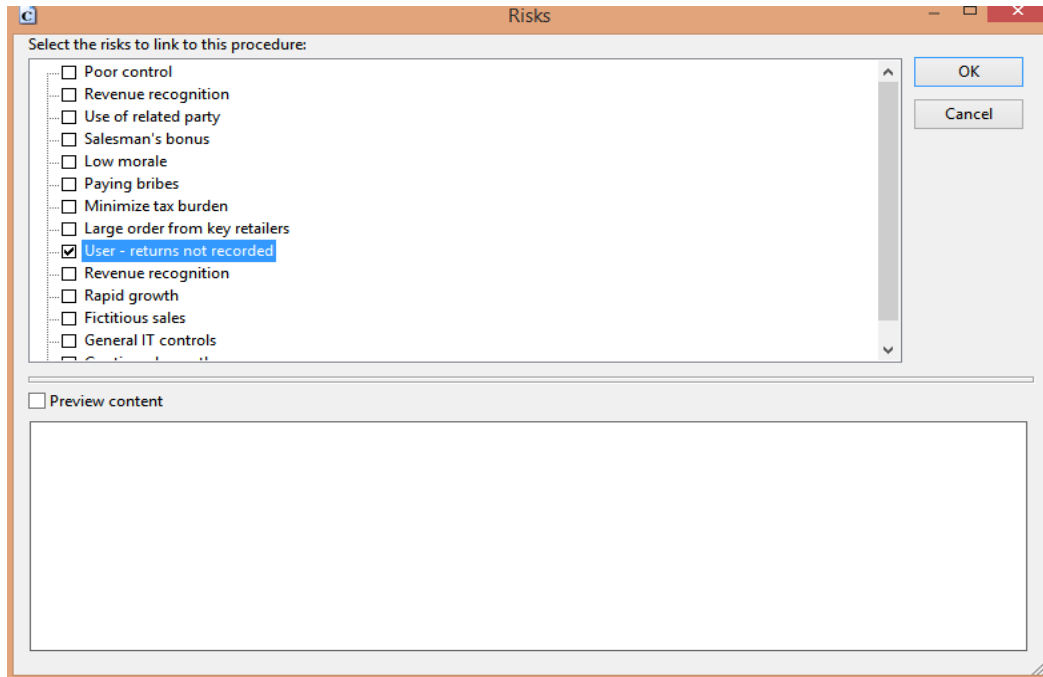
Result

The linked procedures are added to the **Risk** dialog, and the **Addressed** field is automatically populated with the linked procedures document. They'll also appear in the **Risk Report** document. The linked procedures within the document will link to the Risk.

The new Risk is saved and displays at the top of the document in the mini risk report, and in the **Risk Report** document.

4.1.3 Link audit procedures to the risk from the procedure

1. Place the cursor anywhere on **Procedure #2: Composition of Revenue** to link the risk.
2. Click **Link Risks** .
3. In the **Risks** dialog, select the created risk.



4. Click **OK**.
5. Close and save the document.

Result

The procedure is linked to the selected risk. The risk displays as a link next to the procedure.

Changes:			
2.	Composition of revenue Document significant changes affecting the composition of revenue. Consider: <ul style="list-style-type: none">• New products or services or significant changes to product lines (or the discontinuance of products or services).• Changes to revenue recognition policies.• Changes in economy, competitors.• Information obtained in other audit areas.	A	User - returns not recorded
3.	Revenue – completeness	C	User - returns not recorded
a.	Ask personnel responsible for or familiar with sales, receivables and receipts whether they are aware of any missing or unusual		

4.1.4 Edit an existing risk

1. On the Document Manager, double-click **520E. Risk report (Core)** to open the document.

Risk Assessment Summary	
520E. 6	Risk report - Risk assessment
520E.	Risk report (Core)
520F.	Risk report - Training View

2. Right-click the risk created previously and select **Edit Risk**.
3. Add **Inventory** as a **Business Cycle Affected**.
4. Edit other risks by selecting from the menu at the top-left of the dialog or browsing through each risk using the **Previous** and **Next** buttons at the top-right of the dialog.

User - returns not recorded *		
RISKS	CONTROLS	REPORTABLE ITEMS
Create New (item)	Create New (item)	Create New (item)
Inventory clerk	Cut-off procedures	Establish credit ...
Poor control	Credit manager ap...	Develop accounts ...
Revenue recognition	Accounts over 90 ...	
Receipts not depo...	Cheques received	
New sales	Sales and a/r report	
Use of related party	Aged a/r listing	
...	...	

5. Click **OK**.
6. Close and save the dialog.

Result

An existing link is edited.

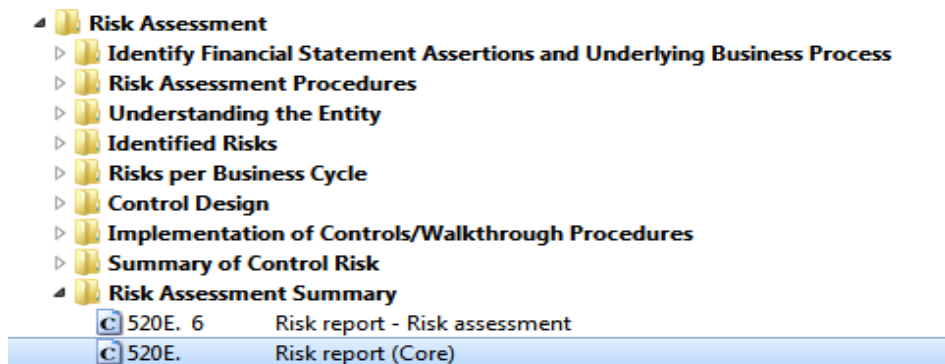
4.2 Objective: Define a Risk report view

At the end of this practice set, you will be able to:

- Define filters and display options for the Risk report.
- Create a View – Risk report.

4.2.1 Define filters and display options for the Risk report

1. On the Document Manager, double-click **520E – Risk report (Core)** in the **Risk Assessment Summary** folder to open the document.



2. Configure the following default view settings:
 - a. **Categories** to * **Fraud**
 - b. **Date Identified** to **New Today**
 - c. **Materiality** to **Materiality assessment**

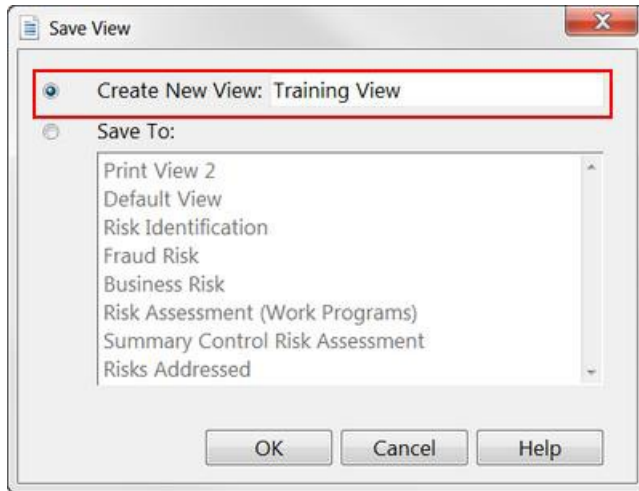


3. Click the **Ruler**.
4. Resize the columns by selecting the column headings and using the ruler.

The screenshot shows a risk report table. At the top, there is a ruler with a red border. Below the ruler, there is a text area with the following text: 'Risk reports summarize the various risks accumulated through the audit. The relevant ISA's related to this document include: ISA 240, ISA 315, ISA 330. This is an introduction section, you can enter a customized introduction, and also change the paragraph styles. To show/hide this section, go to: "Options > Display Custom Introduction and Conclusion"'. Below the text area, there is a table with the following columns: Risk Name, Date Identified, Risk Description, What Can Go Wrong, Assertions (P, C, E, A, V, RO, TA), and Inherent Risk Assessment (Likelihood to occur, Monetary Impact, Combined Score, Inherent Risk). The table is highlighted with a red border.

5. Right-click in the column headings of the risk report and clear **Test of controls** to hide the column.
6. Select **Document | Save View**.

