

Ref	Competencies	Description	Syllabus Objective	Syllabus Detail	Reference to ISSAIs
FAC 1	SAI audit professional adds value by conducting ISSAI-compliant financial audits				
FAC 1.1	Demonstrates an understanding of how financial audit contributes to promoting accountability in using public money	Demonstrates an understanding of the nature, purpose and objectives of financial audit, the unique way in which it adds value as part of the accountability chain and how it is differentiated from and/or linked to compliance or performance audit engagements. Demonstrates an understanding that financial audit uses insight to create foresight by examining past events and providing forward looking, effective and cost-beneficial recommendations to improve public financial management.	Knowledge: 1. explains the nature, purpose and objectives of financial audit as outlined in ISSAI 100 and ISSAI 200 2. explains the way financial audits create value in the public sector through showing the relationship between ISSAI 12 principles and financial auditing 3. explains the difference and similarities between financial audits and other two type of audits. 4. explains how the financial audit can improve the public financial management through providing effective and cost-beneficial recommendations. 5. Explains the authority and purpose of fundamental principles of financial auditing 6. Distinguishes between different options of referring to financial audit ISSAIs in the auditor's report 7. Explains implications of claiming ISSAI compliance in financial audit	1.1 The purpose and objective of financial auditing 1.2 Overall objectives of the auditor in conducting and audit of financial statements 1.3 Definition of financial audit 2.1 Link between FA and principle 2, 3, 4, 5 and 7 of ISSAI 12 3.1 Financial Audit Vs. Compliance Audit Vs. Performance Audit 4. (further research required) 5. authority and purpose of fundamental principles of financial auditing 6. National standards Vs. SAI standards Vs. ISSAI level 4 7. implications of claiming ISSAI compliance in financial audit	1. ISSAI 200 para. 16–17, ISSAI 100 para. 22 2. ISSAI 12 3. ISSAI 100 para. 22 4. <u>(further research required)</u>

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FAC 1.2	Demonstrates an ability to apply key concepts of financial auditing appropriately and consistently in audit practice	<p>Demonstrates an ability to apply key concepts such as risk assessment, materiality, sampling, risk response, sufficient appropriate audit evidence, levels of assurance and key audit matters in the financial audit process.</p> <p>Demonstrates an ability to provide an opinion on whether the financial statements give a true and fair view of the financial state of affairs of an entity OR that the financial statements have been prepared in line with the applicable financial reporting framework.</p> <p>Demonstrates an ability to determine that sufficient audit procedures have been performed to provide reasonable assurance to the users of the financial statements.</p>	<p>Knowledge:</p> <ol style="list-style-type: none"> 1. explains the elements of financial auditing as outlined in ISSAI 200 2. explains the prerequisites of financial auditing as outlined in ISSAI 200 3. explains the principles related to basic audit concepts as outlined in ISSAI 200 4. explains risk-based audit approach in the context of financial audit 5. explains the principles related to audit process as outlined in ISSAI 200 6. Illustrates overall financial audit process as outlined in ISSAI 200 7. explains types of audit opinion on the financial statement 8. explains the relationship between sufficient appropriate audit evidence and reasonable assurance 	<p>ELEMENTS OF FINANCIAL AUDITING</p> <ol style="list-style-type: none"> 1.1. Three parties in financial auditing 1.2 suitable criteria 1.3 Subject matter information 1.4 Reasonable assurance engagement <p>PREREQUISITES FOR CONDUCTING FINANCIAL AUDIT</p> <ol style="list-style-type: none"> 2.1 Ethics and independence 2.2 Quality control 2.3 Engagement team management and skills <p>PRINCIPLES RELATED TO BASIC AUDIT CONCEPT</p> <ol style="list-style-type: none"> 3.1 Audit risk 3.2 Professional judgement and professional scepticism 3.3 Materiality 3.4 Communication 3.5 Documentation <p>PRINCIPLES RELATED TO THE AUDIT PROCESS</p> <ol style="list-style-type: none"> 4.1 Agreeing the terms of the engagement 4.2 Planning 4.3 Understanding the audited entity 4.4 Risk assessment 4.5 Responses to assessed risks 4.6 Considerations relating to fraud in an audit of financial statements 4.7 Going-concern considerations 4.8 Considerations relating to laws and regulations in an audit of financial statements 4.9 Audit evidence 4.10 Consideration of subsequent events 4.11 Evaluating misstatements 4.12 Forming an opinion and reporting on the financial statements 	

