# THE SIMISO ANALYSIS FRAMEWORK

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## STEP 1: Reading and Understanding the Pre-release

Read the pre-release information and identify preliminary triggers.

## STEP 2 : Preliminary Research and Editing

Utilize critical thinking techniques and the 10 Cs of business communication to add more information to the pre-release information and remove any unnecessary words or information.

## STEP 3: Summaries

Create a summary of the most important details mentioned in each document and combine all the summaries to form a Mother of All Summaries (MOAS).

## STEP 4: Preliminary Ethical Issues

Using the MOAS, generate a list of 10-30 potential ethical issues the company may face. Summarize the list and add it to the MOAS.

## STEP 5 : Use MOAS, Relevant Documents, Relevant Standards, Legislation, Frameworks, and Preliminary Triggers

For the strategy analysis, utilize models and techniques from the pre-release documents, MOAS, and critical thinking techniques.

For corporate governance, use KING IV and the OECD, relevant documents, MOAS, and critical thinking techniques.

For Compliance analysis, use Companies Act, GPT3 model to generate the list of applicable Laws and regulations as per the MOAS + Auditors professions Act

For financial statements analysis, use financial statements analysis models, techniques, MOAS, and critical thinking techniques.

For tax analysis, use South African tax topics, MOAS, and critical thinking techniques.

For managerial accounting analysis, use managerial accounting topics, MOAS, and critical thinking techniques.

For accounting analysis, use accounting standards, the conceptual framework, MOAS, and critical thinking techniques.

For risk management analysis, use COSO, MOAS, and critical thinking techniques.

For internal control analysis, use COSO, MOAS, and critical thinking techniques.

For financial management analysis, use MOAS, financial management topics, a financial risk management framework, and critical thinking techniques. And

for auditing analysis, use MOAS, auditing standards, summaries for all the other analysis, critical thinking techniques, and each of the pre-release documents.

Create a summary of each of these and merge them to form a Grandmother of All Summaries (GOAS).

## STEP 6: GOAS and Pre-release Update

Utilizing the GOAS and research from the previous steps, update the pre-release using the 10 Cs of business communication and critical thinking techniques.

## Step 7 : Repeat Step 4 and 5 Using the Updated Documents

Repeat steps 4 and 5 using the updated documents.

## Step 8 : Create 5 - 10 Perspectives Per Identified Trigger Using GPT3

# Utilizing GPT3, create 5-10 perspectives for each identified trigger.

# - Using the critical thinking techniques and result of the above technical analysis, generate 5-10 results using GPT3.

# - Using results of the repeated step 4 - generate a new list (10-30) of ethical risk that are faced by the company and use the GPT 3 to generate responses to each of the risks

# Using this formular R= #RISKS \* #SAICAAPC FORMAT.

# The #SAICAAPC FORMAT - Is the variation of the SAICA task format

# Prepare a list of appropriate questions that Mr Emgee could ask during the proposed meeting to elicit additional information to be used to determine whether APLY should accept the audit engagement.

