

**ASA 230**  
(October 2009)

**Auditing Standard ASA 230**  
*Audit Documentation*  
**(Revised and Redrafted)**

Issued by the **Auditing and Assurance Standards Board**

**DISCLAIMER**

This document contains draft proposals to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions and/or proposals to be contained in a published Exposure Draft or Auditing Standard. No responsibility is taken by the AUASB for the results of reliance, actions or omissions to act on the basis of any information contained in this document (including appendices), or for any errors or omissions in it.



**Australian Government**

**Auditing and Assurance Standards Board**

## Obtaining a Copy of this Auditing Standard

This Auditing Standard is available on the Auditing and Assurance Standards Board (AUASB) website: [www.auasb.gov.au](http://www.auasb.gov.au). ~~Alternatively, any individual or organisation may obtain one printed copy of this Standard with out charge by contacting:~~

[AUASB](http://www.auasb.gov.au)

### Contact Details

Auditing and Assurance Standards Board  
Level 7  
600 Bourke Street  
Melbourne Victoria 3000  
AUSTRALIA

Phone: (03) 8080 7400  
Fax: (03) 8080 7450  
E-mail: [enquiries@auasb.gov.au](mailto:enquiries@auasb.gov.au)

**Postal Address:**  
PO Box 204  
Collins Street West  
Melbourne Victoria 8007  
AUSTRALIA

## COPYRIGHT

© ~~2009 Commonwealth of Australia 2009~~ ~~Auditing and Assurance Standards Board (AUASB)~~. The text, graphics and layout of this Auditing Standard are protected by Australian copyright law and the comparable law of other countries. Reproduction within Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use subject to the inclusion of an acknowledgment of the source. Requests and enquiries concerning reproduction and rights for commercial purposes within Australia should be addressed to the Executive Director, Auditing and Assurance Standards Board, PO Box 204, Collins Street West, Melbourne Victoria 8007. Otherwise, no part of the Auditing Standard may be reproduced, stored or transmitted in any form or by any means without the prior written permission of the AUASB except as permitted by law.

ISSN 1833-4393

## CONTENTS

PREFACE

AUTHORITY STATEMENT

	<i>Paragraphs</i>
<b>Application</b> .....	Aus 0.1-Aus 0.2
<b>Operative Date</b> .....	Aus 0.3
<b>Introduction</b>	
Scope of this <a href="#">ASA Auditing Standard</a> .....	1-3
<a href="#">Nature and Purpose of Audit Documentation</a> .....	2-3
Effective Date .....	4
<b>Objective</b> .....	5
<b>Definitions</b> .....	6
<b>Requirements</b>	
Timely Preparation of Audit Documentation .....	7
Documentation of the Audit Procedures Performed and Audit Evidence Obtained .....	8-13
Assembly of the Audit File .....	14-16
Confidentiality, Safe Custody, Integrity, Accessibility and Retrievability of the Audit Documentation .....	Aus 16.1
<b>Application and Other Explanatory Material</b>	
Timely Preparation of Audit Documentation .....	A1
Documentation of the Audit Procedures Performed and Audit Evidence Obtained .....	A2-A20
Assembly of the Final Audit File .....	A21-A24
Confidentiality, Safe Custody, Integrity, Accessibility and Retrievability of the Audit Documentation .....	Aus A24.1
Conformity with International Standards on Auditing	
Appendix 1: Specific Audit Documentation Requirements in Other <a href="#">Australian</a> Auditing Standards	

[ISA](#)

## PREFACE

### **Reasons for Issuing Auditing Standard ASA 230** ***Audit Documentation* (Revised and Redrafted)**

The Auditing and Assurance Standards Board (AUASB) issues Auditing Standard ASA 230 *Audit Documentation* (Revised and Redrafted) pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory board of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001, as amended* (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required to have regard to any programme initiated by the International Auditing and Assurance Standards Board (IAASB) for the revision and enhancement of the International Standards on Auditing (ISAs) and to make appropriate consequential amendments to the Australian Auditing Standards. Accordingly, the AUASB has decided to revise and redraft the Australian Auditing Standards (ASAs) using the equivalent redrafted ISAs.

## Main Features

This Auditing Standard establishes ~~mandatory~~ Requirements and provides Application and Other Explanatory Material regarding the ~~independent~~ auditor's responsibility to prepare audit documentation for an audit of a financial report.