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FAC 1.3	Ensures quality in conducting a financial audit	<p>Applies financial audit ISSAIs throughout the audit process in different environments to enhance the credibility of the audit report.</p> <p>Displays the ability to review financial audit work done by others for quality assurance in line with relevant standards and SAI practices.</p>	<p>Knowledge:</p> <ol style="list-style-type: none"> explains the quality control requirements for financial audit as per ISSAI 1220 explains the pre-conditions for financial audit explains the pre-engagement process in financial audit explains the QA requirements and process in FA <p>Skills:</p> <ol style="list-style-type: none"> evaluates the work done by others using the guidelines of ISSAI 1220, A17 performs pre-engagement activities for an audit performs QA review on a completed engagement in FA 	<ol style="list-style-type: none"> good practice and quality control at the engagement level as defined under six elements of ISSAI 1220: <ol style="list-style-type: none"> Leadership responsibilities for quality on audits Relevant ethical requirements Acceptance and continuance of client relationships and audit engagements Assignment of engagement teams Engagement performance Monitoring ISSAI 1210: Pre-Conditions for an audit, Para 6 (A2-A19). 2.2 Agreement on Audit engagement terms, Para 9-12 (A24-29) Limitation on scope prior to audit engagement acceptance (Para 7) Pre-engagement activities (public sector considerations in ISSAI and FA ISSAI GUIDs) IDI FA QA Guidance and tool Review responsibilities on an audit engagement level 	ISSAI 1210 ISSAI 1220
FAC 1.4	Exercises professional judgement and scepticism throughout the financial audit	<p>Exercises professional judgement and scepticism while applying standards.</p> <p>Seeks advice if difficult or contentious issues are encountered when exercising professional judgement.</p>	<p>Knowledge:</p> <ol style="list-style-type: none"> explains the concepts of professional judgement and professional scepticism in financial audit as per ISSAI 1200, para. 15-16 (A20-29) <p>Skill:</p> <ol style="list-style-type: none"> exercises professional judgement in real world situations maintains professional scepticism throughout audit in real world situations identifies the situation when exercising professional judgement where advice is required and documents the related professional judgements. 	<ol style="list-style-type: none"> Professional Scepticism Professional Judgement Documentation of significant matters and related significant professional judgements 	<ol style="list-style-type: none"> ISSAI 1200, para. 15-16 (A20-29) ISSAI 1230, (documentation of significant matters and related significant professional judgements A8-11)
FAC 2	SAI audit professional demonstrates an understanding of context, environment and entity in a financial audit	-			

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FAC 2.1	Demonstrates an understanding of the wider context of the public-sector environment	Displays an understanding of the wider context of the public-sector environment, which leads to additional audit objectives in the audit of financial statements in the public sector that may result from parliamentary directives, government circulars, stakeholder expectations, entity specific issues, etc. and that may extend beyond the objective of merely expressing an opinion on the financial statements.	Knowledge: 1. Explains the principles and role of Public Financial Management and the expectations of users who rely on financial statements and financial audit reports. 2. Explains additional audit objectives which may exist in public sector financial audits as explained in ISSAI 200 para 4.	1. Principles of Public Financial Management 2. Expectations of Financial statement users 3. Objectives of public sector financial audit in addition to the audit of financial statements	2. ISSAI 200 para. 4 <i>Note: (Use a model of the PFM cycle (IMF?). Further research needed to identify source material on user expectations)</i>
FAC 2.2	Demonstrates an appreciation of accounting principles and financial reporting frameworks	Demonstrates an understanding of accounting standards and principles, as well as displaying the ability to interpret the financial reporting framework applicable to preparing the financial statements.	Knowledge: 1. explains the key considerations of acceptability of a financial reporting framework as audit criteria, as per ISSAI 200 para. 18-29 and ISSAI 1210 para. 6 (A2-10) 2. explains the differences between: a) general purpose vs special purpose frameworks, b) fair presentation vs compliance frameworks, c) cash vs modified cash vs modified accrual vs accrual based financial reporting framework 3. explains the audit considerations when migrating from cash to accrual (emerging issue) 4. explains the importance of defining the scope of the subject matter information for FA 5. explains complete set of financial statements Skill: 6. assess acceptability of a financial reporting framework Judgement: 7. concludes on the acceptability of financial reporting framework	1. Criteria for assessing acceptability of Financial Reporting Framework 2.1 General purpose and special purpose FRFs. 2.2 Fair presentation and compliance FRFs. 2.3 Cash basis, modified cash basis, modified accrual basis and accrual basis financial reporting framework 3. (further research on migration from cash to accrual) 4. Subject matter information 5. A complete set of financial statements for a public-sector entity	1. ISSAI 200 para. 18-29 and ISSAI 1210 para. 6 (A2-10) <i>Scope: limit to understanding different types of frameworks, the course will not cover specific reporting frameworks or replace the need for the SAI auditor to obtain expertise in interpreting reporting frameworks.</i>

