

Group Audit (NSA 25) –Audit Questionnaire

AUDIT CONSIDERATIONS AND PROCEDURES

Part I – Scope of NSA 25

Audit Considerations	Yes	No	Comments / Reference
1) Has the engagement team determined whether the entity is a group? <i>Note: This determination will be based on the identification of components.</i>			
2) Where a group has been identified, has the engagement team determined whether the group includes any sub-groups?.			

Part II – Perform Preliminary Engagement Activities

Audit Considerations	Yes	No	Comments / Reference
Acceptance and continuance (Ref: Para. 13-15)			
1) Has the Group engagement partner determined whether sufficient appropriate audit evidence can reasonably be expected to be obtained in relation to the consolidation process and the financial information of the components on which to base the group audit opinion?			
2) Has the Group engagement partner obtained an understanding of the group, its components, and their environments that is sufficient to identify components that are likely to be significant components?			
3) Where component auditors will perform work on the financial information of components, has the Group engagement partner evaluated whether the group engagement team will be able to be involved in the work of component auditors to the extent necessary to obtain sufficient appropriate audit evidence?			
Restriction to Access Information (Ref: Para.14)			
4) Has the group engagement team considered whether there is potential access to information restrictions on group or component financial information, or to relevant audit documentation by component auditors?			
5) Where restrictions have been identified, has the group engagement team considered whether these restrictions can be overcome, i.e. will sufficient and appropriate audit evidence to support the group opinion still be obtained by performing alternative actions or procedures?			

Audit Considerations	Yes	No	Comments / Reference
6) Where restrictions have been identified that cannot be overcome, has the Group engagement partner performed the following: <ul style="list-style-type: none"> • For new engagements, considered declining the engagement? • For continuing engagements, considered withdrawing from the engagement? 			
Assess Engagement Risk of Group Engagements (Ref: Para.25)			
7) Prior to appointment or reappointment, has the group engagement team assessed the engagement risk and classified the engagement risk as normal, greater-than-normal or much-greater-than-normal?			
8) Has the engagement team obtained an understanding that is sufficient to: <ul style="list-style-type: none"> • Confirm or revise its initial identification of components that are likely to be significant? • Assess the risks of material misstatement of the group financial statements, whether due to fraud or error? 			
9) Has the appropriate firm policy been complied with in response to the engagement risk assessment?			
Establish Terms of Engagement (Ref: Para. 15)			
10) Has the group engagement partner agreed on the terms of the group audit engagement, including identification of the applicable financial reporting framework and any matters the Group engagement partner deem appropriate?			

Audit Considerations	Yes	No	Comments / Reference
Understand the Entity and Its Environment Specific to the Group Setting (Ref: Para.18-19)			
1) Did the group engagement team identify and obtain an understanding of all relevant group wide controls ?			
2) Did the group engagement team's understanding of group wide controls include controls over all components, including those that may be deemed insignificant?			
3) Has the group engagement team assessed the risk of material misstatement to the group financial statements resulting from group wide controls and its impact on the audit strategy?			
4) Has the group engagement team obtained an understanding of the consolidation process , including the following: <ul style="list-style-type: none"> • Financial reporting framework • Consolidation process 			

Audit Considerations	Yes	No	Comments / Reference
<ul style="list-style-type: none"> Consolidation adjustments? 			
5) Has the group engagement team assessed the risk of material misstatement to the group financial statements resulting from the consolidation process and its impact on the audit strategy?			
6) Has the group engagement team obtained an understanding of the instructions sent by group management to component management, including the clarity and practicality of the instructions, whether it deals with the financial reporting framework, accounting policies, disclosures, consolidation adjustments and whether it provides for component management approval of financial information?			
7) Has the group engagement team assessed the risk of material misstatement to the group financial statements resulting from the instructions sent by group management to component management and its impact on the audit strategy?			
8) Has the group engagement team identified and assessed the risk of material misstatement to the group financial statements due to fraud ?			
9) Has the group engagement team developed an appropriate audit response to the risk of material misstatement to the group financial statements due to fraud?			
10) Has the group engagement team considered the effect of the following sundry matters on the audit plan: <ul style="list-style-type: none"> Whether the accounting system is centralised or decentralised. Whether the information technology environment is centralised or decentralised. The effect of multiple information technology environments? 			
Financially Significant Components (Ref: Para. 20)			
11) Has the group engagement team identified all financially significant components, by: <ul style="list-style-type: none"> Choosing an appropriate combination of benchmarks and percentages. Applying these benchmarks and percentages to all components? 			
Significant Due to Risk			
12) Has the group engagement team identified all significant components due to risk, by: <ul style="list-style-type: none"> Identifying all significant risks to the group financial statements Pin-pointing these significant risks to the components they are relevant to? 			
13) Has the group engagement team performed a check back on all significant components to ensure that the work performed will provide sufficient and appropriate audit evidence to support the group opinion?			
14) Where the group engagement team determines that			