AUASB

This Auditing Standard:

- (a) requires the auditor to prepare audit documentation on a timely basis that provides:
  - (i) a sufficient appropriate record of the basis for the auditor's report; and
  - (ii) evidence that the audit was planned and performed in accordance with Australian Auditing Standards and applicable legal and regulatory requirements;
- (b) describes the form, content and extent of audit documentation;
- (c) describes the documentation required where in rare and exceptional circumstances, factors outside the auditor's control prevent the auditor from complying with an essential procedure contained within a relevant ~~mandatory~~ Requirement;
- (d) describes the documentation required where in exceptional circumstances, the auditor performs new or additional audit procedures or draws new conclusions after the date of the auditor's report;
- (e) requires the assembly of the final audit file, including the prohibition of deletions and the permission for certain modifications and additions, on a timely basis after the date of the auditor's report; and
- (f) requires the auditor to adopt procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of audit documentation.

## **AUTHORITY STATEMENT**

The Auditing and Assurance Standards Board (AUASB) makes this Auditing Standard ASA 230 *Audit Documentation* (~~Revised and Redrafted~~) pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*.

This Auditing Standard is to be read in conjunction with ASA 1010 *Preamble to AUASB Australian Auditing Standards* (~~Revised and Redrafted~~), which sets out the intentions of the AUASB on how the Australian Auditing Standards, operative for financial reporting periods commencing on or after 1 January 2010, are to be understood, interpreted and applied. This Auditing Standard is to be read also in conjunction with ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*.

AUASB

Dated 27 October 2009

M H Kelsall  
Chairman - AUASB

## AUDITING STANDARD ASA 230

### *Audit Documentation* ~~(Revised and Redrafted)~~

#### Application

- Aus 0.1 This Auditing Standard applies to:
- (a) an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with the *Corporations Act 2001*; and
  - (b) an audit of a financial report, or a complete set of financial statements, for any other purpose.
- Aus 0.2 This Auditing Standard also applies, as appropriate, to an audit of other historical financial information.

AUASB

#### Operative Date

- Aus 0.3 This Auditing Standard is operative for financial reporting periods commencing on or after 1 January 2010.

#### Introduction

##### Scope of this ASA Auditing Standard

1. This Auditing Standard deals with the auditor's responsibility to prepare audit documentation for an audit of a financial report. Appendix 1 lists other Auditing Standards that contain specific documentation requirements and guidance. The specific documentation requirements of other Auditing Standards do not limit the application of this Auditing Standard. Laws or regulations may establish additional documentation requirements. Nature and Purposes of Audit Documentation

ISA

##### Nature and Purpose of Audit Documentation

2. Audit documentation that meets the requirements of this Auditing Standard and the specific documentation requirements of other relevant Australian Auditing Standards provides:

**Auditing Standard ASA 230**  
**Audit Documentation (Revised and Redrafted)**

---

- (a) Evidence of the auditor's basis for a conclusion about the achievement of the overall objective of the auditor;<sup>1</sup> and
- (b) Evidence that the audit was planned and performed in accordance with Australian Auditing Standards and applicable legal and regulatory requirements.
3. Audit documentation serves a number of additional purposes, including the following:
- Assisting the engagement team to plan and perform the audit.
  - Assisting members of the engagement team responsible for supervision to direct and supervise the audit work, and to discharge their review responsibilities in accordance with ASA 220 (Revised and Redrafted).<sup>2</sup>
  - Enabling the engagement team to be accountable for its work.
  - Retaining a record of matters of continuing significance to future audits.
  - Enabling the conduct of quality control reviews and inspections in accordance with ASQC 1 or national requirements that are at least as demanding as APES 320.<sup>3 4</sup>
  - Enabling the conduct of external inspections in accordance with applicable legal, regulatory or other requirements.

**Effective Date**

4. [Deleted by the AUASB. Refer Aus 0.3]

**Objective**

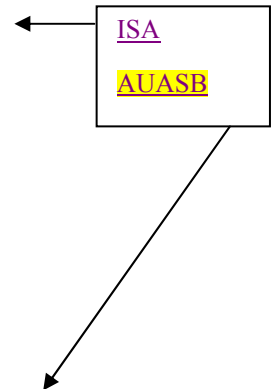
---

<sup>1</sup> See ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*, paragraph 11

<sup>2</sup> See ASA 220 (Revised and Redrafted), *Quality Control for an Audit of a Financial Report and Other Historical Financial Information*, paragraphs 15-17 [14-17].