7. Enter the view name **Training View**.



8. Click **OK**.

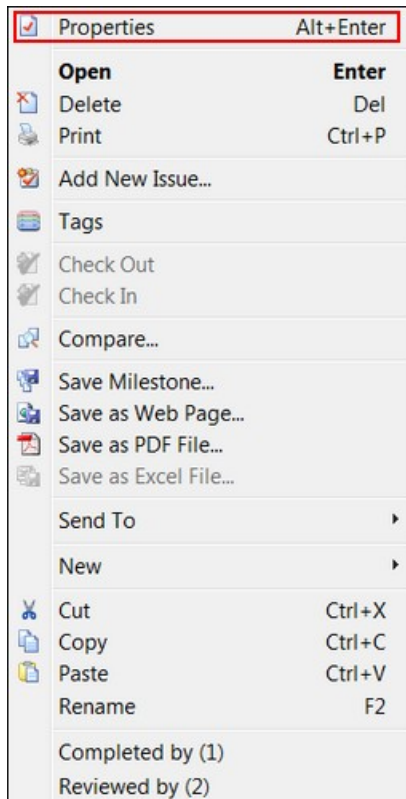
Result

The new view is saved and added to the **View** drop-down.

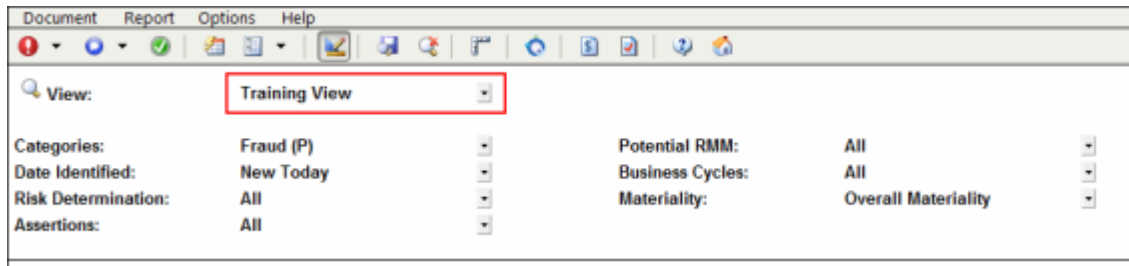
Tip: Change the view back to the default.

Create a View – Risk report

1. On the Document Manager, right-click the **520E Risk Report** document, select **Copy**.
2. Right-click below the existing document and select **Paste**.
3. Right-click the newly created **520F Risk Report** document and select **Properties**.



4. In the **General** tab, enter **Risk report – Training View** in the **Name** field, then click **OK**.
5. On the Document Manager, double-click **520F Risk report – Training View** to open the document.
6. Change the default view to **Training View**.



7. Close and save the Risk report documents.

Result

A risk report is created with the Training View risk view.

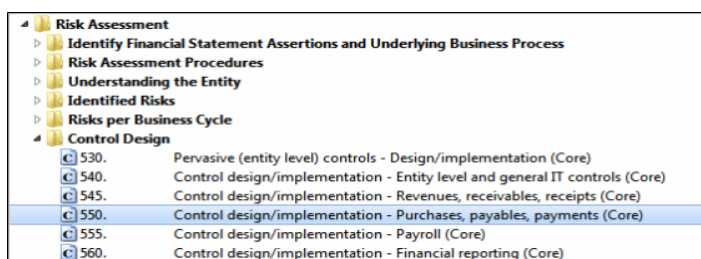
4.3 Objective: Add controls

At the end of this practice set, you will be able to:

- Add a new control to the engagement.
- Create a new control by copying an existing control.
- Mitigate a risk.
- Use Constellation.

4.3.1 Add a new control to the engagement

1. On the Document Manager, double-click **550 Control design/implementation – Purchases, payables, payments (Core)** to open the document.



2. In the **Audit Menus and Buttons** group, click **New Control**.
3. In the **New Control** dialog, enter the following information:
 - **Control name:** Payments approved
 - **Control description:** Authorized personnel examine supporting documentation and approve payments up to their spending limits.

4. Select the box next to **Business Cycles Affected**. Select **Purchases, Payables, Payments**, then click **OK**.
5. In the **New Control** dialog, complete the **Attributes**, **Evaluate Control Environment** and **Tests of Control** groups as shown, then click **OK**.

The screenshot shows the 'Control' dialog box with the title bar 'Control'. The main content area is titled 'Payments approved'. It contains several sections:

- Attributes**: Indirect Control (No), Manual / Automatic (Manual), Key Control (dropdown).
- Evaluate Control Environment**: Supporting Working Papers (dropdown), Control Design (dropdown), Evaluation Results (Satisfactory), Roll forward (checked).
- Tests of Control**: Test Control (Yes), Supporting Working Papers (dropdown), Control is Effective (Yes).
- Associations**: A table with columns 'Risk' and 'Reportable Item'. The 'Risk' column lists 'Payments made are...', 'Payments are made...', and 'Duplicate payment...'. The 'Reportable Item' column has buttons 'P' and 'D' for each risk.

 At the bottom are buttons for 'OK', 'Apply', 'Cancel', and 'Help'.

6. In the **Associations** group, click **Risk** and select **Edit association**.
7. In the **Choose Risk** dialog, select the following options:
 - **Duplicate payments made for goods and services received**
 - **Payments made for goods and services not received**
 - **Payments made are unauthorized**
8. Click **OK**.

The screenshot shows the 'Choose Risk' dialog box with a list of risks:

- ☐ Inventory clerk
- ☒ Duplicate payments made for goods and services received
- ☐ Use of related party
- ☐ New risk name
- ☐ Paying bribes
- ☐ New risk name
- ☐ Large order from key retailers
- ☐ New risk name
- ☐ New risk name
- ☒ Payments are made for goods and services not received
- ☒ Payments made are unauthorized
- ☐ Continued growth

 At the bottom are buttons for 'OK' and 'Cancel'.

Note: The dialog normally displays risks associated with the selected **Financial Statement Areas** and **Business Cycles** in the **Control** dialog. Since we have only selected a business cycle, all risks associated with that business cycle will display.

Select the options for **Prevent (P)** and **Detect (D)** for all.

Result

The new Control is saved and displays in the **Control Matrix** document.

4.3.2 Mitigate a risk

1. On the **Control Matrix** document, double-click the risk **Payments are made for goods and services not received.**

Risk Factors	Inventory clerk	Duplicate payments mad...	Use of related party	Paying bribes	Payments are made for ...	Payments made are unau...	Continued growth
E A			E A	P			P
	P&D			P&D	P&D		
N		N	Y				Y

2. Complete the **Risk Response** as follows:
 - **Management Response:** Implemented controls, effectively mitigate risk.
 - **Risk treatment/mitigation:** Yes
 - **Audit has properly addressed this risk:** Yes
3. Click **OK**.

Result

The **Control Matrix** and **Risk Report** documents are updated to indicate the mitigated risk.

