

KAEG-I [INTL VERSION 2024]: ISA 580 Written Representations

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ISA 580 Written Representations

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ISA 580 *Written Representations*

(Effective for audits of financial statements for periods beginning on or after December 15, 2009)

Introduction, Objectives, Definitions

International Standards on Auditing: ISA 580.01-08

Introduction

Scope of this ISA

1. This International Standard on Auditing (ISA) deals with the auditor's responsibility to obtain written representations from management and, where appropriate, those charged with governance in an audit of financial statements.
2. Appendix 1 lists other ISAs containing subject-matter specific requirements for written representations. The specific requirements for written representations of other ISAs do not limit the application of this ISA.

Written Representations as Audit Evidence

3. Audit evidence is the information used by the auditor in arriving at the conclusions on which the auditor's opinion is based.¹ Written representations are necessary information that the auditor requires in connection with the audit of the entity's financial statements. Accordingly, similar to responses to inquiries, written representations are audit evidence. (Ref: Para. A1)

¹ ISA 500, *Audit Evidence*, paragraph 5(c)

4. Although written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own about any of the matters with which they deal. Furthermore, the fact that management has provided reliable written representations does not affect the nature or extent of other audit evidence that the auditor obtains about the fulfillment of management's responsibilities, or about specific assertions.

Effective Date

5. This ISA is effective for audits of financial statements for periods beginning on or after December 15, 2009.

Objectives

6. The objectives of the auditor are:

- (a) To obtain written representations from management and, where appropriate, those charged with governance that they believe that they have fulfilled their responsibility for the preparation of the financial statements and for the completeness of the information provided to the auditor;
- (b) To support other audit evidence relevant to the financial statements or specific assertions in the financial statements by means of written representations if determined necessary by the auditor or required by other ISAs; and
- (c) To respond appropriately to written representations provided by management and, where appropriate, those charged with governance, or if management or, where appropriate, those charged with governance do not provide the written representations requested by the auditor.

Definitions

7. For purposes of the ISAs, the following term has the meaning attributed below:

Written representation - A written statement by management provided to the auditor to confirm certain matters or to support other audit evidence. Written representations in this context do not include financial statements, the assertions therein, or supporting books and records.

8. For purposes of this ISA, references to "management" should be read as "management and, where appropriate, those charged with governance." Furthermore, in the case of a fair presentation framework, management is responsible for the preparation and *fair* presentation of the financial statements in accordance with the applicable financial reporting framework; or the preparation of financial statements that *give a true and fair view* in accordance with the applicable financial reporting framework.

ISA Application and Other Explanatory Material: ISA 580.A1

Application and Other Explanatory Material

Written Representations as Audit Evidence (Ref: Para. 3)

A1. Written representations are an important source of audit evidence. If management modifies or does not provide the requested written representations, it may alert the auditor to the possibility that one or more significant issues may exist. Further, a request for written, rather than oral, representations in many cases may prompt management to consider such matters more rigorously, thereby enhancing the quality of the representations.

Written Representations

International Standards on Auditing: ISA 580.09-15 Requirements

Management from whom Written Representations Requested

9. The auditor shall request written representations from management with appropriate responsibilities for the financial statements and knowledge of the matters concerned. (Ref: Para. A2-A6)

Written Representations about Management's Responsibilities

Preparation of the Financial Statements

10. The auditor shall request management to provide a written representation that it has fulfilled its responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework, including, where relevant, their fair presentation, as set out in the terms of the audit engagement.² (Ref: Para. A7-A9, A14, A22)

² ISA 210, *Agreeing the Terms of Audit Engagements*, paragraph 6(b)(i)

Information Provided and Completeness of Transactions

11. The auditor shall request management to provide a written representation that:

- (a) It has provided the auditor with all relevant information and access as agreed in the terms of the audit engagement;³ and
- (b) All transactions have been recorded and are reflected in the financial statements. (Ref: Para. A7-A9, A14, A22)

³ ISA 210, paragraph 6(b)(iii)

Description of Management's Responsibilities in the Written Representations

12. Management's responsibilities shall be described in the written representations required by paragraphs 10 and 11 in the manner in which these responsibilities are described in the terms of the audit engagement.

Other Written Representations

13. Other ISAs require the auditor to request written representations. If, in addition to such required representations, the auditor determines that it is necessary to obtain one or more written representations to support other audit evidence relevant to the financial statements or one or more specific assertions in the financial statements, the auditor shall request such other written representations. (Ref: Para. A10-A13, A14, A22)

Date of and Period(s) Covered by Written Representations

14. The date of the written representations shall be as near as practicable to, but not after, the date of the auditor's report on the financial statements. The written representations shall be for all financial statements and period(s) referred to in the auditor's report. (Ref: Para. A15-A18)

Form of Written Representations

15. The written representations shall be in the form of a representation letter addressed to the auditor. If law or regulation requires management to make written public statements about its responsibilities, and the auditor determines that such statements provide some or all of the representations required by paragraphs 10 or 11, the relevant matters covered by such statements need not be included in the representation letter. (Ref: Para. A19-A21)

ISA Application and Other Explanatory Material: ISA 580.A2-A22

Management from whom Written Representations Requested (Ref: Para. 9)

A2. Written representations are requested from those responsible for the preparation of the financial statements. Those individuals may vary depending on the governance structure of the entity, and relevant law or regulation; however, management (rather than those charged with governance) is often the responsible party. Written representations may therefore be requested from the entity's chief executive officer and chief financial officer, or other equivalent persons in entities that do not use such titles. In some circumstances, however, other parties, such as those charged with governance, are also responsible for the preparation of the financial statements.

A3. Due to its responsibility for the preparation of the financial statements, and its responsibilities for the conduct of the entity's business, management would be expected to have sufficient knowledge of the process followed by the entity in preparing the financial statements and the assertions therein on which to base the written representations.

A4. In some cases, however, management may decide to make inquiries of others who participate in preparing and presenting the financial statements and assertions therein, including individuals who have specialized knowledge relating to the matters about which written representations are requested. Such individuals may include:

- An actuary responsible for actuarially determined accounting measurements.
- Staff engineers who may have responsibility for and specialized knowledge about environmental liability measurements.
- Internal counsel who may provide information essential to provisions for legal claims.