<sup>3</sup> See ASQC 1, APES 320 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements*, paragraphs 32-33, 35-38, and 48, issued by the Accounting Professional and Ethical Standards Board from time to time.

<sup>4</sup> See ISA 220, paragraph 2 [Deleted by the AUASB]



**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

5. The objective of the auditor is to prepare documentation that provides:
- (a) A sufficient and appropriate record of the basis for the auditor's report; and
  - (b) Evidence that the audit was planned and performed in accordance with Australian Auditing Standards and applicable legal and regulatory requirements.

**Definitions**

6. For purposes of the Australian Auditing Standards, the following terms have the meanings attributed below:
- (a) Audit documentation means the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (terms such as "working papers" or "workpapers" are also sometimes used).
  - (b) Audit file means one or more folders or other storage media, in physical or electronic form, containing the records that comprise the audit documentation for a specific engagement.
  - (c) Experienced auditor means an individual (whether internal or external to the firm) who has practical audit experience, and a reasonable understanding of:
    - (i) Audit processes;
    - (ii) Australian Auditing Standards and applicable legal and regulatory requirements;
    - (iii) The business environment in which the entity operates; and
    - (iv) Auditing and financial reporting issues relevant to the entity's industry.

**Requirements**

**Timely Preparation of Audit Documentation**

7. The auditor shall prepare audit documentation on a timely basis.  
(Ref: Para. A1)

**Documentation of the Audit Procedures Performed and Audit Evidence Obtained**

*Form, Content and Extent of Audit Documentation*

8. The auditor shall prepare audit documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand: (Ref: Para. A2-A5, A16-A17)
  - (a) The nature, timing, and extent of the audit procedures performed to comply with the Australian Auditing Standards and applicable legal and regulatory requirements; (Ref: Para. A6-A7)
  - (b) The results of the audit procedures performed, and the audit evidence obtained; and
  - (c) Significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions. (Ref: Para. A8-A11)
9. In documenting the nature, timing and extent of audit procedures performed, the auditor shall record:
  - (a) The identifying characteristics of the specific items or matters tested; (Ref: Para. A12)
  - (b) Who performed the audit work and the date such work was completed; and
  - (c) Who reviewed the audit work performed and the date and extent of such review. (Ref: Para. A13)
10. The auditor shall document discussions of significant matters with management, those charged with governance, and others, including the nature of the significant matters discussed and when and with whom the discussions took place. (Ref: Para. A14)
11. If the auditor identified information that is inconsistent with the auditor's final conclusion regarding a significant matter, the auditor shall document how the auditor addressed the inconsistency. (Ref: Para. A15)
12. [Deleted by the AUASB. Refer Aus 12.1]

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

*Documentation of Inability to Comply with ~~Mandatory~~ Requirements*

- Aus 12.1 Where, in rare and exceptional circumstances, factors outside the auditor's control prevent the auditor from complying with an essential procedure contained within a relevant ~~mandatory~~ Requirement, the auditor shall document:
- (a) ~~The~~ circumstances surrounding the inability to comply;
  - (b) ~~The~~ reasons for the inability to comply; and
  - (c) ~~Justification~~ of how alternative audit procedures achieve the objectives of the ~~mandatory~~ Requirement. (Ref: Para. A18-A19)

*Matters Arising after the Date of the Auditor's Report*

13. If, in exceptional circumstances, the auditor performs new or additional audit procedures or draws new conclusions after the date of the auditor's report, the auditor shall document: (Ref: Para. A20)
- (a) The circumstances encountered;
  - (b) The new or additional audit procedures performed, audit evidence obtained, and conclusions reached, and their effect on the auditor's report; and
  - (c) When and by whom the resulting changes to audit documentation were made and reviewed.

**Assembly of the Final Audit File**

14. The auditor shall assemble the audit documentation in an audit file and complete the administrative process of assembling the final audit file on a timely basis after the date of the auditor's report. (Ref: Para. A21-A22)
15. After the assembly of the final audit file has been completed, the auditor shall not delete or discard audit documentation of any nature before the end of its retention period. (Ref: Para. A23 and Aus A23.1)
16. In circumstances other than those envisaged in paragraph 13 of this Auditing Standard where the auditor finds it necessary to modify existing audit documentation or add new audit documentation after

AUASB

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

the assembly of the final audit file has been completed, the auditor shall, regardless of the nature of the modifications or additions, document: (Ref: Para. A24)

- (a) The specific reasons for making them; and
- (b) When and by whom they were made and reviewed.