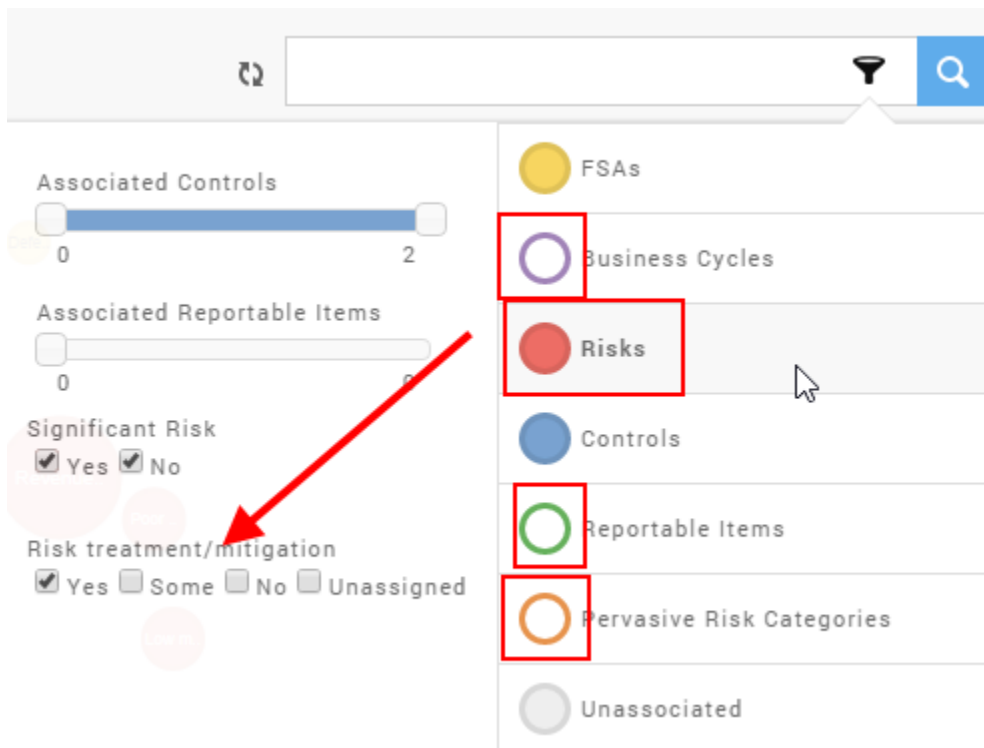
4.3.3 Use Constellation

1. In the toolbar of the Control Matrix, click **Launch Constellation** 



Note: Constellation™ provides a user the ability to configure various views and reports to display all the key knowledge accumulated in the engagement file at different stages of the audit. The views and reports will ensure the auditor can identify, assess and respond to those risks that have the potential to materially affect the financial statements. Constellation comes with preconfigured views to assist the user in reviewing key relationships.



2. Select the **Filter** icon and set the filters as shown:



3. Select the **Related party transactions are not identified** risk.

Result

The Risk card displays.

Tip: Open linked references from the cards by clicking on the supporting working paper or source references. You can edit risks, controls and reportable item nodes by clicking the **Pencil** button  on the detail card. Flag nodes by clicking the checkmark button  on the detail card.

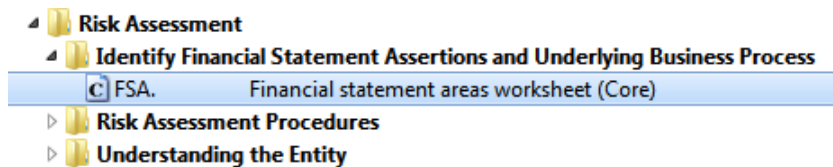
4.4 Objective: Update the Financial Statement Areas worksheet

At the end of this practice set, you will be able to:

- Change Assertions.
- Add Working Papers references.
- Assess risks.
- Complete Audit Response fields.

4.4.1 Change assertions

1. On the Document Manager, double-click **FSA. Financial statement areas worksheet (Core)** to open the document.



2. Right-click the **110 Inventories** row and select **Change Assertions**.
3. Clear the **Accuracy** assertion and click **OK**.

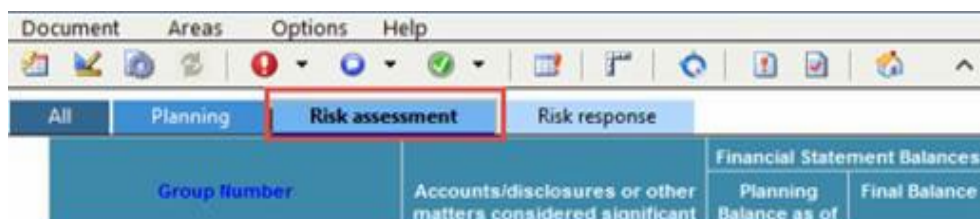
Result

The Relevant Assertion column is updated with the selected assertions.

Group Number	Accounts/disclosures or other matters considered significant	Financial Statement Balances			Materiality assessment	Relevant Assertions	Business Cycle
		Planning Balance as of 9/30/2015	Final Balance	Unrecorded AJEs			
± C	Accounts receivable	-	232,581	-	<input type="checkbox"/>	C E A V PD	RRR
± D	Inventories	-	848,530	-	<input type="checkbox"/>	C E V PD	INV


4.4.1.1 Assess risks at financial statements level

1. Click on the **Risk Assessment** tab at the top of the **FSA** document.
2. Fill in the risk assessment for **Entity level and IT general weaknesses and controls** as shown.



Note: This updates **Assessed risks at financial statement level** in the detailed audit response section of the work program documents.

4.4.4.2 Working Papers ref.





1. On the **110.3 Finished goods** row, double-click **Reference**  to open the dialog.
2. Under **Description**, click the down arrow next to **New Reference** and select the **110.3 Finished goods** document.
3. Click **OK**.

Result

The reference displays in the **W/P ref.** column.

4.4.2 Assess risks

1. On the **130 Receivables, current** row, under the **Group Number** column, expand the assertion rows.
2. From the drop-downs, select the risk levels as follows:









	Relevant Assertions	Other control processes (that impact account/disclosure)	Inherent Risk	Control Risk	Residual Risk	Overall Risk	
3							
	C		Med -	Med -	Med -	Med -	
	E		Hi -	Med -	Med -	Hi -	
	A		Low -	Med -	Low -	Low -	
	V		Med -	Med -	Low -	Med -	


Result

The relevant risks are assessed.

4.4.3 Complete Audit response fields

1. Click the **Risk Response** tab at the top of the **FSA** document.
2. For the **Receivables** row, select the **Audit Response field** check boxes as follows:

Group Number	Account/disclosures or other matters considered significant	Relevant Assertions	Inherent Risk	Control Risk	ERM	Summarize the reasoning for the assessed level of risk	A. Substantive proceeds...	B. Substantive proceeds...	C. Substantive analysis...	D. Tests of controls (...)	Audit Response Fields...	Annotate	Risk assessment completed
110. 3	Finished goods	CEAV											
130	Receivables, current												
		C	Med	Med	Med		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Training		<input checked="" type="checkbox"/> AU 7/29/2015
		E	Hi	Med	Hi		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/> AU 7/29/2015
		A	Low	Med	Low		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/> AU 7/29/2015
		V	Med	Med	Med		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/> AU 7/29/2015

- Enter **Training** in the **Audit Response Finalisation** column.
- Initial each assertion by clicking **Autofill**  and selecting **Selected**.


Result

The **Detailed Audit Response** section in the Accounts receivable work program is automatically populated.

To view the **Detailed Audit Response** section, click **File | Save**. Launch the **130.101 – Accounts receivable** work program by selecting 130.101 under the W/P ref column. Close and save the work program and **FSA** worksheet document.

Assessed risks at financial statement level (High, Moderate or Low) from Form FSA , (Form 424 when not using CaseWare's Automated form)	(Medium)			
	Completeness	Existence	Accuracy	Valuation
Assessed risks at assertion level (High, Moderate or Low) from FSA , (Form 424 when not using CaseWare's FSA)	(Medium)	(High)	Low	(Medium)
Have the assessed risks changed from the previous period? <input type="checkbox"/> if yes, explain.				
Summary of proposed audit responses (check the applicable boxes under CEAV)				
A. Substantive procedures - basic	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
B. Substantive procedures - extended (sampling, fraud, significant risks, etc.)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Substantive analytical procedures (proof in total, etc.)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Tests of controls (operating effectiveness)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audit Response Finalisation	Training			
Risk assessment completed	<input checked="" type="checkbox"/> AU 7/29/2015	<input checked="" type="checkbox"/> AU 7/29/2015	<input checked="" type="checkbox"/> AU 7/29/2015	<input checked="" type="checkbox"/> AU 7/29/2015

Notes:

- Your firm may decide to exclude the **Audit Response Fields** from the **FSA** worksheet. You'll need to complete the **Detailed Audit Response** section in each work program.
- A warning  appears near substantive analytical procedures. Click the warning to add that substantive analytical procedures were conducted.