* Review workpaper W123 relating to the audit of the provision for rebates and prepare your review notes for the attention of A Junior, a trainee accountant who has recently started working for your firm after passing his CTA examinations.
* Draft an e-mail to Mr Alexander, as requested by Mr Hawkes in his e-mail dated 18 November 2014, in which you explain in layman’s terms the reasons for the possible impairment and how this would be calculated in principle.
* Draft an e-mail to Mr Hawkes in response to his request for a review of his impairment workings per his e-mail dated 18 November 2014.
* Draft a report on behalf of Mr Hawkes in which you critically comment on the Oikos valuation performed by The Edge Capital Advisors. This report is to be distributed as part of the Board agenda pack for its next meeting.
* Prepare a memorandum to Mr Hawkes in which you identify and discuss five key reasons why it may not be appropriate for WBP to pursue an investment in a particleboard plant.
* Draft notes to Mr Sutton on behalf of Mr Hawkes in which you explain, with reasons, the accounting effect WBP’s implementation of the long-term share incentive scheme would have on its financial statements, including any taxation consequences. Illustrate the effect, for the financial year ended 31 October 2014 only, on each relevant line item of the statement of comprehensive income and the statement of financial position, assuming the scheme was implemented on 31 October 2014.
* Ms Moonsamy, the Human Resources Manager of WBP, showed you the anonymous letter dated 18 November 2014 received from disgruntled employees and requested your impartial comments as a newly appointed staff member. Prepare a memorandum to Ms Moonsamy in which you comment on the issues raised in the letter. Assume that you have all the relevant information with regard to the proposed long-term incentive scheme.
* List, with reasons, six key initiatives you would expect WBP to begin implementing in order to enhance business sustainability. This list is for your personal use as a reference document in preparation for your attendance at the forthcoming strategic think tank of WBP regarding business sustainability.
* Draft a letter to Mr Malcolm, the Chief Executive Officer of Arubah, for review and signature by the audit engagement partner, in which you indicate, with reasons, whether your firm will be able to render the taxation services for Arubah and its directors as described in the extract from the draft minutes of the board meeting held on 17 November 2015 (see attachment L for details of the request). In addition, include any matters that need to be addressed or clarified before any agreed services can be performed.
* Respond to Ms Needham’s request per her email dated 17 November 2015 (attachment K) and attach an amended draft capital budget for the proposed Pretoria day clinic. Could you please make the necessary amendments to the capital budget and let me know what the resultant IRR and NPV are?
* Please prepare a brief internal report that I can use to prepare for the meeting with the auditors, which covers – • inherent risk factors; • the relevant controls already implemented to minimise the risk; • any procedures that could be performed by you and me to further mitigate the inherent risks; and • your conclusions on the risk assessment.
* Please adjust or redraft the policy to make it nonboilerplate, and while you’re at it you can please also incorporate the effect of a new special contract we recently managed to secure with one of the larger medical aids. It is basically a ‘fixed fee for service’ arrangement, but there is a limit on the number of days, theatre time and stock used for the fixed fee to be charged
* Draft an email to Ms Needham in which you – • outline the key financial reporting considerations with regard to the legal claim against Arubah; and • list any concerns you may have with regard to the actions of and opinions expressed by the directors at the above board meeting.
* Draft an email to Ms Needham in which you identify any taxation consequences for Arubah, its shareholders and the B-BBEE partners of entering into the B-BBEE deal in 2012
* Estimate the breakeven occupancy of the existing Arubah hospitals to assist Ms Needham in responding to Dr Kennedy’s email dated 17 November 2015 (attachment I). Forward your calculations to Ms Needham in an email, together with the additional information you would require to refine the breakeven occupancy estimate.
* Draft an email to Mr Malcolm in which you critically comment on the key issues raised by Crackerjack & Co. and identify any further key issues that Arubah needs to consider with regard to the selection and implementation of an ERP system
* I attach my draft workings for your review. Just comment on any errors or omissions – we can finalise the correct workings later.
* Refilwe, I am not sure these tweets are appropriate? What should we do as a company?
* In response to Harry Mnisi’s email (document G) – (i) describe the additional reports that you would ask Barbara Byte to extract from the inventory management system; and (ii) list the key questions you would ask Belinda Jantjies to enable Harry Mnisi to evaluate the reasonableness of the inventory obsolescence allowance at 30 September 2016 for financial reporting purposes.
* Please prepare a memorandum on my behalf that I can distribute to the Board. The Board prefers concise memorandums that summarise the key issues. The memorandum should deal with the most relevant revenue ratios together with commentary on these numbers. Bear in mind that we did not close
* Please prepare a brief memorandum (for my attention only at this point in time). In it, rank the seven growth opportunities per the First Regional presentation from 1 (highest priority) to 7 (lowest priority), together with your reasons for your assessment. We also need to be cognisant of the major trends in consumer behaviour and retailing. What are two of the major trends (apart from those implicit in the seven growth strategies above) that żinga needs to be aware of and adapt to? Please include some brief notes in the memorandum on this aspect.
* I would like your thoughts on where żinga should reflect the above costs in our monthly management accounts. Obviously we will need to comply with IFRS for our financial reporting purposes but we do not have to manage our business using illogical principles. Please could you double check that I have interpreted IAS 2 correctly for the above three items.

# Refer to step 9 for validation of the results

## Step 9 : Testing

# -Testing for Accuracy and Validating ;

# - final application of the the 10 Cs of business writing to ensure that the results are clear and concise;

# - And evaluating the results to ensure that the outcomes are meeting the objectives of the analysis

# - Read through the created documents and refer to the standards, laws and other expert publications to ensure that the results from the GPT3 model are correct.