**Confidentiality, Safe Custody, Integrity, Accessibility and Retrievability of the Audit Documentation**

Aus 16.1 The auditor shall adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation. (Ref: Para. Aus A24.1)

\* \* \*

## **Application and Other Explanatory Material**

### **Timely Preparation of Audit Documentation** (Ref: Para. 7)

- A1. Preparing sufficient and appropriate audit documentation on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before the auditor's report is finalised. Documentation prepared after the audit work has been performed is likely to be less accurate than documentation prepared at the time such work is performed.

### **Documentation of the Audit Procedures Performed and Audit Evidence Obtained**

#### *Form, Content and Extent of Audit Documentation* (Ref: Para. 8)

- A2. The form, content and extent of audit documentation depend on factors such as:
- The size and complexity of the entity.
  - The nature of the audit procedures to be performed.
  - The identified risks of material misstatement.
  - The significance of the audit evidence obtained.
  - The nature and extent of exceptions identified.
  - The need to document a conclusion or the basis for a conclusion not readily determinable from the documentation of the work performed or audit evidence obtained.
  - The audit methodology and tools used.
- A3. Audit documentation may be recorded on paper or on electronic or other media. Examples of audit documentation include:
- Audit programs.
  - Analyses.
  - Issues memoranda.

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

- Summaries of significant matters.
- Letters of confirmation and representation.
- Checklists.
- Correspondence (including e-mail) concerning significant matters.

The auditor may include abstracts or copies of the entity's records (for example, significant and specific contracts and agreements) as part of audit documentation. Audit documentation, however, is not a substitute for the entity's accounting records.

- A4. The auditor need not include in audit documentation superseded drafts of working papers and financial reports, notes that reflect incomplete or preliminary thinking, previous copies of documents corrected for typographical or other errors, and duplicates of documents.
- A5. Oral explanations by the auditor, on their own, do not represent adequate support for the work the auditor performed or conclusions the auditor reached, but may be used to explain or clarify information contained in the audit documentation.

Documentation of Compliance with [Australian](#) Auditing Standards  
(Ref: Para. 8(a))

- A6. In principle, compliance with the requirements of this Auditing Standard will result in the audit documentation being sufficient and appropriate in the circumstances. Other [Australian](#) Auditing Standards contain specific documentation requirements that are intended to clarify the application of this Auditing Standard in the particular circumstances of those other [Australian](#) Auditing Standards. The specific documentation requirements of other [Australian](#) Auditing Standards do not limit the application of this Auditing Standard. Furthermore, the absence of a documentation requirement in any particular Auditing Standard is not intended to suggest that there is no documentation that will be prepared as a result of complying with that Auditing Standard.
- A7. Audit documentation provides evidence that the audit complies with the [Australian](#) Auditing Standards. However, it is neither necessary nor practicable for the auditor to document every matter considered, or professional judgment made, in an audit. Further, it is unnecessary for the auditor to document separately (as in a checklist,

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

for example) compliance with matters for which compliance is demonstrated by documents included within the audit file. For example:

- The existence of an adequately documented audit plan demonstrates that the auditor has planned the audit.
- The existence of a signed engagement letter in the audit file demonstrates that the auditor has agreed the terms of the audit engagement with management or, where appropriate, those charged with governance.
- An auditor's report containing an appropriately qualified opinion on the financial report demonstrates that the auditor has complied with the requirement to express a qualified opinion under the circumstances specified in the Australian Auditing Standards.
- In relation to requirements that apply generally throughout the audit, there may be a number of ways in which compliance with them may be demonstrated within the audit file:
  - ◆○ For example, there may be no single way in which the auditor's professional scepticism is documented. But the audit documentation may nevertheless provide evidence of the auditor's exercise of professional scepticism in accordance with the Australian Auditing Standards. Such evidence may include specific procedures performed to corroborate management's responses to the auditor's enquiries.
  - ◆○ Similarly, that the engagement partner has taken responsibility for the direction, supervision and performance of the audit in compliance with the Australian Auditing Standards may be evidenced in a number of ways within the audit documentation. This may include documentation of the engagement partner's timely involvement in aspects of the audit, such as participation in the team discussions required by ASA 315 (~~Revised and Redrafted~~).<sup>5</sup>

ISA

ISA

---

<sup>5</sup> See ASA 315 (~~Revised and Redrafted~~), *Identifying and Assessing the Risks of Material Misstatement* (Through Understanding the Entity and Its Environment), paragraph 10.