A5. In some cases, management may include in the written representations qualifying language to the effect that representations are made to the best of its knowledge and belief. It is reasonable for the auditor to accept such wording if the auditor is satisfied that the representations are being made by those with appropriate responsibilities and knowledge of the matters included in the representations.

A6. To reinforce the need for management to make informed representations, the auditor may request that management include in the written representations confirmation that it has made such inquiries as it considered appropriate to place it in the position to be able to make the requested written representations.

It is not expected that such inquiries would usually require a formal internal process beyond those already established by the entity.

Written Representations about Management's Responsibilities (Ref: Para. 10-11)

A7. Audit evidence obtained during the audit that management has fulfilled the responsibilities referred to in paragraphs 10 and 11 is not sufficient without obtaining confirmation from management that it believes that it has fulfilled those responsibilities. This is because the auditor is not able to judge solely on other audit evidence whether management has prepared and presented the financial statements and provided information to the auditor on the basis of the agreed acknowledgement and understanding of its responsibilities. For example, the auditor could not conclude that management has provided the auditor with all relevant information agreed in the terms of the audit engagement without asking it whether, and receiving confirmation that, such information has been provided.

A8. The written representations required by paragraphs 10 and 11 draw on the agreed acknowledgement and understanding of management of its responsibilities in the terms of the audit engagement by requesting confirmation that it has fulfilled them. The auditor may also ask management to reconfirm its acknowledgement and understanding of those responsibilities in written representations. This is common in certain jurisdictions, but in any event may be particularly appropriate when:

- Those who signed the terms of the audit engagement on behalf of the entity no longer have the relevant responsibilities;
- The terms of the audit engagement were prepared in a previous year;
- There is any indication that management misunderstands those responsibilities; or
- Changes in circumstances make it appropriate to do so.

Consistent with the requirement of ISA 210,⁵ such reconfirmation of management's acknowledgement and understanding of its responsibilities is not made subject to the best of management's knowledge and belief (as discussed in paragraph A5 of this ISA).

⁵ ISA 210, paragraph 6(b)

Considerations Specific to Public Sector Entities

A9. The mandates for audits of the financial statements of public sector entities may be broader than those of other entities. As a result, the premise, relating to management's responsibilities, on which an audit of the financial statements of a public sector entity is conducted may give rise to additional written representations. These may include written representations confirming that transactions and events have been carried out in accordance with law, regulation or other authority.

Other Written Representations (Ref: Para. 13)

Additional Written Representations about the Financial Statements

A10. In addition to the written representation required by paragraph 10, the auditor may consider it necessary to request other written representations about the financial statements. Such written representations may supplement, but do not form part of, the written representation required by paragraph 10. They may include representations about the following:

- Whether the selection and application of accounting policies are appropriate; and
- Whether matters such as the following, where relevant under the applicable financial reporting framework, have been recognized, measured, presented or disclosed in accordance with that framework:
 - Plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - Liabilities, both actual and contingent;
 - Title to, or control over, assets, the liens or encumbrances on assets, and assets pledged as collateral; and
 - Aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance.

Additional Written Representations about Information Provided to the Auditor

A11. In addition to the written representation required by paragraph 11, the auditor may consider it necessary to request management to provide a written representation that it has communicated to the auditor all deficiencies in internal control of which management is aware.

Written Representations about Specific Assertions

A12. When obtaining evidence about, or evaluating, judgments and intentions, the auditor may consider one or more of the following:

- The entity's past history in carrying out its stated intentions.
- The entity's reasons for choosing a particular course of action.
- The entity's ability to pursue a specific course of action.
- The existence or lack of any other information that might have been obtained during the course of the audit that may be inconsistent with management's judgment or intent.

A13. In addition, the auditor may consider it necessary to request management to provide written representations about specific assertions in the financial statements; in particular, to support an understanding that the auditor has obtained from other audit evidence of management's judgment or intent in relation to, or the completeness of, a specific assertion. For example, if the intent of management is important to the valuation basis for investments, it may not be possible to obtain sufficient appropriate audit evidence without a written representation from management about its intentions. Although such written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own for that assertion.

Communicating a Threshold Amount (Ref: Para. 10-11, 13)

A14. ISA 450 requires the auditor to accumulate misstatements identified during the audit, other than those that are clearly trivial.⁶ The auditor may determine a threshold above which misstatements cannot be regarded as clearly trivial. In the same way, the auditor may consider communicating to management a threshold for purposes of the requested written representations.

⁶ ISA 450, *Evaluation of Misstatements Identified during the Audit*, paragraph 5

Date of and Period(s) Covered by Written Representations (Ref: Para. 14)

A15. Because written representations are necessary audit evidence, the auditor's opinion cannot be expressed, and the auditor's report cannot be dated, before the date of the written representations. Furthermore, because the auditor is concerned with events occurring up to the date of the auditor's report that may require adjustment to or disclosure in the financial statements, the written representations are dated as near as practicable to, but not after, the date of the auditor's report on the financial statements.

A16. In some circumstances, it may be appropriate for the auditor to obtain a written representation about a specific assertion in the financial statements during the course of the audit. Where this is the case, it may be necessary to request an updated written representation.

A17. The written representations are for all periods referred to in the auditor's report because management needs to reaffirm that the written representations it previously made with respect to the prior periods remain appropriate. The auditor and management may agree to a form of written representation that updates written representations relating to the prior periods by addressing whether there are any changes to such written representations and, if so, what they are.

A18. Situations may arise where current management were not present during all periods referred to in the auditor's report. Such persons may assert that they are not in a position to provide some or all of the written representations because they were not in place during the period. This fact, however, does not diminish such persons' responsibilities for the financial statements as a whole. Accordingly, the requirement for the auditor to request from them written representations that cover the whole of the relevant period(s) still applies.

Form of Written Representations (Ref: Para. 15)

A19. Written representations are required to be included in a representation letter addressed to the auditor. In some jurisdictions, however, management may be required by law or regulation to make a written public statement about its responsibilities. Although such statement is a representation to the users of the financial statements, or to relevant authorities, the auditor may determine that it is an appropriate form of written representation in respect of some or all of the representations required by paragraph 10 or 11. Consequently, the relevant matters covered by such statement need not be included in the representation letter. Factors that may affect the auditor's determination include:

- Whether the statement includes confirmation of the fulfillment of the responsibilities referred to in paragraphs 10 and 11.
- Whether the statement has been given or approved by those from whom the auditor requests the relevant written representations.
- Whether a copy of the statement is provided to the auditor as near as practicable to, but not after, the date of the auditor's report on the financial statements (see paragraph 14).