5. Practice Set – Risk response and work programs

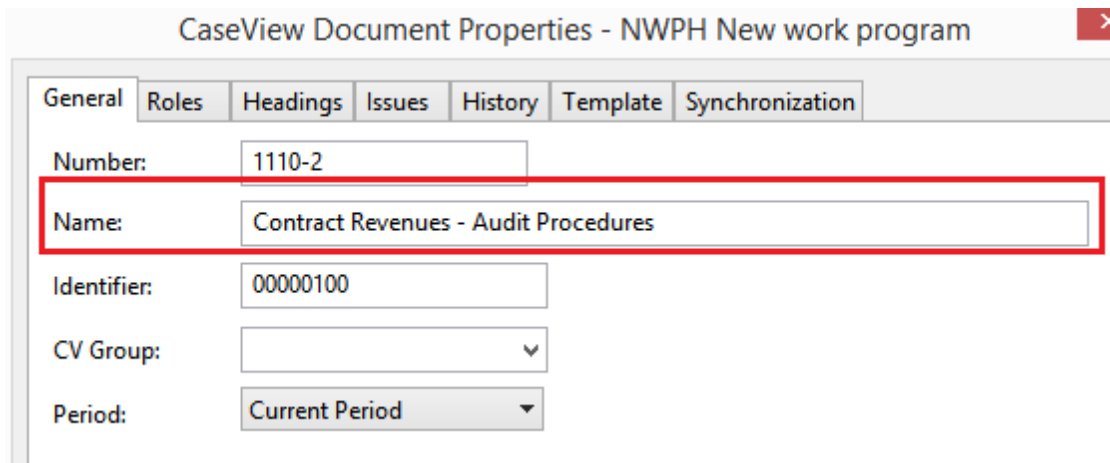
At the end of this practice set, you will be able to:

- Create a new work program.
- Create a new checklist.

5.1 Objective: Create a new work program

To create a new work program:

1. On the Document Manager, open the **New Master Documents** folder under ----**CaseWare Audit System Documents**----
2. Right-click the **NWPH New work program** document and select **Copy**.
3. Right-click the **Revenue** folder and select **Paste**.
4. Right-click the new document and select **Properties**.
5. In the **General** tab, enter the document **Number** as **1102-2** and the **Name** as **Contract Revenues – Audit Procedures**. Click **OK**.



The screenshot shows the 'CaseView Document Properties - NWPH New work program' dialog box. The 'General' tab is selected, and the 'Name' field is highlighted with a red rectangle. The 'Number' field contains '1110-2', the 'Name' field contains 'Contract Revenues - Audit Procedures', the 'Identifier' field contains '00000100', the 'CV Group' field is empty, and the 'Period' field is set to 'Current Period'.

Field	Value
Number:	1110-2
Name:	Contract Revenues - Audit Procedures
Identifier:	00000100
CV Group:	
Period:	Current Period

6. Launch the new document to open the Document Properties dialog. Click **OK**.

Document Properties

General

Additional Details

Name:

Contract Revenue - Audit Procedures

Procedure Response

☒ Completed, no exceptions
 ☒ Completed with exceptions noted below

☒ Not possible to complete
 ☒ Yes

☒ No
 ☒ N/A

☒ Other

Other

☐ Use Input Response
 ☒ Show Note Row

OK

Cancel

Help

Result

A blank, modifiable work program is created.

All

Risk Report

Objectives

Procedures

AUDIT CONCLUSIONS (based on profess...

Risks Identified

What Can Go Wrong

Addressed/ Reference

Objectives

1.

2.

3.

4.

5.

Procedure	Obj	Assert	Result	By	Ref
1.					
a.					

AUDIT CONCLUSIONS (based on professional judgment)

Right click to edit conclusion

Completed by:

Reviewed by:

Tip: Close and save the document before continuing.

5.2 Objective: Create a new checklist

To create a new checklist:

1. On the Document Manager, open the **New Master Documents** folder.
2. Right-click the **NCHKLST New checklist** document and select **Copy**.
3. Right-click the **Cash and Cash Equivalents** folder and select **Paste**.
4. Right-click the new document and select **Properties**.
5. In the **Properties** dialog, enter the **Number** as **A. 115-2** and **Name** as **Cash Count Checklist**. Click **OK**.
6. Launch the new document to open the Document Properties dialog. Click **OK**.

Result

A blank, modifiable checklist is created.

All	Procedures	AUDIT CONCLUSIONS (based on profess...		
	Procedure	Result	By	Ref
1.	a.			
Conclusion				
Right click to edit conclusion				
Completed by:		<input type="text"/>		
Reviewed by:		<input type="text"/>		

Tip: Close and save the document before continuing.

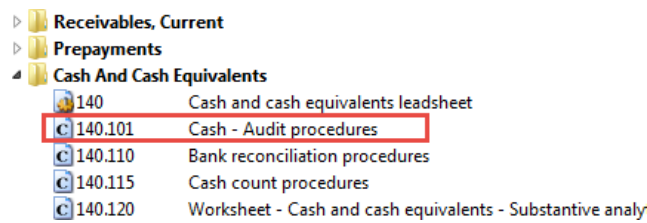
5.3 Objective: Edit content

At the end of this practice set, you will be able to:

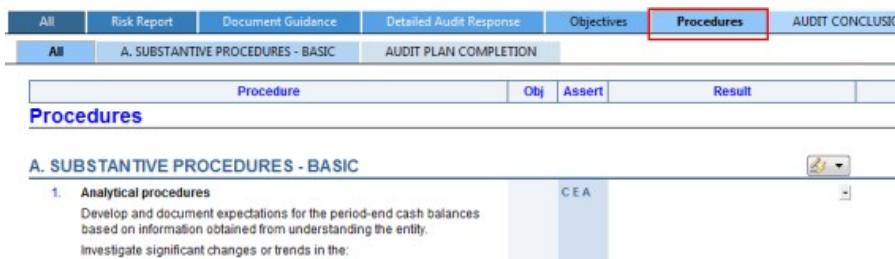
- Modify existing procedure content.
- Delete procedures.
- Insert procedures from the Content Library.
- Sort sub groupings.
- Insert new blank procedures.
- Review deleted procedures.
- Compare changes to a modified procedure.

5.3.1 Modify existing procedure content

1. On the Document Manager, double-click **140.101 Cash – Audit procedures** to open the document.

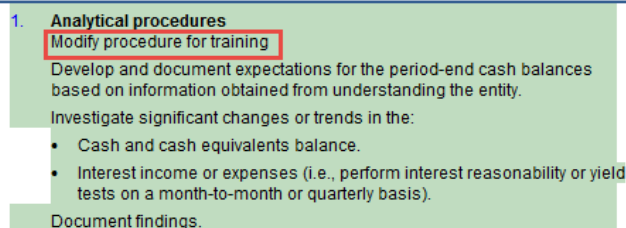


2. Click the **Procedures** tab.



3. Right-click in **Analytical procedures** and select **Modifiable**.
4. From the **View** tab, click **Enable Editing** and enter **The quick current ratio compared to other years** at the end of the procedure.

A. SUBSTANTIVE PROCEDURES - BASIC



Note: Your firm may disable the ability to edit existing procedures.

5. Right-click in **Analytical procedures** and select **Modifiable**.

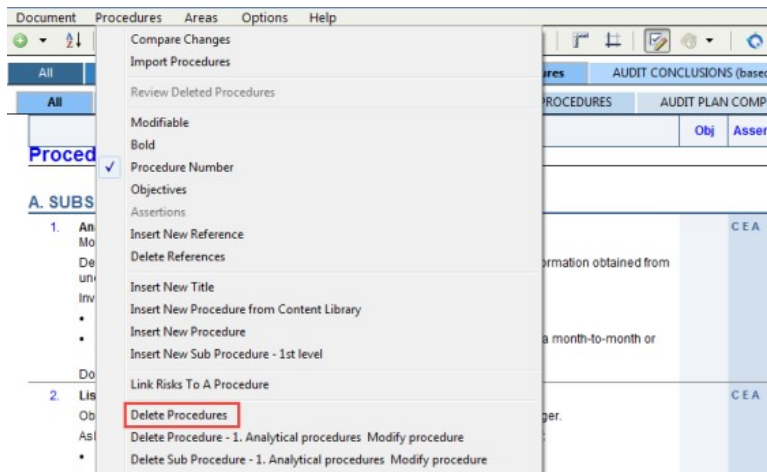
Note: The procedure reverts to its original color. Saving the document will also cause the procedure to revert to its original color.

Result

An existing procedure is modified.