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

Documentation of Significant Matters and Related Significant Professional Judgements (Ref: Para. 8(c))

- A8. Judging the significance of a matter requires an objective analysis of the facts and circumstances. Examples of significant matters include:
- Matters that give rise to significant risks (as defined in ASA 315 (~~Revised and Redrafted~~)).<sup>6</sup>
  - Results of audit procedures indicating (a) that the financial report could be materially misstated, or (b) a need to revise the auditor's previous assessment of the risks of material misstatement and the auditor's responses to those risks.
  - Circumstances that cause the auditor significant difficulty in applying necessary audit procedures.
  - Findings that could result in a modification to the audit opinion or the inclusion of an Emphasis of Matter paragraph in the auditor's report.
- A9. An important factor in determining the form, content and extent of audit documentation of significant matters is the extent of professional judgement exercised in performing the work and evaluating the results. Documentation of the professional judgements made, where significant, serves to explain the auditor's conclusions and to reinforce the quality of the judgement. Such matters are of particular interest to those responsible for reviewing audit documentation, including those carrying out subsequent audits when reviewing matters of continuing significance (for example, when performing a retrospective review of accounting estimates).
- A10. Some examples of circumstances in which, in accordance with paragraph 8, it is appropriate to prepare audit documentation relating to the use of professional judgement include, where the matters and judgements are significant:
- The rationale for the auditor's conclusion when a requirement provides that the auditor 'shall consider' certain information or factors, and that consideration is significant in the context of the particular engagement.

---

<sup>6</sup> See ASA 315 (~~Revised and Redrafted~~), paragraph 4(e).

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

- The basis for the auditor's conclusion on the reasonableness of areas of subjective judgments (for example, the reasonableness of significant accounting estimates).
  - The basis for the auditor's conclusions about the authenticity of a document when further investigation (such as making appropriate use of an expert or of confirmation procedures) is undertaken in response to conditions identified during the audit that caused the auditor to believe that the document may not be authentic.
- A11. The auditor may consider it helpful to prepare and retain as part of the audit documentation a summary (sometimes known as a completion memorandum) that describes the significant matters identified during the audit and how they were addressed, or that includes cross-references to other relevant supporting audit documentation that provides such information. Such a summary may facilitate effective and efficient reviews and inspections of the audit documentation, particularly for large and complex audits. Further, the preparation of such a summary may assist the auditor's consideration of the significant matters. It may also help the auditor to consider whether, in light of the audit procedures performed and conclusions reached, there is any individual relevant Auditing Standard objective that the auditor ~~has not met or is unable to meet~~ **cannot achieve** that would prevent the auditor from achieving the **auditor's overall objectives of the auditor**.

ISA

*Identification of Specific Items or Matters Tested, and of the Preparer and Reviewer* (Ref. Para. 9)

- A12. Recording the identifying characteristics serves a number of purposes. For example, it enables the engagement team to be accountable for its work and facilitates the investigation of exceptions or inconsistencies. Identifying characteristics will vary with the nature of the audit procedure and the item or matter tested. For example:
- For a detailed test of entity-generated purchase orders, the auditor may identify the documents selected for testing by their dates and unique purchase order numbers.
  - For a procedure requiring selection or review of all items over a specific amount from a given population, the auditor may record the scope of the procedure and identify the population (for example, all journal entries over a specified amount from the journal register).

**Auditing Standard ASA 230**

**Audit Documentation (Revised and Redrafted)**

---

- For a procedure requiring systematic sampling from a population of documents, the auditor may identify the documents selected by recording their source, the starting point and the sampling interval (for example, a systematic sample of shipping reports selected from the shipping log for the period from April 1 to September 30, starting with report number 12345 and selecting every 125th report).
- For a procedure requiring einquiries of specific entity personnel, the auditor may record the dates of the einquiries and the names and job designations of the entity personnel.
- For an observation procedure, the auditor may record the process or matter being observed, the relevant individuals, their respective responsibilities, and where and when the observation was carried out.