A20. A formal statement of compliance with law or regulation, or of approval of the financial statements, would not contain sufficient information for the auditor to be satisfied that all necessary representations have been consciously made. The expression of management's responsibilities in law or regulation is also not a substitute for the requested written representations.

A21. Appendix 2 provides an illustrative example of a representation letter.

Communication with Those Charged with Governance (Ref: Para. 10-11, 13)

A22. ISA 260 (Revised) requires the auditor to communicate with those charged with governance the written representations which the auditor has requested from management.⁷

⁷ ISA 260 (Revised), *Communication with Those Charged with Governance*, paragraph 16(c)(ii)

How do we comply with the Standards?

[ISA | KAEGHDWC]

1 Obtain written representations from management [ISA | 3850]

What do we do?

Obtain written representations from management

Why do we do this?

While management representations do not provide sufficient appropriate audit evidence on their own, they complement the evidence we obtain from other auditing procedures. Specifically, they serve as a written record of management's acknowledgement that they have fulfilled their responsibilities, their understanding and evaluation of audit differences and their honesty and cooperation with us during the audit. Accordingly, failure of management to provide written representations requested by the auditor can have serious implications on the audit and on our report.

Execute the Audit

[What form do the written representations take?](#) [ISA | 3850.1300]

We obtain written representations in the form of a management representation letter (MRL).

[What are the elements of a management representation letter?](#) [ISA | 3850.15749]

The elements of an MRL include the following:

- [Obtain written representations for all financial statement periods](#)
- [Date of the written representations](#)
- [Affirm addressee and signatories](#)
- [Obtain written representations from component management](#)

1.1 Obtain written representations for all financial statement periods [ISA | 3851]

What do we do?

Obtain written representations from management for all financial statement periods covered by the auditor's report

Why do we do this?

While management representations do not provide sufficient appropriate audit evidence on their own, they complement the evidence we obtain from other auditing procedures. Specifically, they serve as a written record of management's acknowledgement that they have fulfilled their responsibilities, their understanding and evaluation of audit differences and their honesty and cooperation with us during the audit. Accordingly, failure of management to provide written representations requested by the auditor can have serious implications on the audit and on our report.

Execute the Audit

Which financial statement period(s) do management's written representations relate to? [ISA | 3851.1300]

The written representations relate to all financial statement periods covered in the audit report, including prior periods that are presented in the financial statements.

Why do we obtain management's written representations about prior periods that have already been reported?

Management reaffirms to us that the written representations from previous period(s) remain appropriate before we sign our audit opinion in the current year, as our audit opinion relates to all periods presented in the financial statements. If a restatement has been made to correct a material misstatement in the prior period that affects the comparative financial statements, then we draft a specific representation for management to review and also reaffirm.

What written representations do we obtain from management if we are issuing more than one audit report?

We obtain representations from management for all audit reports issued, either in one representation letter, listing the applicable set of financial statements, or in separate representation letters for each set of financial statements.

Who prepares the management representation letter? [ISA | 3851.1600]

We prepare the MRL template and provide it to management for their review and signature.

How do we prepare the management representation letter? [ISA | 3851.15774]

We first select the appropriate KPMG [example MLR template](https://alex.kpmg.com/AROWeb/document/lfc/GSC_INTL_AUDDOC_DOCSEAUDIT_TOC/toc/GSC_INTL_AUDDOC_DOCSEAUDIT_TOC?tocref=GSC_INTL_AUDDOC_DOCSEAUDIT_TOC), depending on the applicable auditing standards, financial reporting framework used by the entity and legal and regulatory framework in which the entity operates.

We then determine any additional representations to include in the MLR template. Attachment 1 provides additional representations that we may include, depending on the other circumstances that are applicable to the entity. At a minimum, we include all required representations from the auditing standards, which are included in the KPMG example MLR template.

In some circumstances, we use nationally-tailored versions of the base representation letter and/or listing of additional representations.

Once we have compiled all applicable representations into the MRL template, we provide it to management.

[How do we determine which additional representations, beyond those which are required, are appropriate in the circumstances of our audit?](#) [ISA | 3851.1800]

We select additional representations based on the specific facts and circumstances of the audit and the entity we audit. This can include additional representations to address a variety of topics, such as:

- specific circumstances related to the engagement and basis of presentation of the financial statements (e.g. US GAAP, IFRS);
- specific types of transactions, balances and disclosures present at the entity;
- the nonexistence of transactions/balances/disclosures or circumstances that commonly exist for entities or entities within a particular industry;
- management's intent (e.g., intention to reinvest undistributed earnings of a foreign subsidiary) or plans (e.g., going concern);
- oral representations made to us by management, explicitly or implicitly, during the course of our audit (e.g., disclosure of unique sales terms);
- information presented with the audited financial statements that is not contemplated by the base letter (e.g., supplemental information, adjustments to a prior period that are audited by us as the successor auditor);
- specialized circumstances or disclosures (e.g., restatement, restructuring); and
- management's selection and application of accounting policies, for example non-GAAP policies.

[When might it be appropriate for management to modify the representations we have requested from them?](#) [ISA | 3851.2100]

We expect that management will not make any major revisions to the letter template we provide. We review the signed letter that is provided back to us to allow us to make sure we agree with final version, including any revisions management may have made or proposed.

In some cases, management may modify a representation to further describe and represent relevant facts and circumstances, but not to change or limit its meaning or contradict the auditing standards.

Base representations (i.e. required representations), are not to be removed or modified by management unless it adds an "except for" clause to highlight a matter already disclosed in the financial statements and/or disclosed to the auditor. If management modifies the base representations, refer to activity '[Consider the effect if management refuses to provide representations](#)' to determine what to do.

Examples of representations modified by management:

	Default Language:	Example Modified Language:
Scenario 1 : <i>An event subsequent to the balance sheet has</i>	To the best of our knowledge and belief, no events have occurred subsequent to the	To the best of our knowledge and belief, except as discussed in Note X to the financial

<i>been disclosed in financial statements</i>	balance-sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.	statements, no events have occurred subsequent to the balance-sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
Scenario 2: <i>Management plans to dispose of a specific business segment</i>	The company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.	The company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, except for its plans to dispose of segment A, as disclosed in Note X to the financial statements, which are discussed in the minutes of the December 7, 20X1 meeting of the board of directors.
Scenario 3: <i>Management has received a communication of an allegation of fraud or suspected fraud</i>	We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, analysts, regulators, short sellers, or others.	Except for the allegation discussed in the minutes of the December 7, 20X1 meeting of the board of directors (or disclosed to you at our meeting on October 15, 20X1), we have no knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, analysts, regulators, short sellers, or others.