## Step 10: Print and Sort Logically

# Print the results and sort them logically per trigger .

# RESOURCES

## Critical Thinking : The SIMISO Method.

The SIMISO Method is a combined critical thinking method that combines the features of the Socratic Method, Analytical Thinking, Creative Thinking, Systematic Thinking, Evaluation Thinking, Reflective Thinking, Problem Solving, 5 Why Analysis, and 7 So What Analysis.

Step 1: Identify the problem or question.

Step 2: Gather evidence to help understand the problem.

Step 3: Ask probing questions to gain a deeper understanding, ask “why” five times to gain a deeper understanding of the root cause of the problem, and ask “so what” seven times to determine the implications of the problem or situation.

Step 4: Break down complex problems into smaller parts and analyze each part in detail.

Step 5: Brainstorm ideas or solutions through imaginative processes

Step 6: Assess the strengths and weaknesses of ideas or solutions.

Step 7: Take time to think about the implications of the problem or situation.

Step 8: Think for yourself and form conclusions based on evidence and logic.

Step 9: Make an informed decision based on the implications.

## 10 Cs of business writing

1. Conciseness: Keep your writing clear, direct, and to the point.

2. Clarity: Make sure your writing is clear and easy to understand.

3. Completeness: Make sure your document contains all the information it needs to.

4. Correctness: Double-check your work for accuracy and make sure it follows the rules of grammar, punctuation, and spelling.

5. Courtesy: Ensure your writing is polite and respectful.

6. Coherence: Make sure your writing is organized in a logical way.

7. Consistency: Make sure your writing is consistent in terms of style and tone.

8. Creativity: Use creative writing techniques to make your document stand out.

9. Credibility: Make sure your writing is credible and trustworthy.

10. Cultural Sensitivity: Make sure your document is appropriate and respectful of different cultures.

## Corporate governance frameworks

1. COSO Enterprise Risk Management Framework

2. Global Reporting Initiative (GRI)

3. ISO 26000

4. OECD Principles of Corporate Governance

5. King IV Report on Corporate Governance for South Africa

9. International Corporate Governance Network (ICGN)

## Strategic analysis toots and models, frameworks

1. SWOT Analysis

2. PESTEL Analysis

3. Porter’s Five Forces Model

4. Ansoff Matrix

5. McKinsey 7S Framework

6. BCG Matrix

7. Balanced Scorecard

8. Core Competency Analysis

9. Resource-Based View (RBV)

10. Value Chain Analysis

11. McKinsey Horizon Model

12. GE/McKinsey Matrix

13. McKinsey Problem Solving Approach

14. Porter’s Generic Strategies

15. Scenario Planning

16. Strategic Mapping

17. Market Segmentation

18. Business Model Canvas

19. Competitive Analysis

20. Strategic Management Model

21. Issue Tree Analysis

22. Kano Model

23. LEAN Analysis

24. Opportunity Cost Analysis

25. Impact Analysis

26. Risk Analysis

27. Porters Diamond Model

28. Gap Analysis

29. Benchmarking

30. Cost-Benefit Analysis

## Ethical analysis

1. Ethical Theory: Ethical theories such as utilitarianism, deontology, and virtue ethics can be used as frameworks to assess ethical decisions.

2. Code of Ethics: Many organizations have a code of ethics that outlines the standards of behavior that members should abide by.

3. Decision Trees: A decision tree is a tool used to map out all possible outcomes of a decision and determine the most ethical option.

4. Cost-Benefit Analysis: Cost-benefit analysis is a tool for evaluating the financial costs and benefits of a decision.

5. Stakeholder Analysis: Stakeholder analysis is a tool used to evaluate how a decision will affect different individuals or groups that are affected by it.

6. Ethical Principles: Principles such as autonomy, non-maleficence, justice, and beneficence can be used to assess the ethicality of a decision.

7. Example : Using GPT3 to *List top ten ethical Risks faced by ER24*

*1. Data Security and Privacy Breaches*

*2. Employee Discrimination and Harassment*

*3. Breach of Confidentiality and Patient Rights*

*4. Unethical Practices in Clinical Trials*

*5. Unlawful Employment Practices*

*6. Misuse of Funds and Resources*

*7. Misrepresentation of Services*

*8. Unauthorized Access to Medical Records*

*9. Negligence in Patient Care*

*10. Discrimination in Treatment of Patients*

## Compliance analysis

1. Companies Act, 2008

2. The Income Tax Act, 1962

3. Value-Added Tax Act, 1991

4. Tax Administration Act, 2011

5. Public Finance Management Act, 1999

6. Financial Markets Act, 2012

7. Auditing Profession Act, 2005

8. Financial Advisory and Intermediary Services Act, 2002

9. Financial Intelligence Centre Act, 2001

10. Protection of Personal Information Act, 2013

11. Financial Advisory and Intermediary Services (FAIS) Regulations, 2018

12. Companies Act, 2008 (Auditor’s Report) Regulations, 2011

13. Example : *Use the GPT3 To generate the list of the most importance laws and regulations applicable to ER24 in south Africa*