A13. ASA 220 (Revised and Redrafted) requires the auditor to review the audit work performed through review of the audit documentation.<sup>7</sup> The requirement to document who reviewed the audit work performed does not imply a need for each specific working paper to include evidence of review. The requirement, however, means documenting what audit work was reviewed, who reviewed such work, and when it was reviewed.

**Documentation of Discussions of Significant Matters with Management, Those Charged with Governance, and Others (Ref: Para. 10)**

A14. The documentation is not limited to records prepared by the auditor but may include other appropriate records such as minutes of meetings prepared by the entity's personnel and agreed by the auditor. Others with whom the auditor may discuss significant matters may include other personnel within the entity, and external parties, such as persons providing professional advice to the entity.

**Documentation of How Inconsistencies have been Addressed (Ref: Para. 11)**

A15. The requirement to document how the auditor addressed inconsistencies in information does not imply that the auditor needs to retain documentation that is incorrect or superseded.

---

<sup>7</sup> See ASA 220 (Revised and Redrafted), paragraph 17[16]. ASA 220 (Revised and Redrafted), paragraph [A12], describes the nature of a review.

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

Considerations Specific to Smaller Entities (Ref. Para. 8)

- A16. The audit documentation for the audit of a smaller entity is generally less extensive than that for the audit of a larger entity. Further, in the case of an audit where the engagement partner performs all the audit work, the documentation will not include matters that might have to be documented solely to inform or instruct members of an engagement team, or to provide evidence of review by other members of the team (for example, there will be no matters to document relating to team discussions or supervision). Nevertheless, the engagement partner complies with the overriding requirement in paragraph 8 to prepare audit documentation that can be understood by an experienced auditor, as the audit documentation may be subject to review by external parties for regulatory or other purposes.
- A17. When preparing audit documentation, the auditor of a smaller entity may also find it helpful and efficient to record various aspects of the audit together in a single document, with cross-references to supporting working papers as appropriate. Examples of matters that may be documented together in the audit of a smaller entity include the understanding of the entity and its internal control, the overall audit strategy and audit plan, materiality determined in accordance with ASA 320,<sup>8</sup> assessed risks, significant matters noted during the audit, and conclusions reached.

*Documentation of Inability to Comply with Relevant **Mandatory Requirements*** (Ref. Para. 12)

- A18. The objectives and requirements in of the Australian Auditing Standards are designed to support the achievement of enable the auditor to achieve the objectives specified in the Australian Auditing Standards, and thereby the overall objectives of the auditor.<sup>9</sup> Accordingly, other than in rare and exceptional circumstances, the Australian Auditing Standards call for compliance with each requirement that is relevant in the circumstances of the audit.

- Aus A18.1 ASA 200\* (~~Revised and Redrafted~~) contains a mandatory Rrequirement regarding the situation, where, in rare and exceptional circumstances, factors outside the auditor's control prevent the auditor from complying with an

<sup>8</sup> See ASA 320 *Materiality in Planning and Performing an Audit*.  
<sup>9</sup> ASA 200 (~~Revised and Redrafted~~), *Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with Australian Auditing Standards*, paragraphs [23-24].  
<sup>\*</sup> See ASA 200 *Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with Australian Auditing Standards*, paragraphs 22-Aus 22.1.

QA  
"rare and"

QA

ISA

**Auditing Standard ASA 230**  
**Audit Documentation (Revised and Redrafted)**

essential procedure contained within a relevant **mandatory** Requirement.

**A1-A19.** The documentation requirement applies only to requirements that are relevant in the circumstances. A requirement is not relevant<sup>10</sup> only in the cases where:

- (a) The **entire** Auditing Standard is not relevant (for example, **in a continuing engagement if an entity does not have an internal audit function**, nothing in ASA **510-610 (Revised and Redrafted)**<sup>11</sup> is relevant); or
- (b) ~~The circumstances envisioned do not apply because~~ The requirement is conditional and the condition does not exist (for example, the requirement to modify the auditor's opinion where there is an inability to obtain sufficient appropriate audit evidence, and there is no such inability).