If we think management may have questions as to the meaning of certain terminology used in the MRL template, we may consider providing those definitions to management or requesting that they include the definitions in the MRL response to confirm their understanding.

How does the management representation letter address materiality? [ISA | 3851.2200]

Management representations may be limited to matters that are considered individually or in the aggregate to be material to the financial statements. In order for management to exclude "immaterial" items from its representations, we first come to a common understanding with management as to what

is material. Materiality may be different for different representations, similar to the concept of having different materiality considerations for specific areas of the audit.

A discussion of materiality may be included explicitly in the representation letter, in either qualitative or quantitative terms.

Does the concept of materiality apply to all management representations?

No. Materiality does not apply to:

- representations not directly related to financial statement amounts;
- any representations regarding the possible effects of fraud on other aspects of the audit; or
- items that involve an omission or misstatement of accounting information that, based on the circumstance, would change or influence the judgment of a reasonable person relying on the financial statements if the omission or misstatement were adjusted.

The following table sets out some examples of representations in which materiality would not be applicable.

	Representation
Example 1	We confirm that we are responsible for the fair presentation in the [consolidated] financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles [or other applicable accounting framework].
Example 2	We have made available to you all - (a) Financial records and related data, including the names of all related parties and all relationships and transactions with related parties. (b) Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
Example 3	There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.
Example 4	We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

Do we attach any information to the management representation letter? [ISA | 3851.15776]

Yes. We attach a summary of uncorrected misstatements, which includes the nature, amount, and effect of the uncorrected misstatements, excluding those misstatements that are clearly trivial. We also include a listing of omissions of amounts or disclosures in the financial statements.

We use the KPMG template, Summary of Audit Misstatements (SAM) - uncorrected misstatements section for the summary of uncorrected misstatements unless law, regulation or custom specifies a different format.

While not required, we also may choose to attach a summary of corrected misstatements.

[How is the management representation letter adjusted when management disagrees with an uncorrected misstatement?](#) [ISA | 3851.15778]

If management does not agree with a misstatement we have included on the SAM - uncorrected misstatements section attached to the MRL, they may modify the representation about uncorrected audit misstatements as follows:

We do not agree that items ... and ... constitute misstatements because [description of reasons].

1.2 Date the written representations [ISA | 3853]

What do we do?

Date the written representations as near as practicable to, but not after, the date of the auditor's report.

Why do we do this?

Because written representations cover information and representations made throughout the entire audit, they are dated as near as practicable, but not after, the date of our auditor's report. Our opinion cannot be expressed, and the audit report cannot be dated, before the date of the written representations.

Execute the Audit

[As of what date are management's written representations dated?](#) [ISA | 3853.1300]

Management dates its written representations as near as practicable to the date of our audit report, but not after.

[What if management's representation letter is dated on a date other than the date of our auditor's report?](#)

[ISA | 3853.1400]

The management representation letter is not to be dated after the date of our audit report.

If management dated the original representation letter too early, the signatories to the management representation letter re-sign and re-date the management representation so that the final letter is dated closer to our audit report. Management makes updates to the letter, as necessary, when re-signing and re-dating the letter. In practice, this may occur when a report date is unexpectedly pushed back.

[When do we obtain written representations from management?](#) [ISA | 3853.15752]

We obtain written representations from management during our completion procedures, at, or as near as practicable to, the date of the audit report, but not after the date of the audit report.

1.3 Affirm addressee and signatories [ISA | 3854]

What do we do?

Affirm that the written representations are addressed to the auditor and signed by those current members of management with overall responsibility for financial and operating matters

Why do we do this?

Because we as auditors are requesting written representations in connection with our audit, management addresses these representations to us. In order for the representations to be reliable, they are signed by members of management with overall responsibility and knowledge of the matters discussed within the representations.

Execute the Audit

[Are there any exceptions to the requirement for management to address its written representations to the auditor?](#) [ISA | 3854.1300]

Yes but in very limited circumstances. In some jurisdictions, management may be required by law or regulation to make a written public statement relating to its responsibilities, including that it has:

- fulfilled its responsibility for the preparation of the financial statements in accordance with the relevant framework, including, where relevant, the fair presentation, as set out in the engagement terms;
- provided us with all relevant information and access as set out in the engagement terms; and
- recorded all transactions in the financial statements.

If there are relevant representations addressed through management's written public statement that have been made or been approved by those members of management who provide the representations to us, those representations can be omitted from the management representation letter. However, any representations not addressed by management's public statement are still included in the management representation letter. We also request management to provide a copy of the written public statement to us as near as practicable to the date of our audit report, but not after.

[Do general formal statements qualify for this exception?](#) [ISA | 3854.15760]

Not necessarily. Sometimes, management may make a formal statement of compliance with law or regulation, approval of the financial statements or an expression its responsibilities in law or regulation. These statements are not sufficient to replace the written representations about management's responsibilities.

[What factors do we consider when management makes public statements about its responsibilities?](#) [ISA | 3854.15761]

When management makes public statements about its responsibilities, we evaluate whether:

- the statement includes confirmation of the fulfilment of their responsibilities as required by the auditing standards,
- the statement has been given or approved by the individuals from whom the auditor requests the relevant written representations (i.e. the individual(s) that would sign the MRL), and
- whether a copy has been provided to us in a timely fashion (i.e. as near as practicable to, but not after the report date).

Who provides the written representations? [ISA | 3854.1400]

We request written representations from the individuals with overall responsibility for the financial statements and operating matters of the entity. We expect these individuals to be knowledgeable about the matters covered by the representations, including the preparation and fair presentation of the financial statements.

We request the written representations from management, but we could also request them from those charged with governance if they are also responsible for the preparation of the financial statements.

What are some examples of the individuals from whom we might request the written representations?

[ISA | 3854.15764]

The individuals that provide written representations often include the entity's:

- chief executive officer;
- chief financial officer;
- chief accounting officer; and/or
- personnel with similar roles and responsibilities.