*1. South African Ambulance Services Act (No. 99 of 1998)*

*2. National Health Act (No. 61 of 2003)*

*3. Occupational Health and Safety Act (No. 85 of 1993)*

*4. Hazardous Substances Act (No. 15 of 1973)*

*5. National Environmental Management Act (No. 107 of 1998)*

*6. Civil Aviation Act (No. 13 of 2009)*

*7. Road Traffic Act (No. 93 of 1996)*

*8. Disaster Management Act (No. 57 of 2002)*

*9. Medical Schemes Act (No. 131 of 1998)*

*10. National Health Insurance Act (No. 5 of 2018)*

*11. Consumer Protection Act (No. 68 of 2008)*

*12. Competition Act (No. 89 of 1998)*

*13. Financial Advisory and Intermediary Services Act (No. 37 of 2002)*

*14. Tax Administration Act (No. 28 of 2011)*

*15. National Credit Act (No. 34 of 2005)*

*16. South African Qualifications Authority Act (No. 58 of 1995)*

*17. South African Nursing Council Act (No. 33 of 2005)*

*18. National Veld and Forest Fire Act (No. 101 of 1998)*

*19. National Health Professions Act (No. 56 of 1974)*

*20. Health Professions Act (No. 56 of 1974)*

## Financial statement analysis

1. Ratio Analysis

2. Comparative Financial Statement Analysis

3. Common Size Analysis

4. Du Pont Analysis

5. Cash Flow Analysis

6. Trend Analysis

7. Horizontal Analysis

8. Vertical Analysis

9. Z-Score Analysis

10. Altman Z-Score Model

## managerial accounting models/methods/techniques

1. Activity-based costing

2. Variance analysis

3. Budgeting

4. Standard costing

5. Cost-volume-profit analysis

6. Strategic cost management

7. Break-even analysis

8. Margin analysis

9. Capital budgeting

10. Resource planning

11. Transfer pricing

12. Life-cycle costing

13. Benchmarking

14. Target costing

15. Cost-benefit analysis

16. Balanced scorecard

17. Activity-based management

18. Economic value added

## Accounting Analysis

IAS standards,

1. International Accounting Standard (IAS) 1 – Presentation of Financial Statements

International Accounting Standard (IAS) 2 – Inventories

2. International Accounting Standard (IAS) 7 – Statement of Cash Flows

3. International Accounting Standard (IAS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors

4. International Accounting Standard (IAS) 10 – Events After the Balance Sheet Date

5. International Accounting Standard (IAS) 12 – Income Taxes

6. International Accounting Standard (IAS) 16 – Property, Plant & Equipment

7. International Accounting Standard (IAS) 19 -Employee Benefits

8. International Accounting Standard (IAS) 20 – Accounting for Government Grants and Disclosure of Government Assistance

9. International Accounting Standard (IAS) 21 – The Effects of Changes in Foreign Exchange Rates

10. International Accounting Standard (IAS) 23 – Borrowing Costs

11. International Accounting Standard (IAS) 24 – Related Party Disclosures

12. International Accounting Standard (IAS) 26 – Accounting and Reporting by Retirement Benefit Plans

13. International Accounting Standard (IAS) 27 – Consolidated and Separate Financial Statements

14. International Accounting Standard (IAS) 28 – Investments in Associates

14. International Accounting Standard (IAS) 29- Financial reporting in Hyperinflation economies

15. International Accounting Standard (IAS) 32 – Financial Instruments: Disclosure and Presentation

16. International Accounting Standard (IAS) 33 – Earnings Per Share

17. International Accounting Standard (IAS) 34 – Interim Financial Reporting

18. International Accounting Standard (IAS) 36 – Impairment of Assets

14. International Accounting Standard (IAS) 37 – Provisions, Contingent Liabilities, and Contingent Assets

19. International Accounting Standard (IAS) 38 – Intangible Assets

20. International Accounting Standard (IAS) 39 – Financial Instruments: Recognition and Measurement

21. International Accounting Standard (IAS) 40 – Investment Property

22. International Accounting Standard (IAS) 41 – Agriculture

IFRS standards,

Conceptual Framework for Financial Statements 2018

1. International Financial Reporting Standard (IFRS) 1 – First-Time Adoption of International Financial Reporting Standards