*Matters Arising after the Date of the Auditor's Report* (Ref: Para. 13)

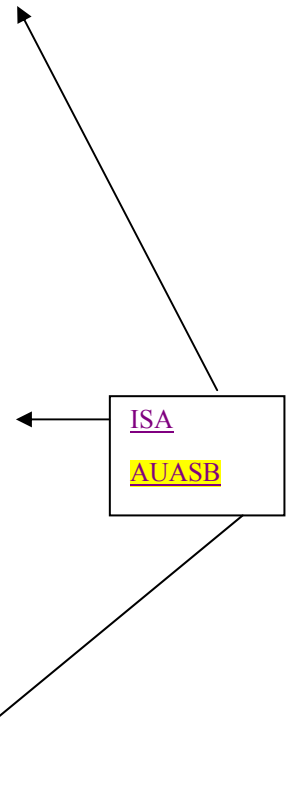
**A2-A20.** Examples of exceptional circumstances include facts which become known to the auditor after the date of the auditor's report but which existed at that date and which, if known at that date, might have caused the financial report to be amended or the auditor to modify the opinion in the auditor's report.<sup>12</sup> The resulting changes to the audit documentation are reviewed in accordance with the review responsibilities set out in ASA 220 ~~(Revised and Redrafted)~~,<sup>13</sup> with the engagement partner taking final responsibility for the changes.

**Assembly of the Final Audit File** (Ref: Para. 14-16)

**A3-A21.** **APES 320/ASQC 1 (or national requirements that are at least as demanding)** requires firms to establish policies and procedures for the timely completion of the assembly of audit files.<sup>14</sup> An appropriate time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor's report.<sup>15</sup>

**A4-A22.** The completion of the assembly of the final audit file after the date of the auditor's report is an administrative process that does not

<sup>10</sup> See ASA 200 ~~(Revised and Redrafted)~~, paragraph 22[27].  
<sup>11</sup> See ASA 510-610 ~~(Revised and Redrafted)~~, *Initial Audit Engagements—Opening Balances Using the Work of Internal Auditors*.  
<sup>12</sup> See ASA 560 ~~(Revised and Redrafted)~~, *Subsequent Events*, paragraph 14[3].  
<sup>13</sup> See ASA 220 ~~(Revised and Redrafted)~~, paragraph 16[15].  
<sup>14</sup> See APES 320/ASQC 1, paragraph 45[73a].  
<sup>15</sup> APES 320/See ASQC 1, paragraph A54[73b].

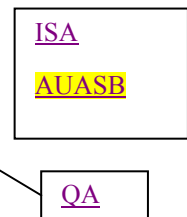


**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

involve the performance of new audit procedures or the drawing of new conclusions. Changes may, however, be made to the audit documentation during the final assembly process if they are administrative in nature. Examples of such changes include:

- Deleting or discarding superseded documentation.
- Sorting, collating and cross-referencing working papers.
- Signing off on completion checklists relating to the file assembly process.
- Documenting audit evidence that the auditor has obtained, discussed and agreed with the relevant members of the engagement team before the date of the auditor’s report.

**A5:A23.** ~~APES 320~~ **ASQC 1** (or national requirements that are at least as demanding) requires firms to establish policies and procedures for the retention of engagement documentation.<sup>16</sup> The retention period for audit engagements ordinarily is no shorter than ~~seven~~ **five** years from the date of the auditor’s report, or, if later, the date of the group auditor’s report.<sup>17</sup>



**Aus A23.1** Under section 307B of the *Corporations Act 2001*, the auditor or member of an audit firm is required to retain all audit working papers prepared by or for, or considered or used by, the auditor in accordance with the requirements of the Australian Auditing Standards until:

- (a) The end of seven years after the date of the audit report prepared in relation to the audit or review to which the audit working papers relate; or
- (b) An earlier date determined by the Australian Securities and Investments Commission<sup>18</sup> for the audit working papers.



**Aus A23.2** Relevant legislation or regulation, other than the *Corporations Act 2001*, may require the retention of audit working papers for specified periods.

**A6:A24.** An example of a circumstance in which the auditor may find it necessary to modify existing audit documentation or add new audit



<sup>16</sup> ~~APES 320 See ASQC 1, paragraph 47[73].~~  
<sup>17</sup> ~~APES 320 See ASQC 1, paragraph A61[73].~~  
<sup>18</sup> ~~Australian Securities and Investments Commission.~~

**Auditing Standard ASA 230**  
***Audit Documentation*** ~~(Revised and Redrafted)~~

---

documentation after file assembly has been completed is the need to clarify existing audit documentation arising from comments received during monitoring inspections performed by internal or external parties.