What if other individuals, including those charged with governance, are also responsible for the preparation and fair presentation of the financial statements? [ISA | 3854.15765]

When other individuals, including those charged with governance, are also responsible for the preparation and fair presentation of the financial statements, we still request written representations from management. We expect management to have sufficient knowledge of the entity's process for preparing and presenting the financial statements.

Where necessary, management may make inquiries to others within the organization who participate in preparing and presenting the financial statements when such individuals have specialized knowledge outside of management's scope.

For example, management may decide to inquire of any of the following individuals (not an all-inclusive list):

- An actuary responsible for actuarially determine accounting measurements
- Staff engineers who may have responsibility for an specialized knowledge about environmental liability measurements
- Internal counsel who may provide information essential to provisions for legal claims

Who provides written representations when the current management was not present during the full period(s) under audit? [ISA | 3854.1500]

We still request written representations from current management over all periods and financial statements in the auditor's report, even when they were not present for the entire period. Current management's absence for part of the period does not diminish their responsibility for the financial statements as a whole.

Sometimes it may be necessary for current management to conduct additional controls or procedures (or ask their organizations to conduct such controls or procedures) in order for them to be able to take responsibility for the financial statements and provide the representations in the letter.

1.4 Component Audit | Obtain written representations from component management [ISA |

3855]

What do we do?

Obtain written representations from component management

Why do we do this?

We, as the component auditor, obtain management representation letters directly from component management as part of gaining sufficient appropriate audit evidence and to support our audit work performed at components.

Execute the Audit

What are our responsibilities as it relates to management representation letters? [ISA | 3855.160053]

As component auditors, we are responsible for obtaining relevant written representations from component management as evidence to support our work performed on the financial statements/ financial information for group reporting purposes.

We are also responsible for communicating in the Clearance Memorandum any exceptions noted in the MRL from component management.

When do we obtain a management representation letter? [ISA | 3855.1400]

We obtain a management representation letter when performing audit work related to a component for purposes of a group audit.

What financial statements or financial information does the component management representation letter refer to? [ISA | 3855.1500]

The representation letter refers to the financial statements or financial information of the entities or business units on which the group auditor has requested us to perform audit procedures. These are the same financial statements or financial information that are submitted by component management to group management for consolidation purposes.

If those are complete financial statements and disclosures, then the representation letter refers to all applicable financial statement periods and disclosures. Otherwise, the representation letter refers to the applicable financial information in the reporting package.

How do we prepare the component management representation letter? [ISA | 3855.1600]

We prepare the letter by starting with the appropriate KPMG template and make modifications using the guidance within the template and according to the group audit instructions.

As of what date are component management's written representations dated? [ISA | 3855.160054]

Component management dates their written representations as near as practicable to the date of the Clearance Memorandum to the group auditor but not after.

Who is the component management representation letter addressed to? [ISA | 3855.1800]

The component management representation letter is addressed to the component auditor.

From whom does the component auditor obtain written representations? [ISA | 3855.1900]

Similar to the stand-alone representations, component management representations are requested from those with overall responsibility for the financial statements and operating matters of the entities or business units. The individuals should be knowledgeable about the matters covered by the representations, including the preparation and presentation of the financial information or financial statements.

The component auditor usually requests representations from management, but could also request them from those charged with governance if they are also responsible for the preparation of the financial information or financial statements.

Doubt as to the Reliability of Written Representations and Requested Written Representations Not Provided

International Standards on Auditing: ISA 580.16-20

Doubt as to the Reliability of Written Representations and Requested Written Representations Not Provided

Doubt as to the Reliability of Written Representations

16. If the auditor has concerns about the competence, integrity, ethical values or diligence of management, or about its commitment to or enforcement of these, the auditor shall determine the effect that such concerns may have on the reliability of representations (oral or written) and audit evidence in general. (Ref: Para. A24-A25)

17. In particular, if written representations are inconsistent with other audit evidence, the auditor shall perform audit procedures to attempt to resolve the matter. If the matter remains unresolved, the auditor shall reconsider the assessment of the competence, integrity, ethical values or diligence of management, or of its commitment to or enforcement of these, and shall determine the effect that this may have on the reliability of representations (oral or written) and audit evidence in general. (Ref: Para. A23)

18. If the auditor concludes that the written representations are not reliable, the auditor shall take appropriate actions, including determining the possible effect on the opinion in the auditor's report in accordance with ISA 705 (Revised),⁴ having regard to the requirement in paragraph 20 of this ISA.

⁴ ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*

Requested Written Representations Not Provided

19. If management does not provide one or more of the requested written representations, the auditor shall:

- (a) Discuss the matter with management;
- (b) Reevaluate the integrity of management and evaluate the effect that this may have on the reliability of representations (oral or written) and audit evidence in general; and
- (c) Take appropriate actions, including determining the possible effect on the opinion in the auditor's report in accordance with ISA 705 (Revised), having regard to the requirement in paragraph 20 of this ISA.

Written Representations about Management's Responsibilities

20. The auditor shall disclaim an opinion on the financial statements in accordance with ISA 705 (Revised) if:

- (a) The auditor concludes that there is sufficient doubt about the integrity of management such that the written representations required by paragraphs 10 and 11 are not reliable; or
- (b) Management does not provide the written representations required by paragraphs 10 and 11. (Ref: Para. A26-A27)

ISA Application and Other Explanatory Material: ISA 580.A23-A27

Doubt as to the Reliability of Written Representations and Requested Written Representations Not Provided

Doubt as to the Reliability of Written Representations (Ref: Para. 16-17)

A23. In the case of identified inconsistencies between one or more written representations and audit evidence obtained from another source, the auditor may consider whether the risk assessment remains appropriate and, if not, revise the risk assessment and determine the nature, timing and extent of further audit procedures to respond to the assessed risks.

A24. Concerns about the competence, integrity, ethical values or diligence of management, or about its commitment to or enforcement of these, may cause the auditor to conclude that the risk of management misrepresentation in the financial statements is such that an audit cannot be conducted. In such a case, the auditor may consider withdrawing from the engagement, where withdrawal is possible under applicable law or regulation, unless those charged with governance put in place appropriate corrective measures. Such measures, however, may not be sufficient to enable the auditor to issue an unmodified audit opinion.