2. International Financial Reporting Standard (IFRS) 2 – Share-based Payment

3. International Financial Reporting Standard (IFRS) 3 – Business Combinations

5. International Financial Reporting Standard (IFRS) 5 – Non-current Assets Held for Sale and Discontinued Operations

6. International Financial Reporting Standard (IFRS) 6 – Exploration for and Evaluation of Mineral Resources

7. International Financial Reporting Standard (IFRS) 7 – Financial Instruments: Disclosures

8. International Financial Reporting Standard (IFRS) 8 – Operating Segments

9. International Financial Reporting Standard (IFRS) 9 – Financial Instruments

10. International Financial Reporting Standard (IFRS) 10 – Consolidated Financial Statements

11. International Financial Reporting Standard (IFRS) 11 – Joint Arrangements

12. International Financial Reporting Standard (IFRS) 12 – Disclosure of Interests in Other Entities

13. International Financial Reporting Standard (IFRS) 13 – Fair Value Measurement

14. International Financial Reporting Standard (IFRS) 14 – Regulatory Deferral Accounts

15. International Financial Reporting Standard (IFRS) 15 – Revenue from Contracts with Customers

16. International Financial Reporting Standard (IFRS) 16 – Leases

17. International Financial Reporting Standard (IFRS) 17 – Insurance Contracts

IFRIC interpretations

1. IFRIC 1 – Changes in Existing Decommissioning, Restoration and Similar Liabilities

2. IFRIC 2 – Members’ Shares in Co-operative Entities and Similar Instruments

4. IFRIC 4 – Determining whether an Arrangement contains a Lease

5. IFRIC 5 – Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

6. IFRIC 6 – Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

7. IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

9. IFRIC 9 – Reassessment of Embedded Derivatives

10. IFRIC 10 – Interim Financial Reporting and Impairment

12. IFRIC 12 – Service Concession Arrangements

14. IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their

15. IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

17. IFRIC 17 – Distributions of Non-cash Assets to Owners

19. IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

20. IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

21. IFRIC 21 – Levies

22. IFRIC 22 – Foreign Currency Transactions and Advance Consideration

23. IFRIC 23 – Uncertainty over Income Tax Treatments

24. IFRIC 24 – Liability for Costs of Modifying a Contract

25. IFRIC 25 – Accounting for Costs associated with a Business Combination

26. IFRIC 26 – Longer-Term Interests in Associates and Joint Ventures

SIC interpretations

7. SIC-7 – Introduction of the Euro

10. SIC-10 – Government Loans

15. SIC-15 – Operating Leases – Excluding Leases of Land

25. SIC-25 – Income Taxes – Changes in the Tax Status of an Entity or its Shareholders (revised 2008)

27. SIC-27 – Evaluating the Substance of Transactions Involving the Legal Form of a Lease

29. SIC-29 – Service Concession Arrangements: Disclosures

32. SIC-32 – Intangible Assets – Web Site Costs

SAICA circulars

SAICA Technical guides

## Tax Analysis

1. Value-Added Tax (VAT)

2. Corporate Income Tax

3. Capital Gains Tax

4. Transfer Duty

5. Dividend Tax

6. Withholding Tax

7. Estate Duty

8. Donations Tax

9. Employment Tax Incentive

10. Customs and Excise Duties

11. Excise Tax

12. Municipal Rates and Taxes

13. Property Tax

14. Carbon Tax

15. Fuel Levy

16. Skills Development Levy

17. Mining Royalties

18. Foreign Account Tax Compliance Act (FATCA)

## financial management topics

1. Budgeting

2. Investment Strategies

3. Risk Management

4. Cash Management

5. Financial Planning

6. Tax Planning

7. Debt Management

8. Retirement Planning

9. Insurance Planning

10. Estate Planning

11. Credit Management

12. Financial Reporting

13. Cost Control

14. Asset Allocation

15. Strategic Financial Analysis

16. Capital Structure Management

17. Financial Modeling

18. Derivatives and Hedging

19. Mergers and Acquisitions

20. Wealth Management

21. International Financial Management

## Risk Analysis

1. ISO 31000:2018 Risk Management Framework

2. National Institute of Standards and Technology (NIST) Risk Management Framework

3. COSO Enterprise Risk Management (ERM) Framework

4. FAIR (Factor Analysis of Information Risk)

5. Risk IT Framework

6. NIST Cybersecurity Framework

7. Project Management Institute (PMI) Risk Management Framework

9. International Organization for Standardization (ISO) 27001

10. COBIT 5 Risk Management Framework