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FAC 2.3	Demonstrates an understanding of entity operations and associated risks, as well as the accounting and financial reporting processes	<p>Demonstrates the ability to evaluate an entity's organizational structure, culture, business processes, operations and systems. These include the entity's system of internal control, internal control activities and controls residing at the entity.</p> <p>Demonstrates an understanding of the accounting and reporting process specific to an entity and effectively deals with complexities in the accounting transactions.</p>	<p>Knowledge:</p> <ol style="list-style-type: none"> 1. identifies the information required when understanding the entity and its environment to the extent that ISSAI 1315 requires. 2. identifies the information required to understand the entity's control environment, including fraud risks and related controls 3. demonstrates an understanding of accounting and reporting processes relevant to financial audits 4. explains financial statements assertions in an audit 5. explains the relationship between financial statement assertions, assessed risks of material misstatements and audit procedures 6. explains the auditors' responsibility if considering relying on the work of internal auditor and using internal auditor to provide direct assistance 7. identify laws and regulations affecting financial statements <p>Skills:</p> <ol style="list-style-type: none"> 8. identifies audit risks based on given information about an auditee. 9. identifies audit risks through the use of preliminary analytical procedures. 10. identifies relevant assertions on classes of transactions, account balances and related disclosures. 	<ol style="list-style-type: none"> 1. understanding entity and its environment 2. The Entity's Internal Control <ol style="list-style-type: none"> 2.1 Nature and Extent of the Understanding of Relevant Controls 2.2 Control environment 2.3 The entity's risk assessment process 2.4 Information system, including the related business processes, related to financial reporting, and communication 2.5 Control activities relevant to the audit 2.6 monitoring of controls 3. Accounting and reporting process: asset management, expenditure management, cash management, debt management and revenue management. <i>(Research needed to identify sources of information about different processes/cycles in the public sector - IMF?)</i> 4. Financial statement assertions 5. Link between financial statement assertions, risk of material misstatement (to be covered in the same module as 3.2 where this concept is defined) and audit procedures 6. Understanding the work of internal auditors and consider relying on their work and using internal auditors to provide direct assistance 7. Laws and regulations affecting financial statements 	<ol style="list-style-type: none"> 1. ISSAI 1315 para 11 (A24-A48) and P12-P13 2. ISSAI 1315 para 12-24 (A49-A117 and P14-P16), ISSAI 1240 specific mention should be made on understanding the work of internal audit on ISSAI 1315 para. 23, (A113-A120) 3. Processes should include: asset management, expenditure management, cash management, debt management and revenue management. Research needed to identify sources of information about different processes/cycles in the public sector (IMF?) 4. ISSAI 1315, Para 26 (A132-140), Assertion about classes of transactions, account balances and disclosures. 5. ISSAI 1610 Para 15.35 (A5-A41) 6. ISSAI 1250
FAC 3	SAI audit professional assesses and manages risk in a financial audit				

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FAC 3.1	Determines materiality	Determines materiality by size and nature. Applies materiality, based on an understanding of the relationship between materiality and assessed risks of material misstatements in the financial statements, when planning, performing and concluding the financial audit.	<p>Knowledge:</p> <ol style="list-style-type: none"> explains the concept of materiality and performance materiality for financial statements as a whole and for classes of transactions and account balances or disclosures. explains the concept of quantitative and qualitative materiality explains the use of materiality in planning, performing and concluding the financial audit explains the relationship between materiality and risk <p>Skill:</p> <ol style="list-style-type: none"> chooses benchmarks for determining materiality calculates materiality from financial information applies materiality in planning, performing and concluding the financial audit revises materiality for the financial statement as a whole (and if applicable, for particular classes of transactions and account balances or disclosures) and performance materiality. 	