Audit Considerations	Yes	No	Comments / Reference
sufficient and appropriate audit evidence will not be obtained based on the scoping performed, have additional components been identified for audit or review to increase the level of audit documentation obtained?			
Type of Work to be Performed on Components (Ref: Para. 27)			
Financially Significant Components 15) For financially significant components, has an audit of financial information been performed?			
Significant Due to Risk 16) For components that are significant due to risk, has any one of the following been performed: <ul style="list-style-type: none"> • An audit of financial information? • An audit of one or more account balances, classes of transactions, or disclosures relating to the likely significant risks of material misstatement of the group financial statements? • Specified audit procedures relating to the likely significant risks of material misstatement of the group financial statements? 			
Non-Significant Components 17) For all non-significant components, has any one of the following been performed: <ul style="list-style-type: none"> • An audit of financial information? • An audit of one or more account balances, classes of transactions, or disclosures relating to the likely significant risks of material misstatement of the group financial statements? • Specified audit procedures relating to the likely significant risks of material misstatement of the group financial statements? • A review of the financial information of the component(s)? • Group analytical procedures? 			
Identify and Understand the Component Auditor (Ref: Para. 20-21)			
18) Has the group engagement team identified the component auditors that will be responsible to perform work on significant components?			
19) If the group engagement team requested the component auditor to perform work, has the Group Engagement Team obtained an understanding of the component auditor, including the following: <ul style="list-style-type: none"> • Whether the component auditor understands and will comply with the ethical requirements that are relevant to the group audit and, in particular, is independent? • The component auditor's professional competence? • Whether the group engagement team will be able to be involved in the work of the component auditor to the extent necessary to obtain sufficient appropriate 			

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audit evidence? <ul style="list-style-type: none"> • Whether the component auditor operates in a regulatory environment that actively oversees auditors? 			
Determine Materiality Levels (Ref: Para. 22-24)			
20) Has the group engagement team determined group materiality for the consolidated financial statements?			
21) Has the group engagement team determined component materiality for each component where an audit or review will be performed?			
22) Has the group engagement team set component materiality for components at a level lower than group materiality?			
23) Has the group engagement team given appropriate consideration to aggregation risk in setting component materiality?			
24) Has the group engagement team determined the threshold for each component where an audit or review will be performed?			
25) Has the group engagement team determined a lower materiality for particular classes of transactions, account balances, or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements?			
Communication with Component Auditors (Ref: Para. 41-42)			
26) Has the group engagement team appropriately communicated the audit plan to the component auditors?			
27) Has the communication included the following as a minimum: <ul style="list-style-type: none"> • A request to confirm cooperation with the group engagement team? • Ethical requirements that are relevant to the group audit? • Component materiality and misstatements regarded as clearly trivial to the Group financial statements? • Identified significant risks of material misstatement of the group financial statements, including the plan to address these risks? • A list of related parties? 			

Part IV – Performing the Audit Plan

Audit Considerations	Yes	No	Comments / Reference
Involvement in the Work of the Component Auditor (Ref: Para. 50)			
1) Where the component auditor performs an audit of the financial information of a significant component, has the group engagement team been involved in the component auditor's risk assessment process to identify significant risks of material misstatement of the group financial statements?			
2) Has the group engagement team been involved in the following at a minimum: <ul style="list-style-type: none"> • Discussing with the component auditor or component management those of the component's business activities that are significant to the group? • Discussing with the component auditor the susceptibility of the component to material misstatement of the financial information due to fraud or error? • Reviewing the component auditor's documentation of identified significant risks of material misstatement of the group financial statements? 			
3) Has the group engagement team performed an assessment of the nature, timing and extent of involvement necessary in the work of the component auditor based on: <ul style="list-style-type: none"> • The significance of the component? • The identified significant risks of material misstatement of the group financial statements? • The group engagement team's understanding of the component auditor? 			
4) Has the group engagement team performed group analytical procedures for all non-significant components that were not selected for additional testing (audited or reviewed)?			
5) Has the group engagement team considered the following factors in determining the nature and extent of group analytical procedures: <ul style="list-style-type: none"> • Effectiveness of group-wide controls? • The homogeneity of the non-significant components? • Size of the remaining population of non-significant components to the group financial statements? • Results from the risk assessment process conducted at the group level? • The nature, complexity, and centralization of the 			