A25. ISA 230 requires the auditor to document significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.⁸ The auditor may have identified significant issues relating to the competence, integrity, ethical values or diligence of management, or about its commitment to or enforcement of these, but concluded that the

written representations are nevertheless reliable. In such a case, this significant matter is documented in accordance with ISA 230.

8 ISA 230, *Audit Documentation*, paragraphs 8(c) and 10

Written Representations about Management's Responsibilities (Ref: Para. 20)

A26. As explained in paragraph A7, the auditor is not able to judge solely on other audit evidence whether management has fulfilled the responsibilities referred to in paragraphs 10 and 11. Therefore, if, as described in paragraph 20(a), the auditor concludes that the written representations about these matters are unreliable, or if management does not provide those written representations, the auditor is unable to obtain sufficient appropriate audit evidence. The possible effects on the financial statements of such inability are not confined to specific elements, accounts or items of the financial statements and are hence pervasive. ISA 705 (Revised) requires the auditor to disclaim an opinion on the financial statements in such circumstances.⁹

9 ISA 705 (Revised), paragraph 9

A27. A written representation that has been modified from that requested by the auditor does not necessarily mean that management did not provide the written representation. However, the underlying reason for such modification may affect the opinion in the auditor's report. For example:

- The written representation about management's fulfillment of its responsibility for the preparation of the financial statements may state that management believes that, except for material non-compliance with a particular requirement of the applicable financial reporting framework, the financial statements are prepared in accordance with that framework. The requirement in paragraph 20 does not apply because the auditor concluded that management has provided reliable written representations. However, the auditor is required to consider the effect of the non-compliance on the opinion in the auditor's report in accordance with ISA 705 (Revised).
- The written representation about the responsibility of management to provide the auditor with all relevant information agreed in the terms of the audit engagement may state that management believes that, except for information destroyed in a fire, it has provided the auditor with such information. The requirement in paragraph 20 does not apply because the auditor concluded that management has provided reliable written representations. However, the auditor is required to consider the effects of the pervasiveness of the information destroyed in the fire on the financial statements and the effect thereof on the opinion in the auditor's report in accordance with ISA 705 (Revised).

How do we comply with the Standards? [ISA | KAEGHDWC]

1 Evaluate audit evidence obtained from management representations [ISA | 3857]

What do we do?

Evaluate audit evidence obtained from management representations and the impact to our audit opinion.

Why do we do this?

As part of our overall audit procedures, we evaluate management's competence, integrity, ethical values and diligence. We apply our evaluation to various procedures throughout our audit. Specifically, as it relates to management's written representations, we determine whether we can rely on them based on management's competence, integrity, ethical values, and diligence. When we cannot rely on representations or management refuses to provide representations, we determine the effect on our audit opinion.

Execute the Audit

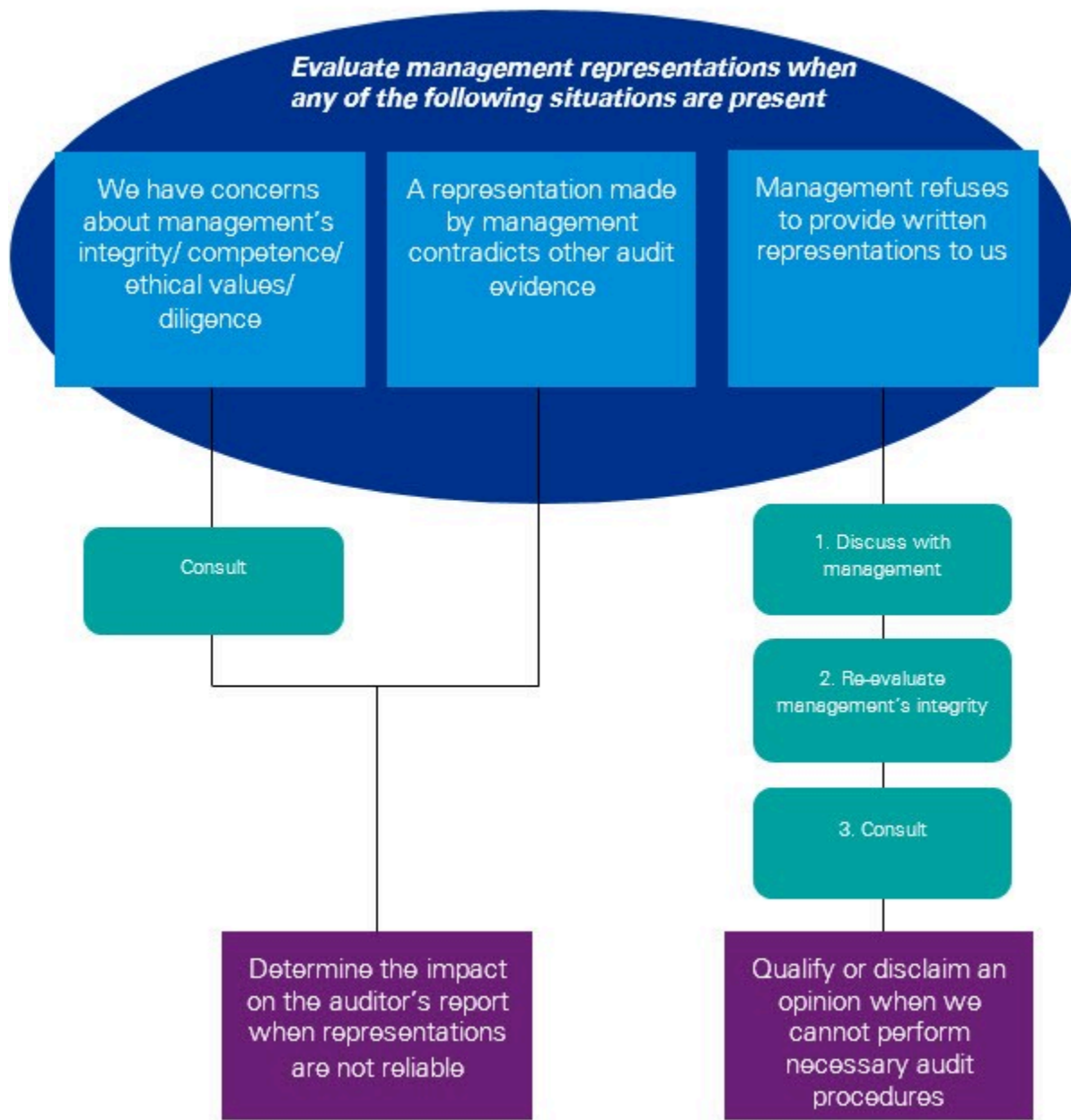
[What do we do after we obtain the management representation letter from management?](#) [ISA | 3857.1300]

After we obtain management representations, we perform the following procedures:

- [Address concerns about management's integrity](#)
- [Determine the impact of contradictory representations](#)
- [Determine the impact on the auditor's report if the representations are not reliable](#)

[What do we do when management refuses to provide the requested written representations?](#) [ISA | 3857.1400]

We [consider the effect if management refuses to provide representations](#) .