<ol style="list-style-type: none"> Materiality in the Context of an Audit <ol style="list-style-type: none"> Overall materiality Performance materiality materiality , for particular classes of transactions and account balances or disclosures Quantitative and qualitative materiality Use of materiality levels in planning, performing and concluding the financial audit Materiality and audit risk Example of benchmarks based for financial statements prepared on accrual basis and cash basis Instances where materiality needs to be revised 	<ol style="list-style-type: none"> Determining Materiality and Performance Materiality When Planning the Audit, ISSAI 1320 para 10&11,A3-A12 Revision as the Audit Progresses, ISSAI 1320 para 12-13, A14
FAC 3.2	Assesses audit risk in financial audits	Assesses the audit risk of providing an incorrect opinion by not applying sufficient audit procedures or appropriately modifying audit procedures to in the audit of financial statements.	<p>Knowledge:</p> <ol style="list-style-type: none"> explains the concept of audit risk explains the concept of significant risk explains risk assessment processes <p>Skills:</p> <ol style="list-style-type: none"> identifies the risks of material misstatements at the financial statement level and at the assertion level. designs risk assessment procedures assesses the risks of material misstatements due to error or fraud revises assessed risks of material misstatements when necessary 	<ol style="list-style-type: none"> Audit risk <ol style="list-style-type: none"> Risk of Material misstatement <ol style="list-style-type: none"> Control Risk Inherent Risk Detection Risk Significant risk Risk assessment process <ol style="list-style-type: none"> Risk at the financial statement level Risk at the assertion level (including potential misstatements) 	<ol style="list-style-type: none"> Risk Assessment Procedures and Related Activities, ISSAI 1315 para 5-10, A1-24, ISSAI 1320 A1, Definition of audit risk, detection risk and risk of material misstatement (Glossary to ISAs) Identifying and Assessing the Risks of Material Misstatement, ISSAI 1315 para 25-31, A122-A152 <ol style="list-style-type: none">

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FAC 3.3	Manages risk throughout the financial audit process	Prepares and implements an overall audit strategy that provides direction, timing and scope of audit, which is responsive to overall risks of material misstatements in the financial statements.	<p>Knowledge:</p> <ol style="list-style-type: none"> explains the importance of the overall audit strategy in planning the financial audit explains the considerations in establishing the overall audit strategy. explains auditors' overall response to assessed risks of material misstatements at the financial statement level and at the assertion level explains audit procedures responsive to assessed risks of material misstatements at the assertion level-tests of controls and substantive audit procedures. <p>Skills:</p> <ol style="list-style-type: none"> prepares an audit plan selects appropriate test of controls and substantive audit procedures in a given scenario designs tests of controls and substantive audit procedures performs tests of controls and substantive audit procedures documents the conclusion of performing tests of controls and substantive audit procedures <p>Judgement:</p> <ol style="list-style-type: none"> reviews the documentation of audit procedures performed by others to evaluate whether it responded to identified risks and the audit evidence supports the conclusion. 	<ol style="list-style-type: none"> Overall audit strategy <ol style="list-style-type: none"> The scope of the audit Timing of the audit Direction of the audit Overall responses to address the assessed risks of material misstatement at financial statement level <ol style="list-style-type: none"> increased professional scepticism Engage experienced staff Adequate audit supervision unpredictability general changes to nature, timing and extent of audit procedures Overall responses to address the assessed risks of material misstatement at assertion level <ol style="list-style-type: none"> Test of controls Substantive procedures Relationship between test of controls and substantive procedures 	<ol style="list-style-type: none"> Planning Activities, ISSAI 1300 para 7-8, A8-11 Overall responses, ISSAI 1330 para 5, A1-3 Audit procedures -tests of controls and substantive audit procedures, ISSAI 1330 para 8-23, A20-58
FAC 4	SAI audit professional performs and documents financial audit procedures as per ISSAIs				