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IT systems used to gather and process the financial information of the non-significant components?			
6) Has the group engagement team considered the results of the group analytical procedures and its impact on the overall group audit strategy?			
Obtain Reporting Packages and Clearance Memoranda From the Component Auditors			
7) Has the group engagement team obtained one of the following findings or opinion style clearance memoranda from each of the component auditors: <ul style="list-style-type: none"> • Audit of the component's financial information clearance? • Review of the component's financial information clearance? • Audit of specific account balances or transactions clearance? • Specified audit procedures clearance? 			
8) Has the group engagement team obtained an understanding and evaluated the results of the work for each component submitted to the group engagement team as part of their clearance on the component's reporting packages, including at a minimum: <ul style="list-style-type: none"> • Discuss significant matters arising from that evaluation with the component auditor, component management or group management, as appropriate? • Determine whether it is necessary to review other relevant parts of the component auditor's audit documentation? 			
Documentation of Work Performed on Components			
9) Has the group engagement team documented the nature, timing, and extent of the group engagement team's involvement in the work performed by the component auditors on significant components including, where applicable, the group engagement team's review of relevant parts of the component auditors' audit documentation and conclusions thereon?			
Testing the Consolidation Process (Ref: Para. 33-38)			
10) Has the group engagement team evaluated the appropriateness, completeness, and accuracy of the consolidation adjustments and reclassification, including: <ul style="list-style-type: none"> • Evaluating whether significant adjustments appropriately reflect the events and transactions underlying them? • Determining whether significant adjustments have been correctly calculated, processed, and authorized by group management and, where 			

Audit Considerations	Yes	No	Comments / Reference
applicable, by component management? <ul style="list-style-type: none"> • Determining whether significant adjustments are properly supported and sufficiently documented? • Checking the reconciliation and elimination of intra-group transactions and unrealised profits, and intra-group account balances? 			
Evaluating Sufficiency and Appropriateness of Audit Evidence (Ref: Para. 43-46)			
11) Has the group engagement team evaluated the effect on the group audit opinion of any uncorrected misstatements (either identified by the group engagement team or communicated by component auditors) and any instances where there has been an inability to obtain sufficient appropriate audit evidence?			
12) Has the group engagement team assessed the overall scope of the audit and determined whether sufficient appropriate audit evidence has been obtained through procedures performed at group level and work performed by the component auditors?			
13) Has the group engagement team performed analytical procedures on consolidated financial information to identify any items of significance which are unusual or inconsistent with the understanding of the group?			
14) Has the group engagement team evaluated the documentation to support all key decisions and judgements made during the planning and performing phase of the group audit?			
15) Has the group engagement team evaluated and concluded whether sufficient appropriate audit evidence has been obtained from the audit procedures performed on the consolidation process and the work performed by the group engagement team and the component auditors on the financial information of the components, on which to base the group audit opinion?			

Part V – Concluding and Reporting

Audit Considerations	Yes	No	Comments / Reference
Subsequent Events Review (Ref: Para. 39-40)			
1) Has the group engagement team performed a subsequent events review assessment on the group financial statements (request to component auditors to notify the group engagement team if they become aware of subsequent events that may affect group financial statements)?			

Audit Considerations	Yes	No	Comments / Reference
Communication with Management and Those Charged with Governance (Ref: Para. 47-50)			
2) Has the group engagement team communicated deficiencies in group wide controls and internal control to the appropriate level of management or those charged with governance?			
3) Where fraud, or information that is indicative of fraud, has been identified, has the group engagement team communicated this to the appropriate level of group management in order to inform those with primary responsibility for the prevention and detection of fraud of matters relevant to their responsibilities?			
4) Where a component auditor is required by statute, regulation or for another reason, to express an audit opinion on the financial statements of a component, has the group engagement team requested group management to inform component management of any matter of which the group engagement team became aware that may be significant to the financial statements of the component, but of which component management may be unaware?			
5) Has the group engagement team communicated the following matters to those charged with governance at a minimum: <ul style="list-style-type: none"> • An overview of the type of work to be performed on the financial information of the components? • An overview of the nature of the group? engagement team's planned involvement in the work to be performed by the component auditors on the financial information of significant components? • Instances where the group engagement team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work? • Any limitations on the Group audit (e.g., where the group engagement team's access to information may have been restricted)? • Fraud or suspected fraud involving Group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the Group financial statements? 			