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| --- | --- | --- |
| **Client:** | **$(client)** | |
| **Period end date:** | **$(start) - $(end)** | |
| **EGA title:** | \*Related Parties | |
| **Ref. no.:** |  | |
| **Prepared by:** | $(user) | **Date:** |
| **Approved by Manager:** |  | **Date:** |
| **Approved by Partner:** |  | **Date:** |

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| **Procedures performed** | **Links** | **Ref. no.** |
| 1. As part of the risk assessment procedures and related activities performed during the understanding phase and the fraud risk assessment phase, the engagement team performed the risk assessment procedures and related activities, as mentioned below, to obtain and document accordingly, information relevant to identifying the risks of material misstatement associated with related-party relationships and transactions.    1. The engagement team obtained an understanding of related party relationships and transactions by inquiring of management regarding:       1. The identity of the entity’s related parties, including changes from the prior period;       2. The nature of the relationships between the entity and these related parties; and       3. Whether the entity entered into any transactions with these related parties during the period and, if so, the type and purpose of the transactions.    2. As a part of understanding and evaluating the entity’s system of internal controls, the engagement team obtained/updated an understanding of the controls, if any, that management has established to:       1. Identify, account for, and disclose related party relationships and transactions in accordance with the applicable financial reporting framework;       2. Authorize and approve significant transactions and arrangements with related parties; and       3. Authorize and approve significant transactions and arrangements outside the normal course of business.    3. The engagement team recognized that it shall remain alert throughout the audit while inspecting records or documents, for arrangements or other information indicative of the existence of related party relationships or transactions that were not previously identified or disclosed to the engagement team. In particular, inspection of:       1. Bank and legal confirmations obtained as part of the auditor’s procedures;       2. Minutes of meetings of shareholders and of those charged with governance; and       3. Such other records or documents as considered necessary in the circumstances of the entity.    4. The engagement team considered occurrence of any significant transactions outside the entity’s normal course of business when performing the aforementioned risk assessment procedures or other audit procedures, and if so, the engagement team inquired management about:       1. The nature of these transactions; and       2. Whether related parties could be involved.    5. Discussions among engagement team were held regarding the susceptibility of the financial statements to material misstatement due to fraud or error that could result from the entity’s related party relationships and transactions. The engagement team also shared relevant information obtained about the entity’s related parties amongst each other. Minutes of these discussions were documented. | [**List of Related Parties.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/13%20Related%20Parties/List%20of%20Related%20Parties.docx)  [**Internal Control Template.docx**](../8%20Understand%20and%20Evaluate%20Internal%20Control/Internal%20Control%20Template.docx)  [**Kickoff Meeting Minutes.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/4%20Planning%20Process/Kickoff%20Meeting%20Minutes.docx) |  |
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| 1. The engagement team identified and assessed the risks of material misstatement associated with related party relationships and transactions and determined whether any of those risks were significant risks. In making this determination, the engagement team treated identified significant related party transactions outside the entity’s normal course of business as significant risks. Any risks identified and assessed were documented accordingly. | [**Risk Assessment Document.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/9%20Risk%20Assessment/Risk%20Assessment%20Document.docx) |  |
| 1. The engagement team also considered the susceptibility of the financial statements to material misstatement due to fraud or error that could result from the entity's related party relationships and transactions (including circumstances relating to the existence of a related party with dominant influence), and if so, the engagement team considered such information when identifying and assessing the risks of material misstatement due to fraud. | [**Risk Assessment Document.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/9%20Risk%20Assessment/Risk%20Assessment%20Document.docx) |  |