1.1 Address concerns about management's integrity [ISA | 3858]

What do we do?

IF we have concerns about management's competence, integrity, ethical values or diligence, THEN consult as necessary AND determine the effect on the reliability of representations and audit evidence in general

Why do we do this?

When we have concerns about management's competence, integrity, ethical values or diligence, we determine the extent and impact on the reliability of their written representations and overall audit evidence. When we determine their representations may be unreliable, we consult with the appropriate parties to discuss these concerns and help determine the impact on the audit.

Execute the Audit

What might lead us to have concerns about management's competence, integrity, ethical values, or diligence? [ISA | 3858.1300]

We may develop concerns about management's competence, integrity, ethical values and/or diligence based on findings throughout the audit. This could include allegations or actual instances of fraud or non-compliance with laws and regulations, findings relating to a weak control environment or management's attitude or indicators of management bias.

What if our doubts about management's competence, integrity, ethical values or diligence lead us to deem their representations unreliable? [ISA | 3858.15773]

If we deem management's representations to be unreliable, we consult with the risk management partner.

We may ultimately conclude that the risk of management misrepresentation in the financial statements is too high and that we cannot conduct our. This may lead to us withdraw from the engagement (in the event withdrawal is possible under the applicable laws and regulations), unless those charged with governance put corrective measures in place. However, such measures may not be sufficient to enable the auditor to issue an unmodified audit opinion.

1.2 Determine the impact of contradictory representations [ISA | 3859]

What do we do?

IF a representation made by management contradicts other audit evidence, THEN investigate it AND consider whether to rely on management representations

Why do we do this?

We obtain management representations to complement our other audit procedures and expect such representations to be consistent with other audit evidence obtained. When management's written representations (oral or written) are inconsistent with other audit evidence, we take additional steps to investigate the inconsistencies so that we have the information necessary to determine the effect on our audit.

Execute the Audit

How do we respond when management's representations contradict audit evidence obtained through other procedures? [ISA | 3859.15767]

When management's representations contradict other audit evidence, we investigate the circumstance and understand the reason for the inconsistency. We also consider whether our risk assessment remains appropriate or if it is necessary to revise our risk assessment in order to respond appropriately. Our determination of whether management's representations are inconsistent with other audit evidence is made in relation to our knowledge of the business and the results of other relevant audit procedures.

If we are able to resolve the inconsistency with management through further investigation, and we determine it is not necessary to revise our risk assessment, no further audit procedures are deemed necessary.

[What if we cannot resolve with management, after further investigation, an inconsistency between a management representation and other audit evidence?](#) [ISA | 3859.15768]

When we still cannot resolve an inconsistency between management representations and other audit evidence, we reconsider our evaluation of management's competence, integrity, ethical values, and diligence performed initially (see '[Address concerns about management's integrity](#)' for further information). We then determine the effect the inconsistency has on the reliability of other representations from management (written or oral) and audit evidence as a whole.

[What if we ultimately determine that management representations are unreliable?](#) [ISA | 3859.15769]

When we deem management representations to be unreliable, we perform the activities in the chapter on modifications to the opinion ([ISA 705](#), [AU-C 705](#)).

1.3 Determine the impact on the auditor's report if the representations are not reliable [ISA | 3860]

What do we do?

IF we conclude that the representations are not reliable, THEN determine the impact on the auditor's report.

Why do we do this?

Because written representations are audit evidence used to issue our opinion, unreliable representations from management can have a significant impact on our audit.

Execute the Audit

[What if we determine that one or more of management's representations is not reliable?](#) [ISA | 3860.1300]

When we determine one or more of management's representations is not reliable, we consider the possible effect on the opinion in accordance with the applicable auditing standard.

[What if we conclude there is sufficient doubt about management's integrity, such that we cannot rely on its representations?](#) [ISA | 3860.1400]

When we cannot rely on representations due to lack of management integrity, we disclaim an opinion or withdraw from the engagement (when withdrawal is possible under applicable law or regulation). Refer to the chapter on modifications to the opinion for further information ([ISA 705](#), [AU-C 705](#)).

1.4 Consider the effect if management refuses to provide representations [ISA | 3861]

What do we do?

IF management refuses to provide us with written representations THEN consider the effects on the audit.

Why do we do this?

Similar to when we determine management representations are unreliable, we lack necessary audit evidence when management refuses to provide the requested written representations to us. This can have a significant impact on our audit.

Execute the Audit

[What do we do if management refuses to provide us with written representations?](#) [ISA | 3861.1300]

When management refuses to provide written representations, we:

- [Perform additional procedures if management does not provide representations](#)
- [Qualify or disclaim an opinion when we cannot perform necessary procedures](#).

1.4.1 Perform additional procedures if management does not provide representations [ISA |

3862]

What do we do?

IF we are unable to obtain appropriate written representations from management before issuing a report, THEN consult and perform additional procedures

Why do we do this?

Similar to when we determine management representations are unreliable, we lack necessary audit evidence when management refuses to provide the requested written representations to us. Given the potential impact this can have on our audit, we consult and perform additional procedures to help us determine the appropriate of action.

Execute the Audit

[How do we respond if management does not provide one or more of the representations we requested?](#)

[ISA | 3862.1300]

If management does not provide one or more of the representations we requested, we first discuss the issue with management to help us identify why the representations have not been provided. It may be a simple mistake or misunderstanding that can be resolved through further discussion.

If management modifies the requested representation, does that mean they didn't provide the representation? [ISA | 3862.1400]

If management modifies one or more of the requested representations after we have provided our template to them, it does not necessarily indicate that management did not provide the representation. Similar to when management fails to provide a representation, we perform further steps to understand the reason for the modification, as well as consider what the modification means and whether it is still in compliance with the auditing standards.

When might a modification to the management representation letter be acceptable?

