



International Standards on Auditing Training Course: External Audit from Risk to Opinion



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Introduction:

International Standards on Auditing training course on external audit from risk to opinion is a 10-day course for audit engagement leads, finance teams facing external audit and internal auditors moving into assurance, ending with a concluded Case Audit File and Draft Auditor's Report. Audits lose time and credibility when materiality is set mechanically, risks go unanswered and files close without evidence supporting the opinion. Nominees already perform or review audit work, and every day is taught through case study on engagement documents, ledgers and draft reports. CoreConcept Training Center delivers this International Standards on Auditing course.

Course Objectives:

- Accept and plan a financial statement audit with an engagement letter, audit strategy and materiality levels set under ISA 210, ISA 300 and ISA 320
- Identify and assess risks of material misstatement at assertion level, including fraud risks and IT general control weaknesses, under ISA 315 and ISA 240
- Design responses to assessed risks that combine tests of controls, substantive analytical procedures and tests of details under ISA 330, ISA 500 and ISA 520
- Perform and review audit procedures on revenue, receivables, inventory, property, plant and equipment, payables and accounting estimates
- Evaluate group audit scoping, related parties, subsequent events, going concern and uncorrected misstatements before forming the audit opinion
- Draft an auditor's report with key audit matters or a modified opinion and complete the audit file to ISA 230 documentation standards

Target Audience:

- Engagement staff who lead audit fieldwork, supervise junior auditors and review working papers
 - Audit supervisors and managers responsible for planning, materiality decisions and file completion
 - Financial reporting teams that prepare schedules, estimates and representations for the external auditor
 - Internal auditors moving into external assurance or audit firm roles
 - Quality and methodology staff who monitor engagement files against the ISAs and ISQM 1
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Course Outline:

Day 1: The Audit Framework, Ethics and Quality Management

- ISA 200 Overall Objectives and Reasonable Assurance in Practice
- Ethics Code Independence Threats and Safeguards Evaluation
- ISQM 1 Firm Quality Objectives, Risks and Responses
- ISA 220 Engagement Partner Direction, Supervision and Review
- ISQM 2 Engagement Quality Reviewer Eligibility and Scope

Day 2: Client Acceptance, Engagement Terms, Strategy and Materiality

- Acceptance and Continuance Risk Checklist for New Clients
- ISA 210 Preconditions and Engagement Letter Drafting
- ISA 300 Overall Audit Strategy and Detailed Audit Plan
- ISA 320 Benchmark Selection for Overall and Performance Materiality
- Clearly Trivial Threshold and Specific Materiality for Sensitive Disclosures

Day 3: Understanding the Entity and Assessing Risks Under ISA 315

- ISA 315 Entity, Business Model and Reporting Framework Analysis
- Inherent Risk Factors and the Spectrum of Inherent Risk
- Significant Classes of Transactions, Balances and Disclosures Mapping
- Assertion-Level Risk of Material Misstatement Matrix Construction
- Significant Risk Designation and Engagement Team Risk Discussion

Day 4: Internal Control and IT General Controls at Audit Level

- ISA 315 Control Environment and Monitoring Component Evaluation
- Process Walkthroughs for Revenue, Purchases and Payroll Cycles
- IT General Controls Over Access, Change Management and Operations
- Automated Controls and Information Produced by the Entity Testing
- Control Deficiency Severity Assessment and Management Letter Points

Day 5: Fraud Risk, Risk Responses and Week-One Guided Case Study

- ISA 240 Fraud Risk Factors and Revenue Presumption Rebuttal
 - Management Override Responses and Journal Entry Selection Criteria
 - ISA 330 Overall Responses and Further Audit Procedure Design
 - Case Entity Risk Assessment and Materiality Memorandum
 - Case Audit Strategy Linked to a Risk-Responsive Work Programme
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Day 6: Audit Evidence, Analytical Procedures and Controls Reliance

- ISA 500 Relevance and Reliability of Audit Evidence Sources
- ISA 520 Substantive Analytical Procedures Expectation and Investigation Threshold
- Tests of Operating Effectiveness and Controls Reliance Decisions
- ISA 505 External Confirmation Requests and Alternative Procedures
- ISA 530 Sample Selection Overview for Tests of Details