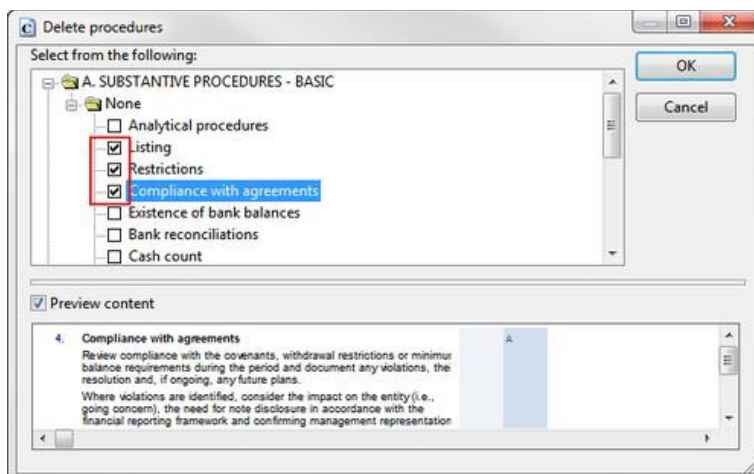
5.3.2 Delete procedures

1. From the **Procedures** menu, select **Delete Procedures**.

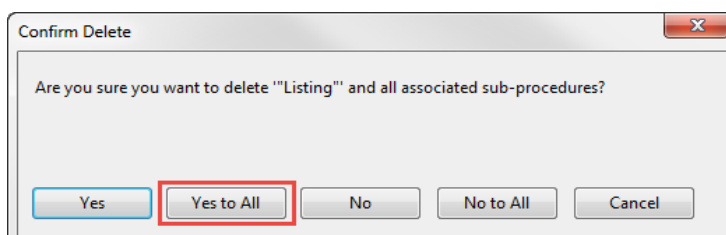


Note: Selecting **Delete Procedure – 1. Analytical procedures** will only delete the one procedure.

2. Select the procedures to be deleted as shown, then click **OK**.



3. Click **Yes to All** to confirm deletions.

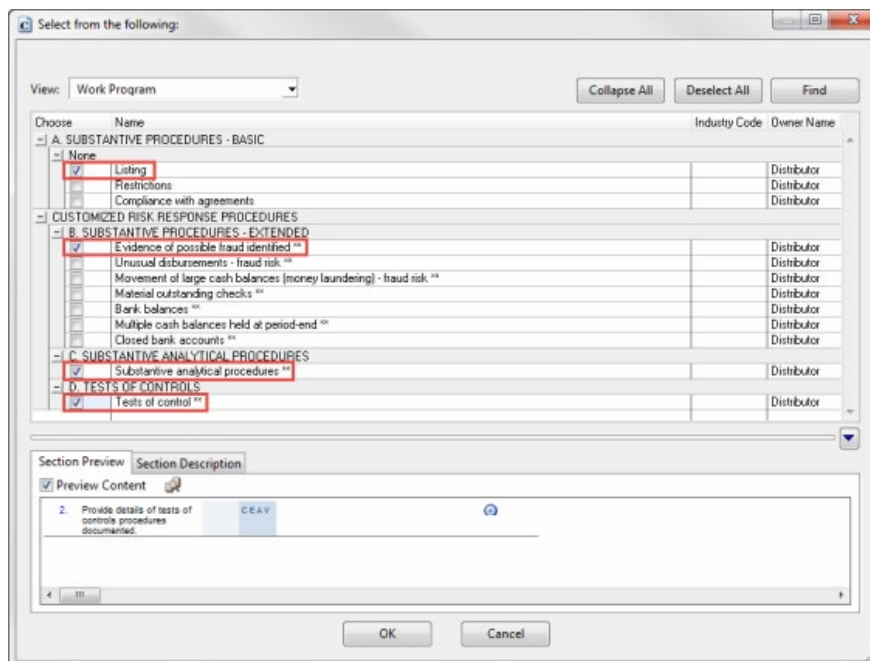


Result

The procedures are removed from the document.

5.3.3 Insert procedures from the Content Library

1. Right-click in the **Procedures** area and select **Insert New Procedure from Content Library**.
2. Select the following procedures:
 - **Listing**
 - **Evidence of possible fraud identified ****
 - **Substantive analytical procedures ****
 - **Test of control ****



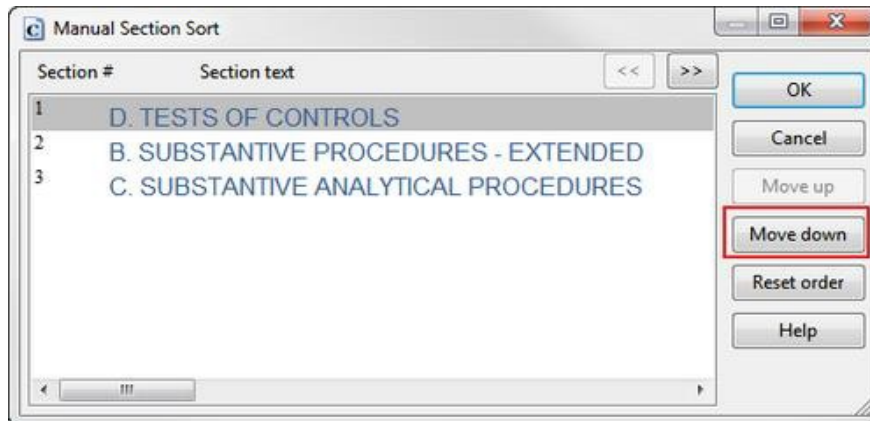
3. Click **OK**.

Result

A previously deleted procedure is reinserted and new procedures from the Content Library are added under a new procedure grouping, **Customized Risk Response Procedures**.

5.3.4 Sort sub groupings

1. Locate the **Customized Risk Response Procedures** grouping and click on one of the sub group titles, such as **Tests of controls**.
2. From the **Procedures** menu, select **Sort Sub Groupings**.
3. In the Manual Section Sort dialog, click **Move down** to move **Test of controls** to the bottom.
4. Click **OK**.



Result

The **Test of controls** sub group is moved.

5.3.5 Insert new blank procedures

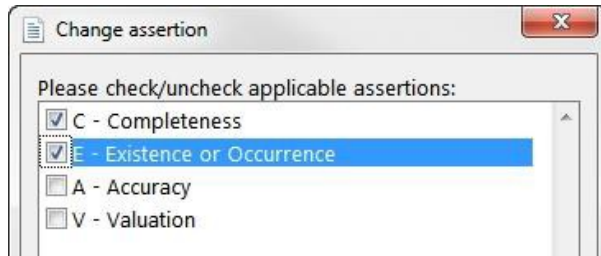
1. Right-click in the **Evidence of possible fraud identified** procedure and select **Insert New Procedure**.



2. In the Insert Items dialog, click **OK** to insert a new procedure.
3. In the new modifiable procedure, type and bold **Inquiry** and enter **Evaluate and assess management's responses to inquiries and communicate the responses when such responses indicate fraud**.
4. Right-click the new procedure and select **Assertions**.

Note: You can only assign assertions to blank procedures you've created.

5. Select the assertions as shown and click **OK**.



Result

A new blank procedure is created with assertions.



5.3.6 Review deleted procedures

1. From the **Procedures** menu, select **Review Deleted Procedures**.
2. Locate the following procedures:

2. Listing	CEA	
Obtain a listing of all cash accounts at the period end and agree it to the general ledger.		
Ask personnel familiar with or handling cash transactions whether they are aware of:		
• Unrecorded cash transactions.		
• Unrecorded bank accounts.		
(NF) Restrictions	EA	Deleted by: TU 3/21/2014
Document any covenants, withdrawal restrictions or minimum balance requirements regarding the use or withdrawal of cash and cash equivalents.		
(NF) Compliance with agreements	A	Deleted by: TU 3/21/2014
Review compliance with the covenants, withdrawal restrictions or minimum balance requirements during the period and document any violations, their resolution and, if ongoing, any future plans.		
Where violations are identified, consider the impact on the entity (i.e., going concern), the need for note disclosure in accordance with the financial reporting framework and confirming management representations directly with the lending institution.		

3. Right-click on the Restrictions procedure and select **Restore procedure – 3. Restrictions**.

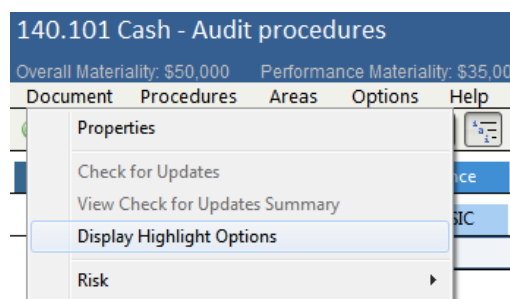
Result

The Restrictions procedure is restored to the work program.