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FAC 4.1	Evaluates an entity's internal control system related to the financial reporting process	Evaluates the design of internal control systems, determine whether it is operational and, if so, tests the operating effectiveness of internal controls related to financial reporting process and concludes on the adequacy of controls tested to assess the risks of material misstatements in the financial statements.	<p>Knowledge:</p> <ol style="list-style-type: none"> 1. explains the reason for evaluating the design and implementation of internal controls relevant to the audit. 2. explains the concept of operating effectiveness, the relationship between objectives, risk and internal controls and the difference between detective controls and preventative controls. <p>Skill:</p> <ol style="list-style-type: none"> 3. identifies deficiencies in a system of internal control from a given scenario 4. identifies key internal controls relevant to the audit. 5. evaluates the design and implementation of controls 6. tests the operating effectiveness of key internal controls identified against risks and significant risks of material misstatement. <p>Judgement:</p> <ol style="list-style-type: none"> 7. concludes on the overall adequacy of internal controls with reference to risk of materials misstatements a the financial statement level and assertion level . 8. recommends appropriate audit approaches (combined versus fully substantive) at the assertion level. 	<ol style="list-style-type: none"> 1. Nature and extent of the understanding of relevant controls 2. Control activities, individually or combined are relevant to the audit (professional judgement) 3. Three types of deficiencies of internal control: control not in place, control not designed effectively and control not operating effectively 4. Applicable scenarios to design and perform Tests of Controls 5. operating effectiveness of key internal controls 6. Relationship between control activities and assessed risks of material misstatements. 	<ol style="list-style-type: none"> 1. ISSAI 1315 para. 13 (A73-A75), para. 20-21 (A96-A100), para. 25-26 (A127-A131), ISSAI1330 para. 8 2. ISA315 para. 13 (A73-A75) 3. Identifying the following deficiencies: control not in place, control not designed effectively and control not operating effectively (ISSAI 1315, A73-A75) 4. Applying the principles of ISSAI 1315 para. 12 (A67-A71) 5. ISSAI 1315 para. (A73-A75) 6. ISSAI 1330
FAC 4.2	Applies different sampling techniques	Selects sample sizes by applying different sampling techniques and using the materiality level.	<p>Knowledge</p> <ol style="list-style-type: none"> 1. explains different sampling techniques as described in ISSAI 1530 appendix 4 2. explains the factors that influence sample size for audit procedures as described in ISSAI1530 Appendixes 2 and 3 3. Describes the concepts of population, sampling unit, anomaly, stratification, tolerable misstatement, tolerable rate of deviation, sampling risk and non-sampling risk as per ISSAI 1530 para 5 <p>Skill</p> <ol style="list-style-type: none"> 4. selects an appropriate sample using a given population and sampling technique 5. concludes on the results of an audit procedure using sampling by projecting misstatements found in a sample to the broader population. 	<ol style="list-style-type: none"> 1. Concepts of population, sampling unit, anomaly, stratification, tolerable misstatement, tolerable rate of deviation, sampling risk and non-sampling risk 2. Statistical sampling techniques <ol style="list-style-type: none"> 2.1 Random sampling 2.2 Monetary Unit Sampling 2.3 Systematic sampling 2.4 Block sampling 2.5 haphazard 3. Non-statistical sampling techniques 4. Factors Influencing Sample Size for Tests of Details 5. Factors Influencing Sample Size for Test of Controls 6. Projecting Misstatements 7. Evaluating Results of Audit Sampling 	<ol style="list-style-type: none"> 1. ISSAI 1530 <p><i>Scope: statistical sampling and stratification should only be used at the knowledge level</i></p> <ol style="list-style-type: none"> 5. ISSAI 1450 para 5 (A2-A3)

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FAC 4.3	Gathers and evaluates sufficient appropriate audit evidence	Gathers and evaluates multiple sources of evidence, identifies conflicts, and determines evidence that is reliable, accurate, credible, usable and complete for the audit.	Knowledge 1. explains the concept and characteristics of sufficient appropriate evidence 2. explains considerations to evaluate reliability and relevance of information to be used as audit evidence 3. explains the relationship between the risk of material misstatement and sufficiency of audit evidence, taking into consideration quality of such audit evidence 4. explains whether, in which areas and to what extent internal audit can be used to provide direct assistance Skills: 5. evaluates sufficient appropriate audit evidence to with reference to auditor's report on the financial statements	1. The concept and characteristics of sufficient appropriate evidence 2. Considerations to evaluate reliability and relevance of information to be used as audit evidence 3. Information to be used as audit evidence 4. The relationship between the risk of material misstatement and sufficiency of audit evidence, taking into consideration quality of such audit evidence 5. Inconsistency in, or doubts over reliability of, audit evidence	1. ISSAI 1500 para. 6, (A1-A25) 2. ISSAI 1500 para. 7, (A26-A33) and para. 11 (A57) 3. ISSAI 1450