Day 7: Auditing Key Financial Statement Areas

- Revenue Cut-Off, Contract Terms and Credit Note Testing
- Trade Receivables Ageing and Expected Credit Loss Allowance Testing
- ISA 501 Inventory Count Attendance and Net Realisable Value
- Property, Plant and Equipment Additions, Depreciation and Impairment Indicators
- Trade Payables Search for Unrecorded Liabilities and Accruals

Day 8: Estimates, Group Audits, Related Parties and Completion Events

- ISA 540 Accounting Estimates Method, Data and Assumptions Testing
- ISA 600 Group Engagement Scoping and Component Auditor Direction
- ISA 550 Related Party Identification and Undisclosed Transaction Indicators
- ISA 560 Subsequent Events Review Procedures and Adjusting Events
- ISA 570 Going Concern Indicators and Material Uncertainty Evaluation

Day 9: Written Representations, Governance Communication and the Auditor's Report

- ISA 580 Written Representations Letter Content and Reliability
- ISA 260 Communication of Findings to Those Charged With Governance
- ISA 700 Unmodified Opinion Report Structure and Wording
- ISA 701 Key Audit Matters Selection and Description
- ISA 705 and ISA 706 Modified Opinions and Emphasis Paragraphs

Day 10: Case Study Capstone Concluding the Audit File and Draft Opinion

- Case Audit File Review Against ISA 230 Documentation Requirements
 - ISA 450 Summary of Uncorrected Misstatements for the Case
 - Case Going Concern and Subsequent Events Conclusion Memo
 - Case Key Audit Matters Shortlist and Opinion Type Decision
 - Draft Auditor's Report and Concluded Case Audit File Defence
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Skills You Will Gain:

- Audit Materiality Setting
- Assertion-Level Risk Assessment
- IT General Controls Evaluation
- Fraud Risk Response Design
- Substantive Procedure Design
- Accounting Estimate Testing
- Audit Opinion Formation
- Audit File Documentation

Why Attend This Course:

- Deliver a concluded Case Audit File and Draft Auditor's Report that the engagement manager or finance director can use as a reference file
- Decide which risks are significant, which controls to rely on and whether misstatements, going concern doubts or scope limits call for a modified opinion
- Avoid late audit adjustments, reworked files and inspection findings caused by mechanical materiality, unanswered risks and weak documentation
- Brief audit teams and finance colleagues on risk assessment, evidence standards and report wording using the case file as a training pack

Conclusion:

Back at work, the participant hands the concluded Case Audit File and Draft Auditor's Report to the engagement manager, the quality reviewer or the finance director preparing for audit. Firms use it as a reference when setting materiality, documenting risk responses and choosing between an unmodified and a modified opinion; audited entities use it to anticipate auditor requests on estimates, going concern and representations. After the first engagement or year-end that follows, the unit should compare review notes, late adjustments and completion time with the previous cycle and refine its templates.

Frequently Asked Questions FAQ:

What should participants know before the International Standards on Auditing external audit course?

Participants should understand double-entry accounting and the main financial statements, and should already perform, review or prepare for audit work. Bringing an anonymised audit plan, materiality calculation or set of year-end schedules helps them relate the case study to their own engagements.

How does this International Standards on Auditing course differ from an internal audit or audit sampling course?

It follows a full external audit of financial statements from acceptance to the auditor's report. Internal audit planning, audit committee oversight and statistical sampling are covered only where an external auditor needs them, and each has its own dedicated course elsewhere.

What is performance materiality under the International Standards on Auditing?

Performance materiality is an amount set below overall materiality to reduce to an appropriately low level the risk that uncorrected and undetected misstatements together exceed overall materiality. Auditors use it to plan the extent of testing on balances and transaction classes.

What do participants take back from the International Standards on Auditing external audit course?

Participants take back a concluded Case Audit File and Draft Auditor's Report, with a materiality memorandum, risk assessment matrix, work programme, key area working papers, completion memo and a key audit matters shortlist they can adapt to their own engagements.