Draft

**Auditing Standard ASA 230**  
**Audit Documentation** (~~Revised and Redrafted~~)

---

**Confidentiality, Safe Custody, Integrity, Accessibility and Retrievability  
of the Audit Documentation** (Ref: Para. Aus 16.1)

Aus A24.1 Under ~~APES 320~~ASQC 1, firms are required to establish policies and procedures to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of audit documentation.\*

Draft

---

\* See ~~ASQC 1~~APES 320 paragraph ~~46~~73d.

**Auditing Standard ASA 230**  
**Audit Documentation (~~Revised and Redrafted~~)**

---

**Conformity with International Standards on Auditing**

Except as noted below, this Auditing Standard conforms with International Standard on Auditing ISA 230 *Audit Documentation* (~~Revised and Redrafted~~), issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

Paragraphs that have been added to this Standard (and do not appear in the text of the equivalent ISA) are identified with the prefix “Aus”.

The main differences between this Auditing Standard and ISA 230 are:

- This Auditing Standard includes the following Requirements that are not included as Requirements in ISA 230:

- ~~This Auditing Standard makes reference to APES 320, issued by the Accounting Professional and Ethical Standards Board (paragraphs 3, A21 and A23). ISA 230 refers to the International Standard on Quality Control (ISQC 1), issued by the IAASB.~~

AUASB

- ~~This Auditing Standard includes a requirement that~~ Where, in rare and exceptional circumstances, the auditor is unable to comply with an essential procedure contained within a relevant requirement, the auditor shall document certain matters (paragraph Aus 12.1). In ISA 230, the auditor is required to document certain matters where the auditor has judged it necessary to depart from a relevant requirement in an ISA.

QA

- ~~This Auditing Standard requires~~ The Auditor **is required** to adopt appropriate procedures for maintaining the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation (paragraph Aus 16.1). ~~ISA 230 does not contain any requirement for the auditor to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of the audit documentation.~~

QA

Compliance with this Auditing Standard enables compliance with ISA 230.

## Appendix 1

(Ref: Para. 1)

### AUASB Information Note

This list of specific documentation requirements in other Auditing Standards will be updated when all the relevant Auditing Standards have been revised and redrafted and approved by the AUASB.

QA

### Specific Audit Documentation Requirements in Other Australian Auditing Standards

This appendix identifies paragraphs in other Australian Auditing Standards in effect for audits of financial reports for periods beginning on or after ~~as at December 31, 1 January 2017~~ that contain specific documentation requirements. The list is not a substitute for considering the requirements and related application and other explanatory material in Australian Auditing Standards.

- ASA 210 (Revised and Redrafted), *Agreeing the Terms of Audit Engagements* – paragraphs ~~10-129-14~~
- ASA 220 (Revised and Redrafted), *Quality Control for an Audit of a Financial Report and Other Historical Financial Information* – paragraphs ~~24-2526-27~~
- ASA 240 (Revised and Redrafted), *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report* – paragraphs 44-47
- ASA 250 (Revised and Redrafted), *The Auditor's Responsibilities Relating to Consideration of Laws and Regulations in an Audit of a Financial Report* – paragraph ~~2928~~
- ASA 260 (Revised and Redrafted), *Communication with Those Charged with Governance* – paragraph ~~2319~~
- ASA 300 (Revised and Redrafted), *Planning an Audit of a Financial Report* – paragraph ~~1211~~

ISA

AUASB

**Auditing Standard ASA 230**  
***Audit Documentation* (~~Revised and Redrafted~~)**

---

- ASA 315 (~~Revised and Redrafted~~), *Identifying and Assessing the Risks of Material Misstatement ~~t~~Through Understanding the Entity and Its Environment* – paragraph ~~3233~~
- ASA 320 (~~Revised and Redrafted~~), *Materiality in Planning and Performing an Audit* – paragraph 14
- ASA 330 (~~Revised and Redrafted~~), *The Auditor's Responses to Assessed Risks* – paragraphs ~~28-3029-31~~
- ASA 450 (~~Revised and Redrafted~~), *Evaluation of Misstatements Identified During the Audit* – paragraph ~~1520~~
- ASA 540 (~~Revised and Redrafted~~), *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures* – paragraph 23
- ASA 550 (~~Revised and Redrafted~~), *Related Parties* – paragraph ~~2829~~
- ASA 600 (~~Revised and Redrafted~~), *Special Considerations ~~—~~ Audits of Group Financial Reports (Including the Work of Component Auditors)* – paragraph 50
- ASA 610 *Using the Work of Internal Auditors* – paragraph 13