FAC 4.4	Evaluates audit evidence to express an opinion on financial statements	Evaluates the sufficiency of appropriate audit evidence, identifies root causes of audit matters and expresses an audit opinion on the financial statements.	Knowledge 1. explains the effect of identified uncorrected misstatements and possible undetected misstatements in areas where auditor was unable to obtain sufficient appropriate audit evidence on the financial statement 2. explains relationship between identified uncorrected misstatements and type of audit opinions on the financial statements 3. explains when the auditor is obliged to express modified audit opinion (materiality and pervasiveness) 4. explains the auditors' responsibilities for reporting KAM 5. explains the auditors' responsibilities for reporting emphasis of matter and other matter paragraph Skills 6. expresses an opinion on the financial statements given in various scenarios	1. Evaluating the Effect of Uncorrected Misstatements 2. Considerations in Forming an opinion on the financial statement 3. Types of audit opinion 3.1 Unmodified opinion 3.2 modified opinion 3.2.1 qualified opinion (disagreements and scope limitations) 3.2.2. adverse opinion 3.2.3 disclaimer of audit opinion 4. Circumstances when a modification to the auditor's opinion is required 5. Circumstances to include emphasis of matter and other matter paragraph in the auditors' report 6. Definition and determination of Key Audit Matters 7. Auditors' responsibilities for reporting KAM 8. Content and form of auditors' report	1. ISSAI 1450 - Para. 11 (A14-A23) Evaluating the Effect of Uncorrected Misstatements 2. ISSAI 1700 - Para. 10-15 (A1-A15) Forming an opinion on the financial statement 3. ISSAI 1700 - Para. 16-19 (A16-A17) Form of audit opinion 4. ISSAI 1705 5. ISSAI 1701 6. ISSAI 1706

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FAC 4.5	Documents the entire financial audit process	Documents work done at every stage of the financial audit, from the pre-engagement until completing and reporting, in order to demonstrate the adequacy of work performed in an audit of financial statements.	<p>Knowledge</p> <ol style="list-style-type: none"> 1. explains the nature and purpose of audit documentation. 2. explains the form, content and extent of Audit Documentation 3. explains the procedures to ensure safe custody and retention of working papers <p>Skills</p> <ol style="list-style-type: none"> 4. documents audit procedures performed, and corroborative audit evidence obtained 5. evaluates whether audit documentation is in accordance with ISSAIs 6. assembles the final audit file 	<ol style="list-style-type: none"> 1. Nature and purposes of audit documentation 2. Timely preparation of audit documentation 3. Documentation of the audit procedures performed and corroborative audit evidence obtained <ol style="list-style-type: none"> 3.1 Form, content and extent of audit documentation 3.2 Documentation of significant matters and related significant Professional Judgments 3.3 Identification of Specific items or matters tested, and of the preparer and reviewer 3.4 Documentation of discussions of significant matters with management, those Charged with governance, and others 3.5 Documentation of how inconsistencies have been addressed 3.6 Departure from a relevant requirements 4. Assembly of the final audit file 	<ol style="list-style-type: none"> 1. Nature and Purposes of Audit Documentation, ISSAI 1230 para. 2-3 2. Timely Preparation of Audit Documentation, ISSAI 1230, para. 7 (A1) 3. Documentation of the Audit Procedures Performed and Audit Evidence Obtained, ISSAI 1230 para. 8-13, (A2-A20) 4. Assembly of the Final Audit File, ISSAI 1230 para. 14-16, (A21-A24)
FAC 4.6	Communicates with stakeholders throughout the financial audit process	<p>Identifies key stakeholders in the financial audit process, including those charged with governance, and communicates effectively, both verbally and in writing, throughout the audit process as described in CC 2.2.</p> <p>Engages in two-way communication to obtain information required in assessing the risks of material misstatements and gathering audit evidence to support the audit opinion, and conveying the audit matters to the management and those charged with governance.</p> <p>Maintains a professional relationship with the audited entity.</p>	<p>Knowledge</p> <ol style="list-style-type: none"> 1. explains key stakeholders in the financial audit process 2. explains the importance of effective communication with stakeholders 3. explains matters in need of communication during the financial audit process 4. explains the responsibilities of auditors and stakeholders during the process of communication <p>Skills</p> <ol style="list-style-type: none"> 5. inquires stakeholders to obtain information required in assessing the risks of material misstatements 6. applies various media tools to convey audit results and significant matters to stakeholders. 