

Matters that were communicated with those charged with governance (TCWG)

Considerations

- Areas of higher assessed risk [or significant risk requiring special auditor considerations]
- Significant auditor judgements relating to areas of significant management judgement
- Significant events or transactions



Matters that require significant auditor attention

DOCUMENT

Considerations

- Nature and extent of communication with TCWG
- Importance to users' understanding of the financial report
- Nature and extent of audit effort
- Nature of underlying accounting policy, complexity or subjectivity
- Nature and materiality, quantitative and qualitative, of corrected and uncorrected misstatements
- Severity of any control deficiencies relevant to the matter
- Nature and severity of difficulties applying audit procedures, evaluating results of those procedures, and obtaining relevant and reliable evidence



Key Audit Matters
Matters of most significance in the audit

DOCUMENT

Considerations

- Whether adverse consequences to the entity or the public of communicating a KAM are viewed as so significant that they would reasonably be expected to outweigh the public interest benefits of communicating the matter
- Management views on why the matter has not been publically disclosed
- Laws or regulations that may impact communicating the matter, including any requirement for the auditor to communicate with regulatory, enforcement or supervisory authorities
- Relevant ethical requirements
- Need for legal advice

DOCUMENT

KEY AUDIT MATTERS
Communicated in the auditor's report

- ◆ **Reference** to the related disclosure (if any)
- ◆ **Why** the matter is considered to be a KAM
- ◆ **How** the matter was addressed in the audit
 - Aspects of the auditor's approach
 - Brief overview of procedures performed
 - Indication of the outcome of the auditor's procedures
 - Key observations with respect to the matter

