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| --- | --- | --- |
| **Client:** | **${client}** | |
| **Period end date:** | **${start} - ${end}** | |
| **Ref. no.:** |  | |
| **Prepared by:** | ${user} | **Date:** |
| **Approved by Manager:** | ${manager} | **Date:** |
| **Approved by Partner:** | ${partner} | **Date:** |

# **Kickoff Meeting Minutes**

Date of meeting:

*[text]*

Venue:

*[text]*

Attendees (name and role):

* *[text]*
* *[text]*
* *[text]*

Discussion:

|  |  |  |
| --- | --- | --- |
| **S. no.** | **Agenda item** | **Minutes/Results of discussion** |
| 1 | Proposed audit strategy | The draft “Planning Memorandum” document was circulated and discussed among the engagement team members.  The scope of the engagement was discussed including the conduct of the audit in accordance with ISAs.  Further, team manager specified the team deliverables, deadlines for review by engagement partner and team managers, deadlines for reporting to management, audit budget target recovery rate etc.  Team roles and responsibilities were discussed including areas allocated to different team members. Engagement budgeting was also discussed and whether expected costs will be recovered.  Please refer to:   * Engagement Team Roles and Responsibilities. * Engagement Budgeting. * Planning Memorandum. |
| 2 | Detailed approach to the performance of the audit | The team manager briefed the engagement partner on materiality determined and proposed for the engagement and the basis for materiality.  Further, area responses was discussed among the team members to discuss the risks and audit procedures for individual areas of audit.  The engagement team reviewed the FS disclosures and considered the need for additional or revised disclosures. The engagement team also considered whether any of the disclosures were presented in a manner that could obscure a proper understanding. None were identified.  The team manager explained to all team members that likelihood of misstatements due to fraud and error is medium. Adequate risk assessment procedures should be performed pertaining to fraud. Further, understanding and evaluation of internal control environment should be done in order to assess the risk of fraud.  The engagement team also discussed briefly the further audit procedures to be performed to address the identified risks of material misstatement.  The engagement partner instructed the team to use appropriate documentation templates and ensure compliance with ISAs in this regard and asked the team job in charge for timely preparation of audit documentation. |
| 3 | Importance of audit quality | The engagement partner emphasized the importance of quality for the audit engagement. He explained that the overall quality of our procedures depends on the contribution of each and every individual involved on the audit. Therefore, it is the crucial for each of the individuals to take the responsibility of overall audit quality.  He further emphasized that quality requires complying with the professional standards, applicable legal and regulatory requirements and firm’s quality control policies and procedures. Ensuring compliance with them should be the foremost objective of the team which in turn will ensure that the reports that will be issued are appropriate in the circumstances.  The engagement partner and engagement manager reminded the team about the culture of the firm and advised the team members to raise concerns without fear of reprisals. |
| 4 | Application of professional skepticism during the course of audit | The engagement partner further stressed on the importance of maintaining professional skepticism throughout the audit in order to identify any potential material misstatement due to fraud and/or error.  The engagement partner asked the engagement team to remain aware of any unusual transactions, seek to understand management’s motivations for possible misstatements in the subject matter information and remain watchful for inconsistent evidence specifically if this calls into question the reliability of other evidence and management assessments.  The engagement manager also emphasized make inquires of management and consider constructive and deconstructive evidence – i.e. take a neutral stance, assuming neither that management assumptions are correct nor that they are incorrect.  The team job in charge mentioned examples of ways professional skepticism is demonstrated and documented throughout each stage of audit. |
| 5 | Incorporation of unpredictable procedures into the audit plan | The engagement partner emphasized on the incorporation of unpredictable procedures in order to identify any material misstatement by conducting procedures such as searching for unrecorded liabilities or confirming immaterial bank account. |
| 6 | Encouragement to all team members to bring matters involving differences of opinion arising during the audit to the attention of the engagement partner as necessary | The engagement partner further encouraged all the team members to bring matters involving differences of opinion arising during the audit to his attention as and when necessary. |
| 7 | Any independence matters related to members of the team | The engagement partner discussed the state of being independent, which hasn’t changed from last year. He also elaborated on compliance with ethical requirements, including independence.  The engagement manager immediately requested all team members to read and sign the Engagement Compliance Confirmation (ECC). All team members confirmed their independence and compliance with ethical requirements by signing the confirmation. |
| 8 | Problems that may arise | Not applicable. |
| 9 | The understanding of the entity and its environment | The engagement partner and engagement manager shared their insights based on their knowledge and experience of the company and its industry.  They further emphasized that thorough understanding of the entity shall have to be obtained by reviewing prior year’s working papers, conducting inquiries of management and by discussing matters within the team.  The team job in charge discussed the environment of the entity and its related controls. He weighed in and explained the accounting process being followed at the entity.  The draft of “ISA 315 Template” was discussed among the engagement team members.  Please refer to “ISA 315 Template”. |
| 10 | The application of the applicable financial reporting framework and accounting policies to the entity's facts and circumstances | The team manager informed the team about the applicable financial reporting framework comprising of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 and the requirements of and directives issued under that Act. However, the requirements of and the directives issued under that Act will be followed where those requirements are not consistent with the requirements of the IFRSs, as notified under the Act.  The engagement team also discussed application of accounting policies as set out in the engagement letter, including significant accounting policies. |
| 11 | The susceptibility of the entity's financial statements to material misstatement | Key risks were discussed and incorporated in the risk assessment for the current year.  The engagement partner reviewed the draft risk assessment analytics as prepared by the engagement team. The engagement partner also advised on certain key portions.  Laws and regulations, having impact on the entity’s operations were discussed. The team manager reiterated management's assertions that no significant matter has come to their attention during the current period. He also asked the team to obtain an understanding of all the laws and regulations and policies and agreements applicable to the engagement. |
| 12 | How and where the entity's financial statements may be susceptible to material misstatement due to fraud, including how fraud might occur | Please refer to “Fraud Discussion Minutes”. |
| 13 | 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 considered the existence and identification of related party relationships and transactions in assessing the susceptibility of the financial statements to material misstatement due to fraud or error.  The nature and extent of the entity’s relationships and transactions with related parties (using, for example, the auditor’s record of identified related parties updated after each audit) was discussed.  The engagement partner again emphasized the importance of maintaining professional skepticism throughout the audit regarding the potential for material misstatement associated with related party relationships and transactions.  The engagement team discussed circumstances or conditions of the entity that may indicate the existence of related party relationships or transactions that have not been identified or disclosed for example, a complex organizational structure, use of special-purpose entities for off-balance sheet transactions, or an inadequate information system.  The team manager specified the records or documents that may indicate the existence of related party relationships or transactions.  The engagement team discussed the importance that management and those charged with governance attach to the identification, appropriate accounting for, and disclosure of related party relationships and transactions, and the related risk of management override of relevant controls.  The discussion also included how related parties may be involved in fraud.  The team manager again stressed on the consideration of the above while designing and performing audit procedures. |
| 14 | Use of going concern assumption | The team job in charge added that the going concern assumption is valid for the entity as discussed with management. |
| 15 | Prior year issues and prior year audit opinion | The engagement partner discussed the matters arising from prior year audit which were communicated to the management through Management Letter and suggested that special emphasis be placed by the team on these areas. |
| 16 | Matters to be communicated to those, if any, not present during the meeting | Minutes were agreed to be circulated to the team members who were not present at the meeting. |
| 17 | Other matters | There being no other matters to discuss, the meeting concluded. |