7. examines the views of stakeholders and decides on the appropriate responses in the financial audit process. 8. maintains a professional relationship with the audited entity 	<ol style="list-style-type: none"> 1. Key stakeholders in the financial audit process (both external and internal) 2. Importance of effective communication with stakeholders 3. Matters in need of communication during the financial audit process 4. Responsibilities of auditors and stakeholders during the process of communication 5. Media tools available to convey audit results and significant matters to stakeholders. 6. The maintenance of a professional relationship with the audited entity 	<ol style="list-style-type: none"> 1. communication, ISSAI 200, para. 64-69 2. ISSAI 20 principle N8 and good practices of principle 8 of ISSAI 21 3. ISSAI 1260

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FAC 5	SAI audit professional effectively communicates and follows up on financial audit results				
FAC 5.1	Identifies the management and those charged with governance and communicates financial audit results appropriately	<p>Demonstrates the ability to identify the management and those charged with governance for the purpose of communicating audit matters before, during and after the audit.</p> <p>Is able to explain and communicate the audit opinion, and any key corrective actions required, to the management and those charged with governance.</p> <p>Is able to identify to whom, and how, matters related to fraud should be communicated.</p>	<p>Knowledge:</p> <ol style="list-style-type: none"> 1. explains the objective of communication with the management and those charged with governance throughout the audit process 2. identifies from management and those charged with governance to whom matters should be communicated 3. Explains the communication process to management and those charged with governance <p>Skills:</p> <ol style="list-style-type: none"> 4. Establishes the communication process with the management and those charged with governance. 5. Determines matters to be communicated to the management and those charged with governance 6. Identifies to whom, and how, matter related to fraud should be communicated 	<ol style="list-style-type: none"> 1. objective of communication with the management and those charged with governance throughout the audit process 2. Identification of appropriate persons within the entity to whom to communicate. 3. Matters to be communicated 4. The communication process 5. Communication to management and to TCWG on matters related to identified fraud 6. Communications to Regulatory and enforcement authorities on matters related to identified fraud 7. Communicating deficiencies in internal control to management and to TCWG 8. Communicating Key Audit Matter to TCWG 	<ol style="list-style-type: none"> 1. ISSAI 1260, Para 11 (A1-A4) - Identification of appropriate persons within the entity to whom to communicate. 2. ISSAI 1260, Para 14-17 (A9-A32) - Matters to be communicated 3. ISSAI 1260, Para 19-21 (A37-53) - The communication process 4. ISSAI 1240, Para 40-41 (A60-64) - Communication to management and those charged with governance on matters related to identified fraud 5. ISSAI 1240, Para 43 (A65-67) - Communications to Regulatory and enforcement authorities on matters related to identified fraud 6. ISSAI 1265 - Communicating deficiencies in internal control to management and those charged with governance, Para 10-11 (A28-30) 7. ISSAI 1701 - Communicating Key Audit Matter to those charged with governance, Para 17 (A60-63)
FAC 5.2	Follows up on systemic recommendations	<p>Develops and implements a plan for following up on audit results with responsible stakeholders.</p> <p>Monitors the implementation of financial audit observations.</p>	<p>Knowledge:</p> <ol style="list-style-type: none"> 1. Explains the timing and process of following up on previous and past audit reports containing qualified audit opinion and management report (may be termed differently in different environment) containing deficiencies in internal controls 2. Explains the monitoring mechanism for implementation of financial audit observations (say internal control deficiencies observed when auditing financial statements). <p>Skills:</p> <ol style="list-style-type: none"> 3. follows up on audit reports containing qualified audit opinion with responsible parties. 	<ol style="list-style-type: none"> 1. monitoring mechanism for implementation of financial audit observations (say internal control deficiencies). <ol style="list-style-type: none"> 1.1 Definition of Follow up procedures 1.2. Timing and process of following up 	<ol style="list-style-type: none"> 1. ISSAI 100, Follow-up, Page 16

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