

**CICA handbook – assurance
highlight summary no. 25
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HIGHLIGHT SUMMARY

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

Planning, Section 5150

This Section revises and replaces PLANNING AND SUPERVISION, Section 5150, to incorporate ISA 300, "Planning an Audit of Financial Statements," into the Handbook with changes only to conform to Handbook references and terminology. Section 5150 establishes standards and provides guidance on the considerations and activities applicable to planning an audit of financial statements.

The Section requires the auditor to:

- plan the audit so that the engagement will be performed in an effective manner;
- perform preliminary engagement activities including engagement acceptance and continuance procedures, evaluating compliance with ethical requirements, and establishing an understanding of the terms of the engagement;
- establish the overall audit strategy;
- develop an audit plan;
- during the course of the audit, update and change as necessary the overall audit strategy and audit plan;
- plan the nature, timing and extent of direction and supervision of engagement team members and review of their work;
- document the overall audit strategy and audit plan; and
- prior to starting an initial audit engagement, perform client and engagement acceptance procedures and communicate with the predecessor auditor.

The new Recommendations are effective with respect to financial statements and financial reports for periods beginning on or after January 1, 2006.

Assurance and related services guideline

New

- Service organizations that use other service organizations (AuG-42)
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