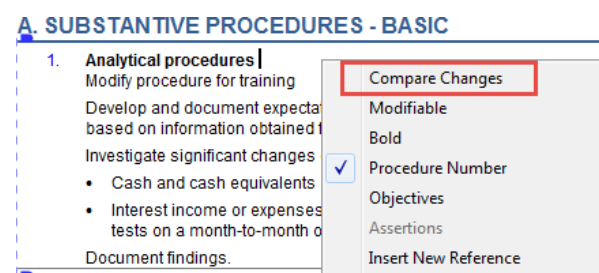
5.3.7 Compare changes to a modified procedure

1. From the **Document** menu, select **Display Highlight Options**.

Note: Using this feature, you can review procedures highlighted for various states.



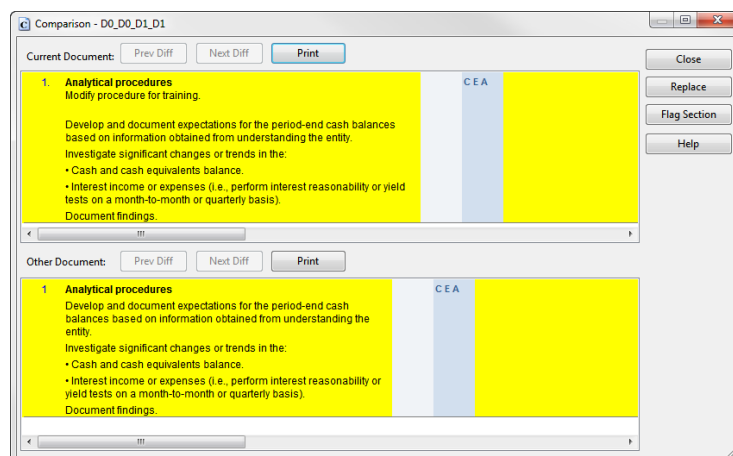
2. Select **Highlight Edited Procedures**.
3. Right-click procedure **1. Analytical procedures** and select **Compare Changes**.



Note: The **Compare Changes** option is only available when **Highlight Edited Procedures** is selected. This feature can be used at various stages of the engagement as a file review or file update tool.

Result

The Comparison dialog displays. You can compare the modified procedure in the **Current Document** pane to the original procedure in the **Other Document** pane.



Tip: Click **Close** before continuing.

5.4 Objective: Complete procedures

At the end of this practice set you will be able to:

- Complete procedures.
- Complete Conclusion area.

5.4.1 Complete procedures

To complete procedures:


1. In procedure **1. Analytical procedures**, select **Completed, no exceptions** in the drop-down in the **Result** column.

Note: The **By** column is automatically populated with your user ID and the date.

A. SUBSTANTIVE PROCEDURES - BASIC


1. Analytical procedures	CEA
Modify procedure for training Develop and document expectations for the period-end cash balances based on information obtained from understanding the entity. Investigate significant changes or trends in the: <ul style="list-style-type: none">• Cash and cash equivalents balance.• Interest income or expenses (i.e., perform interest reasonability or yield tests on a month-to-month or quarterly basis). Document findings.	<div>Completed, no exceptions Completed with exceptions noted below Not possible to complete Yes No N/A Other</div>

2. Right-click on procedure **2. Listing** and select **Insert New Reference**.
3. Select document **140 Cash and cash equivalents leadsheet** in the drop-down, then click **OK**.
4. In procedure **2. Listing**, select **Completed with exceptions noted below** in the drop-down in the **Result** column.

Note: This response requires an explanation and automatically adds the  indicator that an **Issue** must be created.

5. Enter text in the cell, then click outside the cell.

Note: A check box automatically appears in the **By** column. The check box allows you to sign off on the procedure.

6. Click the check box in the **By** column to add your user ID and the date.
7. Click the **Indicator**  to create an issue. Click **OK**.

Enter Subject Here - New Issue

Number: TU-1 ☐ Cleared

Subject: Enter Subject Here

Type: None ☐ Retain on Cleanup ☐ Roll Forward

Assigned to: Everyone Priority: Normal

Document: 140.101 Cash - Audit procedures

Description
Completed with exceptions noted below
Exception details for Audit training.
TU, Friday, March 21, 2014

Resolution

Status: Not Started % Complete: 0

Start on: 3/21/2014 Due on: 3/21/2014

Reminder: 3/21/2014 Time: 2:59:43 PM

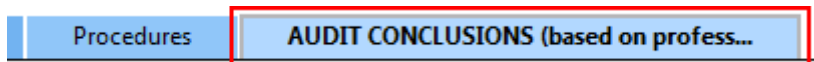
OK Cancel Help

Result

The procedures are complete with a response, sign off, document reference, and issue.

5.4.2 Complete conclusion area

1. Select the **Audit Conclusions** tab to display only the audit conclusion area.



2. From the **Areas** menu, select **Edit Conclusion**.
3. In the conclusion, enter additional text.
4. Select the **Completed by:** check box to sign off on the document.

Note: This opens the CaseView Document Properties dialog.

5. In the **Roles** tab, select the **Completed by:** check box to autofill the user initial and date.
6. Click **OK** to sign off on the incomplete document.

Note: Your firm may not allow you to sign off on documents unless all procedures have been signed off.

Result

The Conclusion area is completed.

AUDIT CONCLUSIONS (based on professional judgment)

The audit evidence obtained is sufficient and appropriate to reduce audit risk to an acceptably low level.

New text for the Audit Conclusion.

Completed by:

☒ TU

3/21/2014

Reviewed by:

☐

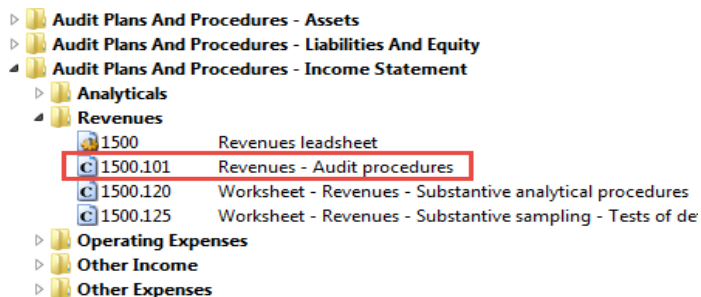
6. Practice Set – Complete and Report – Reportable Items


At the end of this practice set, you will be able to:

- Add a new reportable item to the engagement.
- Review the management letter report.
- Create a reportable item letter.

6.1 Objective: Add a reportable item to the engagement

1. On the Document Manager, double-click **1500.101 Revenues – Audit procedures** to open the document.

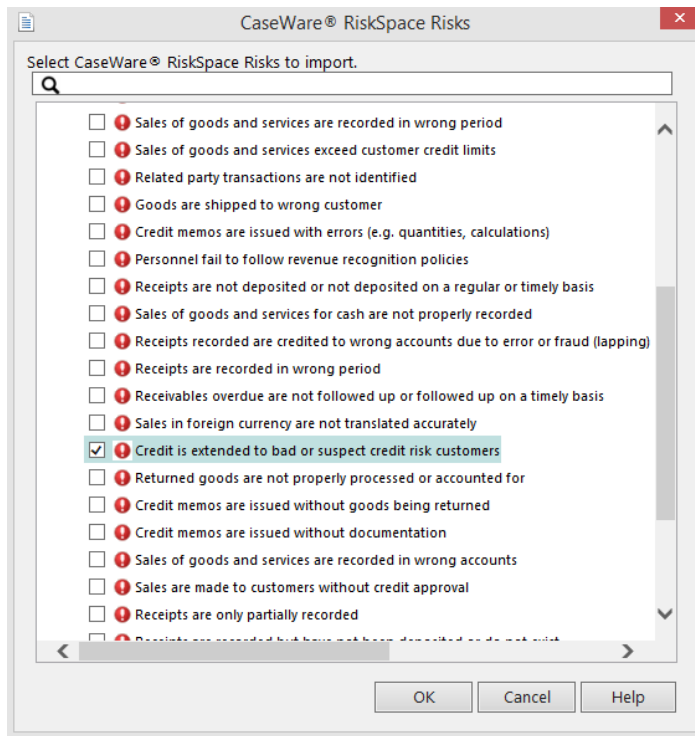


2. In the **Audit Menus and Buttons** area, click **Reportable Item** .
3. In the **New Reportable Item** dialog, complete the details as follows:
 - **New reportable item:** Sales are made to customers without credit approval
 - **Observation/Weakness:** Doubtful accounts continue to grossly
 - **Weakness:** No credit approval policies

The screenshot shows the 'New Reportable Item' dialog box. The 'Reportable Item' section is highlighted with a red box and contains the following text: 'Sales are made to customers without credit approval', 'Doubtful accounts continue to grossly exceed industry average.', and 'No credit approval policies'. Below this, there is a checkbox for 'Other reportable item' and a text field for 'Source' with the value '1500 101'. The 'Recommendation and Response' section has a text field for 'Sales are made to customer...*' and checkboxes for 'Include in the following letters:'. The 'Letter Structure' section has dropdown menus for 'Year Identified' (set to 'Current Year'), 'Classification', 'Rating', and 'Grouping'. The 'Associations' section has a 'Risk' field and a 'Control' field.

