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

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| **Procedures performed** | **Links** | **Ref. no.** |
| 1. The engagement team identified risks of material misstatement and determined whether they exist at the financial statement and assertion level. | [**Risk Assessment Document.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/9%20Risk%20Assessment/Risk%20Assessment%20Document.docx) |  |
| 1. The engagement team determined the relevant assertions and the related significant classes of transactions, account balances and disclosures. |
| 1. Risks of material misstatement identified and assessed by the engagement team provided a basis for determining the nature, timing and extent of further audit procedures necessary to obtain sufficient appropriate audit evidence. |
| 1. The engagement team identified risks throughout the process of obtaining an understanding of the entity and its environment, including relevant controls that relate to the risks, and by considering the classes of transactions, account balances, and disclosures in the financial statements. |
| 1. For identified risks of material misstatement at the financial statement level, the engagement team assessed the risks and:    1. Determined whether such risks affect the assessment of risks at the assertion level; and    2. Evaluated the nature and extent of their pervasive effect on the financial statements. |
| 1. For identified risks of material misstatement at the assertion level, the engagement team assessed inherent risk by assessing the likelihood and magnitude of misstatement. In doing so, the engagement team considered how, and the degree to which:    1. Inherent risk factors affect the susceptibility of relevant assertions to misstatement; and    2. The risks of material misstatement at the financial statement level affect the assessment of inherent risk for risks of material misstatement at the assertion level. |
| 1. The engagement team determined whether any of the assessed risks of material misstatement are significant risks: 2. Whether the risk is a risk of fraud; 3. Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention; 4. The complexity of transactions; 5. Whether the risk involves significant transactions with related parties; 6. The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and 7. Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual. |
| 1. Significant risks require special audit consideration and require obtaining an understanding of the entity’s controls, including control activities, relevant to the significant risk(s). |
| 1. The engagement team determined whether substantive procedures alone cannot provide sufficient appropriate audit evidence for any of the risks of material misstatement at the assertion level. |
| 1. If the engagement team planned to place reliance on controls and to test the operating effectiveness of controls, the engagement team assessed control risk. If the engagement team did not plan to test the operating effectiveness of controls, assessment of control risk was such that, assessment of the risk of material misstatement was the same as the assessment of inherent risk. |
| 1. With respect to the identification of, and response to, revenue recognition as a significant risk, appropriate procedures including, where appropriate, disaggregated analytics, were planned on important contracts or other sales arrangements with major customers where terms were complex and/or critical, including any side agreements. |
| 1. Appropriate work was planned on large/unusual transactions, those at or near the year-end, bill and hold transactions, transactions with right of return, extended credit terms or unusual financing arrangements, products vulnerable to rapidly changing technology, and related party transactions. |
| 1. The engagement team evaluated whether the audit evidence obtained from the risk assessment procedures provided an appropriate basis for the identification and assessment of the risks of material misstatement and performed additional risk assessment procedures until audit evidence was obtained to provide such a basis. In identifying and assessing the risks of material misstatement, the engagement team considered all audit evidence obtained from the risk assessment procedures, whether corroborative or contradictory to assertions made by management. |
| 1. For material classes of transactions, account balances or disclosures not determined to be significant classes of transactions, account balances or disclosures, the engagement team evaluated whether such determination remains appropriate. |
| 1. The engagement team appropriately documented identified and assessed risks of material misstatement at the financial statement level and at the assertion level, including significant risks and risks for which substantive procedures alone cannot provide sufficient appropriate audit evidence, and the rationale for the significant judgments made. |
| 1. The engagement team ensured that the risk assessment document remains appropriate and remained alert to any new information inconsistent with the audit evidence on which the engagement team originally based the identification or assessments of the risks of material misstatement. |