Modifications that clarify a representation in the context of the financial statements and disclosures may be acceptable, provided they do not omit or limit a representation from the auditing standards.

Examples of modified representations that do not constitute management's refusal to provide representations (entity is an SEC issuer):

	Requested Representation	Modified Representation
Example 1	The [consolidated] financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.	Except for material non-compliance with [particular requirement of U.S. general accepted accounting principles], the financial statements are prepared and fairly presented in accordance with U.S. generally accepted accounting principles.
Example 2	<p>We have made available to you all:</p> <p>(a) Financial records and related data, documentation of internal control and the results of our testing and evaluation of internal control, and the names of all related parties and all relationships and transactions with related parties.</p> <p>(b) Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which</p>	<p>Except for information destroyed in a fire, we have made available to you all:</p> <p>(a) Financial records and related data, documentation of internal control and the results of our testing and evaluation of internal control, and the names of all related parties and all relationships and transactions with related parties.</p> <p>(b) Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of</p>

	minutes have not yet been prepared. All significant board and committee actions are included in the summaries.	recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.
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How do we respond if management refuses to provide one or more requested representation, when we have discussed this with management and still believe they should be provided? [ISA | 3862.1700]

When management refuses to provide one or more of the requested representations after our discussions, we re-evaluate the integrity of the members of management providing representations and consult with the risk management partner to help determine the impact on our audit.

We also evaluate the impact on reliability of other representations management has made to us, either orally or in writing, as well as the reliability of other audit evidence in general.

How can management's refusal to provide part or all of the requested written representations impact our audit opinion? [ISA | 3862.15771]

Management's refusal to provide part or all of the requested written representations can result in a disclaimer of opinion and may cause us to withdraw from the engagement when possible under applicable law or regulation. See further information in the chapter on modifications to the opinion ([ISA 705](#), [AU-C 705](#)).

A disclaimer of opinion is warranted when management refuses to provide a written representation related to fulfilling its responsibility:

- (a) for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework,
- (b) for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error,
- (c) to provide us with all relevant information and access, as agreed upon in the terms of the audit engagement, or
- (d) that all transactions have been recorded and are reflected in the financial statements.

1.4.2 Qualify or disclaim an opinion when we cannot perform necessary procedures [ISA | 3863]

What do we do?

IF we are precluded from performing procedures for a matter which is material to the financial statements
THEN recognize a scope limitation AND qualify the audit opinion or disclaim an opinion

Why do we do this?

Sometimes management may provide all requested representations, but we are still unable to perform other procedures in order to obtain sufficient appropriate audit evidence. In such circumstances, management's representations are not a substitute for performing procedures in the audit.

Execute the Audit

How do we respond when management provides all the representations we requested, but we have been prevented from obtaining sufficient appropriate audit evidence from other audit procedures? [ISA | 3863.1300]

If we are precluded from obtaining sufficient appropriate audit evidence in any audit procedure, we still have a scope limitation resulting in a qualified opinion or disclaiming an opinion, even if management has provided all representations requested. Representations are part of our evidential matter, but are not sufficient appropriate audit evidence on their own and are therefore never a substitute for other audit procedures deemed necessary to form a reasonable basis for our audit opinion.

See question '[What do we do when we are unable to obtain sufficient appropriate audit evidence after performing additional procedures?](#)' for further information.

How do we determine the impact to the audit opinion when we're prevented from obtaining sufficient appropriate audit evidence? [ISA | 3863.15762]

In this circumstance, we perform the activities in the chapter on modifications to the opinion ([ISA 705](#), [AU-C 705](#)).

Appendix 1 - List of ISAs Containing Requirements for Written Representations

International Standards on Auditing: ISA 580. Appendix 1 Appendix 1 List of ISAs Containing Requirements for Written Representations

(Ref: Para. 2)

This appendix identifies paragraphs in other ISAs that require subject-matter specific written representations. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.

- ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* - paragraph 39
- ISA 250, *Consideration of Laws and Regulations in an Audit of Financial Statements* - paragraph 16
- ISA 450, *Evaluation of Misstatements Identified during the Audit* - paragraph 14
- ISA 501, *Audit Evidence - Specific Considerations for Selected Items* - paragraph 12
- ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures* - paragraph 37
- ISA 550, *Related Parties* - paragraph 26
- ISA 560, *Subsequent Events* - paragraph 9

- ISA 570 (Revised), *Going Concern* - paragraph 16(e)
- ISA 710, *Comparative Information - Corresponding Figures and Comparative Financial Statements* - paragraph 9
- ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information* - paragraph 13(c)

Appendix 2 - Illustrative Representation Letter

International Standards on Auditing: ISA 580.Appendix 2

Appendix 2 Illustrative Representation Letter

(Ref: Para. A21)

The following illustrative letter includes written representations that are required by this and other ISAs. It is assumed in this illustration that the applicable financial reporting framework is International Financial Reporting Standards; the requirement of ISA 570 (Revised)¹⁰ to obtain a written representation is not relevant; and that there are no exceptions to the requested written representations. If there were exceptions, the representations would need to be modified to reflect the exceptions.

(Entity Letterhead)

(To Auditor)

(Date)

This representation letter is provided in connection with your audit of the financial statements of ABC Company for the year ended December 31, 20XX¹¹ for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, (or *give a true and fair view*) in accordance with International Financial Reporting Standards.

We confirm that (, *to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves*):

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented (or *give a true and fair view*) in accordance therewith.
- The methods, the data, and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework. (ISA 540 (Revised))
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards. (ISA 550)
- All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed. (ISA 560)

- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. (ISA 450)
- [Any other matters that the auditor may consider appropriate (see paragraph A10 of this ISA).]

Information Provided

- We have provided you with:¹²
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. (ISA 240)
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements. (ISA 240)
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others. (ISA 240)
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. (ISA 250)
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. (ISA 550)
- [Any other matters that the auditor may consider necessary (see paragraph A11 of this ISA).]

¹⁰ ISA 570 (Revised), *Going Concern*

¹¹ Where the auditor reports on more than one period, the auditor adjusts the date so that the letter pertains to all periods covered by the auditor's report.

¹² If the auditor has included other matters relating to management's responsibilities in the audit engagement letter in accordance with ISA 210, *Agreeing the Terms of Audit Engagements*, consideration may be given to including these matters in the written representations from management or those charged with governance

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