4. Click **Risk**  in the **Associations** group and select **Import from RiskSpace**.

5. In the CaseWare® RiskSpace dialog, select **Credit is extended to bad or suspect credit risk customers** and click **OK**.



6. Click **Risk** in the **Recommendations and Response** group and select **Create New (item)**.

7. In the **Add Recommendation** dialog, complete the details as follows, then click **OK**.

- **Name:** Credit policy
- **Recommendation:** We recommend the company establish a credit policy and define procedures and guidance for determining whether to extend and the level of credit to be extended to customers.

Add Recommendation

Name	Credit Policy
Recommendation	We recommend the company establish a credit policy and define procedures and guidance for determining whether to extend and the level of credit to be extended to customers

OK Cancel

8. Complete the letter structure of the **New Reportable Item** dialog as follows, then click **OK**.
 - **Classification:** Material weakness in internal control
 - **Rating:** Significant
 - **Grouping:** Revenues, Receivables, Receipts
9. Close the work program document.

Result

The new reportable item is created.

Note: The default reportable item letter types are **Management letter report** and **Report for those charged with governance**, for Letter 1 and 2 respectively.

The created reportable item will only appear on letters that have been selected for **Report for those charged with governance**.

6.2 Objective: Review the 360. – Management letter report

1. On the Document Manager, double-click **360. – Management letter report** under the **Completion Documents** and **Reports to those charged with governance** folders to open the document.
2. If the reportable item doesn't automatically appear, select **Document | Generate**.
3. Click the **Plus (+)** next to the reportable item.
4. Close and save the document.

Result

The new reportable item is in the Management letter report.

Reportable Items	Included in		Reason	Rating	Grouping	W/P ref.
	Management let...	Report for those ...				
December 31, 2013						
Material weakness in internal control						
<div><div><div></div><div>Sales are made to customers without credit approval.</div></div><div><div>! Credit is extended to bad or suspect credit risk customers</div><div>Doubtful accounts continue to grossly exceed industry av...</div><div>No credit approval policies.</div><div>Credit Policy</div></div></div>	Yes	Yes		Significant	Revenue, Receivables, Receipts	
	Yes	Yes				

6.3 Objective: Create a reportable item letter

1. On the Document Manager, open the **New Master Documents** folder.
2. Right-click the **MGTLETTER Sample management letter** document and select **Copy**.
3. Right-click the **Reports to those charged with governance** folder and select **Paste**.
4. Right-click the new document and select **Properties**.
5. Enter the document **Name** and **Name** as follows, then click **OK**:
 - **Number:** TRAINLET
 - **Name:** New training reportable items letter

CaseView Document Properties - MGTLETTES Sample management letter

General Roles Headings Issues History Synchronization

Number: TRAINLET

Name: New training reportable items letter

Identifier: 000000ST


CV Group: [dropdown]

Period: Current Period [dropdown]

☒ Include in Index ☒ Retain on Cleanup ☒ Lock Down

☒ Roll Forward ☐ Roll Forward as Placeholder

OK Cancel Help

6. Open the new document.
7. In the **Choose Letter** drop-down, select **Report for those charged with governance** as the reportable item type.
8. Click **Refresh** .

Note: Although Audit allows you to completely edit the letter document, selecting **Refresh** overwrites any changes to the reportable items. Any changes to the text of reportable items must be made *from* the reportable item.

9. Click **OK**.

Result

The new reportable item is in the new management letter.

Dear [Name],

The objective of our audit was to express an opinion on the financial statements and our audit included considerations of internal controls relevant to our audit to obtain reasonable assurance that the financial statements were free of material misstatements. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls or for identifying all significant deficiencies that may exist. Accordingly, our audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

During the course of our audit of [client] for the year ended December 31, 2013 we have identified the following significant deficiencies:

1. Material weakness in internal control

1.1. Significant

1.1.1. Revenue, Receivables, Receipts

1. Sales are made to customers without credit approval.

Observation

Doubtful accounts continue to grossly exceed industry averag...

Weakness

No credit approval policies.

Credit Policy

We recommend the company establish a credit policy and defin...

Management Response/comment

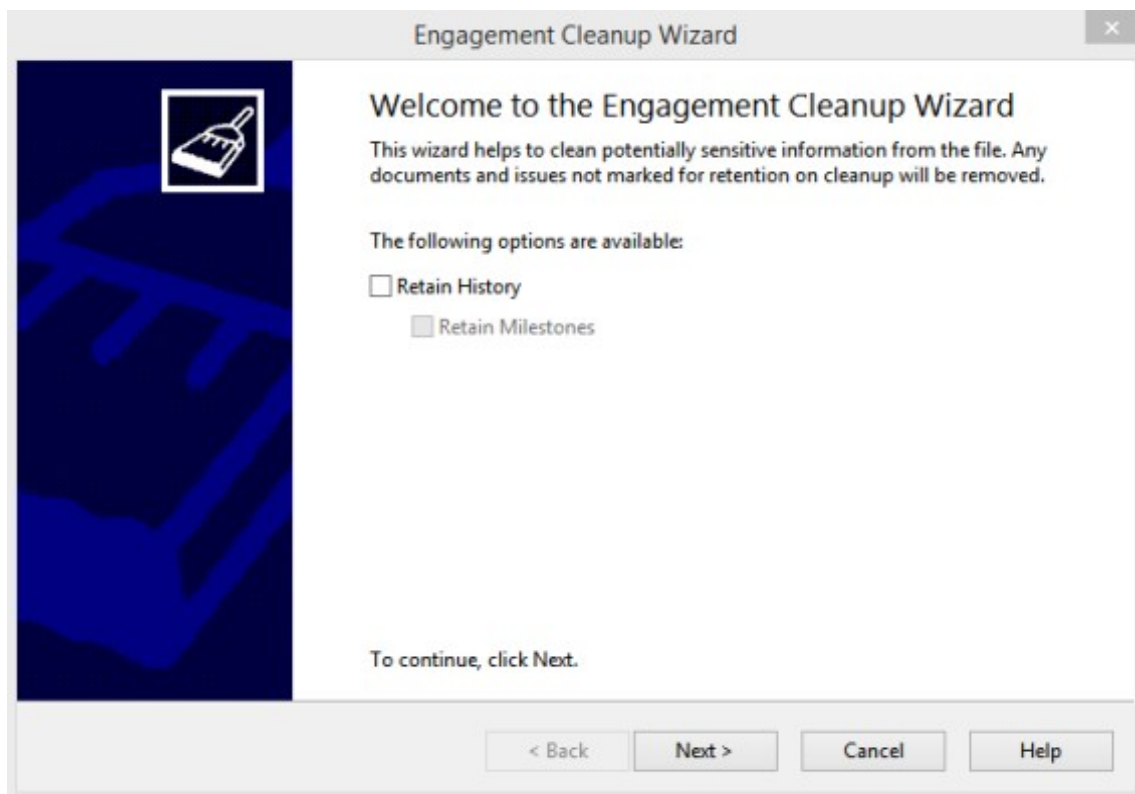
7. Practice Set – Get ready for next year

At the end of this practice set, you will be able to:

- Perform a Cleanup.
- Lockdown the file.
- Perform a Year End Close.