## Internal controls frameworks/analysis

1. COSO Internal Control Framework

2. ISO 31000 Risk Management Standard

3. COBIT Framework

4. NIST Cybersecurity Framework

5. ISO 19011 Internal Audit Standard

9. ISO 27001 Information Security Standard 1. COSO Internal Control Framework

2. ISO 31000 Risk Management Standard

3. COBIT Framework

4. NIST Cybersecurity Framework

5. ISO 19011 Internal Audit Standard

9. ISO 27001 Information Security Standard

## Auditing IAASB ISA

1. ISA 200 Overall Objectives of the Independent Auditor

2. ISA 210 Agreeing the Terms of Audit Engagements

3. ISA 220 Quality Control for an Audit of Financial Statements

4. ISA 230 Audit Documentation

5. ISA 240 The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements

6. ISA 250 Consideration of Laws and Regulations in an Audit of Financial Statements

7. ISA 260 Communication with Those Charged with Governance

8. ISA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

9. ISA 300 Planning an Audit of Financial Statements

10. ISA 315 Identifying and Assessing the Risks of Material Misstatement

11. ISA 320 Materiality in Planning and Performing an Audit

12. ISA 330 The Auditor’s Responses to Assessed Risks

13. ISA 402 Audit Considerations Relating to an Entity Using a Service Organization

14. ISA 450 Evaluation of Misstatements Identified during the Audit

15. ISA 500 Audit Evidence

16. ISA 505 External Confirmations

17. ISA 510 Initial Audit Engagements—Opening Balances

18. ISA 520 Analytical Procedures

19. ISA 530 Audit Sampling

20. ISA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures

21. ISA 550 Related Parties

22. ISA 560 Subsequent Events

23. ISA 570 Going Concern

24. ISA 580 Written Representations

25. ISA 600 Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)

26. ISA 610 Using the Work of Another Auditor

27. ISA 700 Forming an Opinion and Reporting on Financial Statements

28. ISA 705 Modifications to the Opinion in the Independent Auditor’s Report

29. ISA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report

30. ISA 710 Comparative Information—Corresponding Figures and Comparative Financial Statements

31. ISA 720 The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements

32. ISA 730 The Auditor’s Responses to Assessed Risks of Material Misstatement through Understanding the Entity and Its Environment

33. ISA 740 The Auditor’s Responses to Assessed Risks of Material Misstatement in an Audit of Financial Statements

34. ISA 800 Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks

35. ISA 810 Engagements to Report on Summary Financial Statements

## The PRI – IOD – Task – Response analysis

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PRI** | **Trigger** | **IOD** | **Task** | **Response** |
|  |  |  | A meeting between Mr Emgee and the management of WBP has been scheduled for 24 November 2014. Mr Emgee has a very full work schedule, and therefore has requested your assistance in preparing for the meeting. Prepare a list of appropriate questions that Mr Emgee could ask during the proposed meeting to elicit additional information to be used to determine whether APLY should accept the audit engagement. |  |
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|  |  |  |  | Request for additional services  Arubah Healthcare recently requested additional services from D Artz & Co. The services requested include computing the income tax liability, completing and submitting the income tax return for the company, and completing personal income tax returns for the company's directors.  Public Interest Score  D Artz & Co noted that Arubah Healthcare's Public Interest Score was in excess of 350, meaning that their Annual Financial Statements must be audited. As a result, D Artz & Co cannot perform any functions relating to accounting or bookkeeping services as they could compromise their independence.  Income Tax Liability  D Artz & Co cannot provide the requested service of computing the income tax liability due to the self-review threat it creates and that it conflicts with their independence requirements.  Income Tax Return  D Artz & Co can provide the requested service of completing and submitting the income tax return, but the terms of the engagement must be agreed upon between Arubah Healthcare and D Artz & Co before any engagement can commence.  Individual Tax Returns  D Artz & Co cannot provide the requested service of completing personal income tax returns for the directors as it could create |
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