7.1 Objective: Perform a cleanup

1. From the **Engagement** tab, in the **Manage** group, click **Clean Up**.
2. On the **Engagement Cleanup Wizard**, click **Next**.



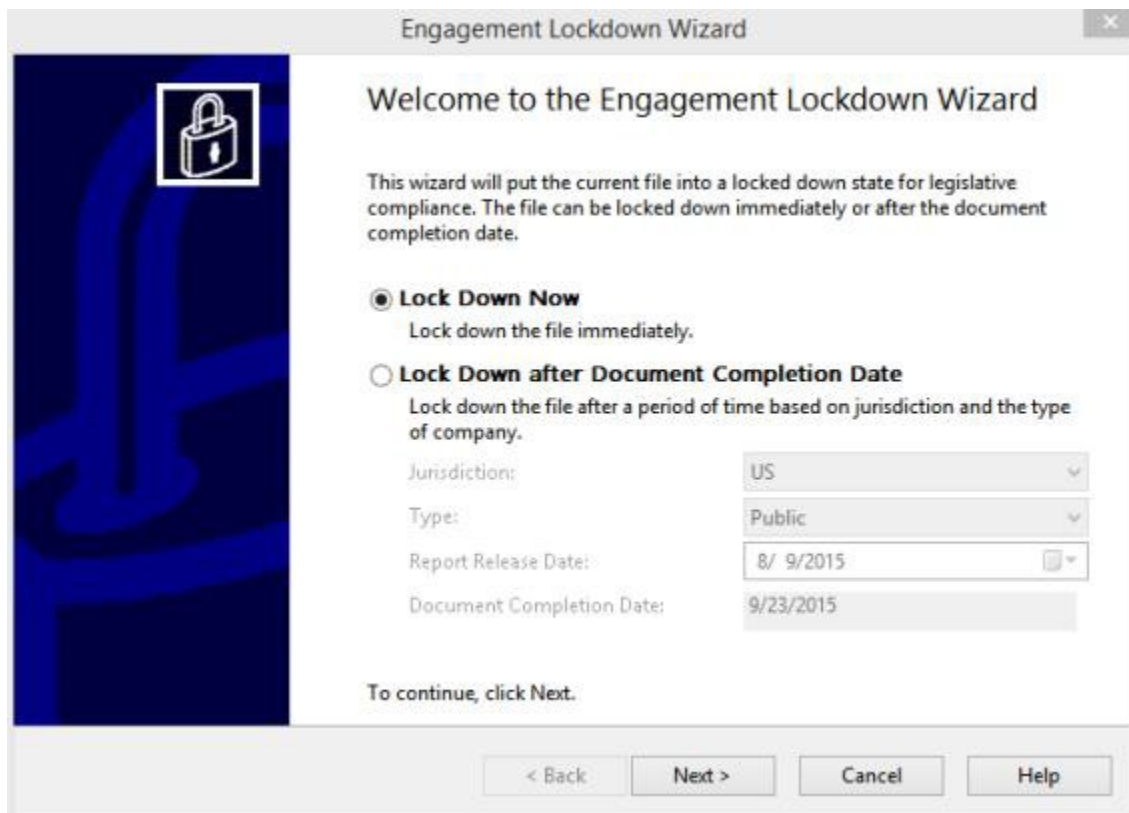
3. Click **Yes** to begin the cleanup process.

Result

The items with the **Retain on Cleanup** option selected remains in the client file, while all other items are deleted, including history and milestone events if selected.

7.2 Objective: Lock Down a File

1. From the **Engagement** tab, in the **Manage** group, click **Clean Up**.
2. Select **Lock Down Now** and click **Next**.



The image shows a Windows-style dialog box titled "Engagement Lockdown Wizard". On the left is a dark blue vertical panel with a white padlock icon. The main area is white and contains the following text:

Welcome to the Engagement Lockdown Wizard

This wizard will put the current file into a locked down state for legislative compliance. The file can be locked down immediately or after the document completion date.

☒ **Lock Down Now**
Lock down the file immediately.

☐ **Lock Down after Document Completion Date**
Lock down the file after a period of time based on jurisdiction and the type of company.

Jurisdiction:

Type:

Report Release Date:

Document Completion Date:

To continue, click Next.

At the bottom are four buttons: "< Back", "Next >", "Cancel", and "Help".

3. Click **Finish**.

Result

All documents are locked down, excluding those you kept active.

7.3 Objective: Performing Year End Close

1. From the **Engagement** tab, in the **Manage** group, click **Year End Close**.
2. In the **Year End Close and Roll Forward** dialog, keep the defaults and ensure that the **Update CaseView Roll Forward Cells** and **Update prior year balance data options** are selected.

Year End Close and Roll Forward

File to be Used for Next Year

File Path: C:\Program Files (x86)\CaseWare\Data\

File Name: Browse...

Roll Forward Options

☐ Compress prior year file ☐ Include BAK files

☒ Update prior year balance data

☐ Update next year's opening balance data with: Consolidated

R/E Account Number: Multiple...

☐ Roll forward Forecasts ☐ Update current year Budgets with Forecast

☒ Update CaseView Roll Forward Cells ☐ Roll forward Budgets

☐ Roll forward all Custom Balances

Include in Next Year's File

☐ Spreadsheet Analysis Data

☐ Foreign Exchange

☐ Program Assertion Info

☐ Program/Checklist Completion

☐ Commentary Text

☐ Outstanding Transactions

Annotations

☐ Document References

☐ Tickmarks

☐ Notes

☐ CaseView Document References

☐ CaseView Tickmarks

☐ CaseView Notes

Account Number: Multiple...

OK Cancel Help

3. Click **OK**.

Result

If you're closing to a new file name, a new file will be created.

Note: Check that the **Client Profile** dates have been incremented correctly and that the opening balance agrees with the previous year's closing balance.

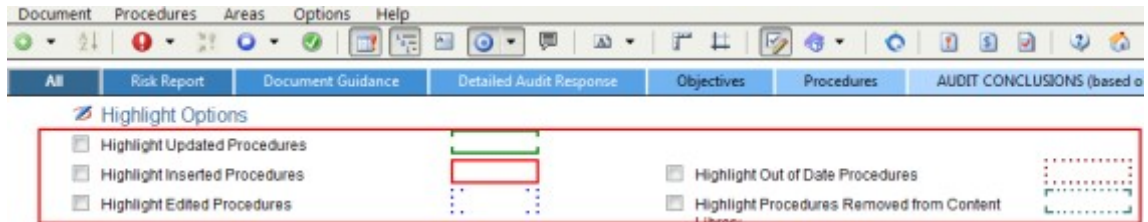
7.4 Objective: Highlight Options

At the end of this practice set, you will be able to:

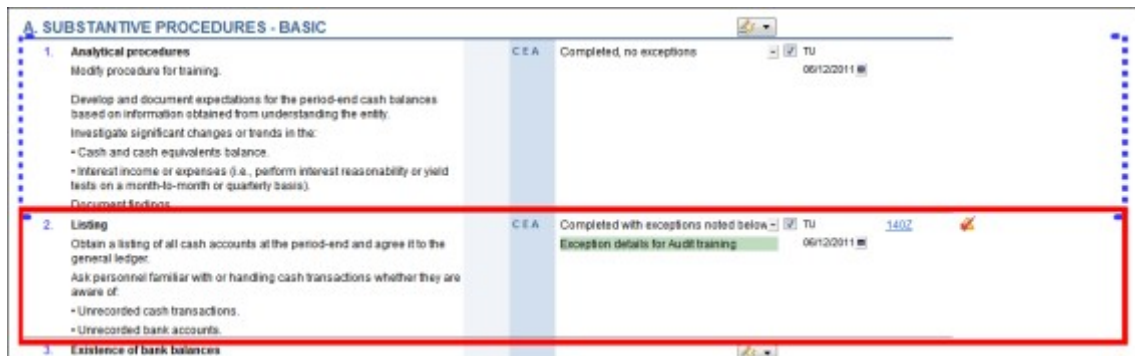
- Review document highlighting options.

7.4.1 Review document highlighting options

1. From the **Document** menu, select **Display Highlight Options**.
2. Check the **Highlight Options** as follows:



3. Review the highlighted procedures that were modified.



Result

The Highlight Options are edited.