Audit&Beyond

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THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES

Audit and Assurance Faculty

Clarity proposals generate interest

On 6 February 2006, the ICAEW hosted an event at which ICAEW members were invited to discuss the International Auditing and Assurance Standards Board's (IAASB's) 'clarity' project with the Auditing Practices Board (APB), ahead of the latter's submission on the subject to the IAASB.

Background

Jon Grant of the APB introduced the event by explaining that it is expected that International Standards on Auditing (ISAs) will be adopted by the European Union throughout Europe by way of the 8th Directive, which has now been approved. ISAs already impact UK practitioners and their clients because APB adopted ISAs (UK and Ireland) for audits of periods commencing on or after 15 December 2004.

The IAASB clarity project seeks to develop ISAs which

- are objectives-based
- clarify professional requirements
- are drafted in a usable structure, use unambiguous language and are readable.

The IAASB is particularly keen to consider whether the material in the existing grey type guidance should be 'elevated' to 'requirement' status.

The process of clarifying the corpus of ISAs is a three-stage one which provides for application of the new drafting conventions to recently issued and updated ISAs by September 2007. The IAASB suggests that the earliest effective date for these redrafted ISAs is likely to be for periods beginning on or after 15 December 2007. The application of the new drafting conventions, including revisions to exposure drafts, to the remaining ISAs is expected to be completed by the end of 2011 at the latest.

The IAASB has redrafted and exposed four existing standards (the Exposure Drafts) to prompt debate and invited comments on its proposed drafting conventions and their application by 28 February 2006.

The ICAEW event, which was chaired by Martyn Jones, Deloitte's National Technical Director, heard from practitioners, interest groups and academics on issues arising from the Exposure Drafts and on the clarity project's proposals in general. The panel responding to members' questions were Richard Fleck, chairman of the APB, Jon Grant, APB member, and Will Rainey, APB member who also sits on the IAASB.

In general there was support for the objectives of the Clarity Project. Concerns were expressed as to details and the commitment at EU level to implement ISAs properly and to avoid the mistakes experienced with accounting standards.

Documentation of departures from ISA requirements

The IAASB has introduced a requirement that auditors should document departures from requirements in ISAs. The IAASB considers this documentation requirement to be in the public interest and expects there to be rare occurrences of such departures.

On the whole members considered it

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AAF News Alert - UK packaging waste

The Faculty recently issued a News Alert (**AAF News Alert 23/2/06**) for auditors reporting on UK packaging waste. This can be found on the Faculty's website: *www.icaew.co.uk/aafac*. In this alert, auditors are advised to follow the Faculty's existing guidance and principles set out in two previous technical releases Audit 1/01 *Reporting to third parties* and Audit 3/03 *Public sector reporting engagements.*

NB: You may have received the Alert twice. Please note that this was due to an administrative error at the distribution centre who have sent their apologies for this error to all members. The Faculty has not been charged.

clarity**proposals**

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reasonable to expect auditors to document departures from the standards, as required by the IAASB, provided that the requirements themselves are reasonable. Members also understood the rationale for the view that if the auditor has not documented something, then it has not been done. One member felt that documentation would demonstrate that due consideration had been given by the auditor to requirements that had not been performed. Another suggested that documentation would provide a basis for regulators to judge if a departure is reasonable.

There were, however, calls for clearer application guidance on what constitutes a sensible level of documentation for less complex engagements. This would be particularly appropriate in cases where there is good knowledge of the client within the audit team. There may thus be a case for adapting the documentation requirement for audits of small and medium sized enterprises (SMEs).

There was also support for the notion that the documentation requirement should relate only to auditing standards that are relevant to individual audits.

ISA objectives

Under the proposed drafting conventions, each ISA will state the objective to be achieved by the auditor. The objective to be achieved will be presented at the beginning of the standard and auditors will be expected to achieve it by complying with the requirements of the standard and with other procedures they believe to be necessary.

There was an acceptance that the objectives are an exceptionally important part of the restructuring. Much of the members' criticism of the Exposure Drafts referred to inconsistencies and flaws in the drafting of objectives.

One member commented that the objectives appeared to have been 'bolted on' and called for them to be developed so as to drive the standard-setting process. Others agreed that objectives should form an interlocking (non-competing) structure and a foundation to the body of the ISAs.

It was generally considered desirable to have an overarching, umbrella objective for ISAs. This would highlight the importance of objectives in their entirety and would better facilitate harmonisation.

On the matter of incorporating ISAs into legislation, some members indicated that this should be limited to the ISA objectives.

ISA requirements

Separating requirements from the guidance in ISAs was considered to be beneficial.

With the IAASB looking to establish what material in the current grey type to elevate to 'requirements', members were keen to ensure that the drive for clarity was not a euphemism for setting out a long list of requirements. There is a danger that two audits will arise; the real audit in which judgement is used and a compliance audit in which boxes are ticked.

It was felt that the requirements should not contradict what the auditor believes to be appropriate in specific situations.

Relevance to SMEs or 'An audit is an audit is an audit'

Under EU law, a statutory audit must be performed in accordance with the standards to be set out in the 8th Directive. While this does not take account of the cost impact on SME audits, the panel sought to reassure members that, providing the APB obtained input and perceived there was support from practitioners, it would promote SME concerns internationally. For example, the APB was seeking to understand where the cost to practitioners lies. If the cost lies in individual standards then, provided there was appropriate and credible reasoning, the APB would consider pressing for relief for smaller audits.

One member believed that 'thinking outside of the box' in order to reach an audit opinion was more appropriate for SME audits than applying the requirements of ISAs. It was argued that auditors will probably have looked at most of what the entity does in an SME audit and that this depth of knowledge should produce a more reliable audit opinion than a standardised process.

However, another member pointed out that the Exposure Drafts retained the old provisions for SME auditors to do things differently.

Many members felt that the IAASB had not given due recognition to the nature of SME audits in its proposals. There was a sense that more guidance and more relevant examples were needed in the application guidance for such audits. One criticism was that SME guidance was less than helpful where it contained mere observations which left problems open without expansion.

The panel undertook to give due consideration to key themes put forward by members. Such input, it said, was a critical contributor to the UK's influence on international debate.

Key issues discussed

- the Exposure Drafts contribute to improved clarity
- there is benefit in separating the ISAs' requirements and guidance
- it is reasonable to document departures from ISAs that are relevant to individual audits
- long lists of requirements are undesirable
- currently drafted objectives lack coherence and cohesion
- the documentation requirements and guidance material for SME audits need further consideration

New auditing standards and the audit of charities

A number of recent articles in *Audit & Beyond* have reminded members about the implementation of International Standards on Auditing (UK and Ireland) (ISAs) for audits of accounting periods beginning on or after 15 December 2004. The purpose of this article is to show how ISAs will affect the audit of charities.

ISAs are more detailed and searching than the Statements of Auditing Standards (SASs) that they replace, in respect of both the procedures required of the auditor and the extent of documentation of the work completed. The new standards require the auditor to adopt a considered, risk-based approach to every assignment, and to provide evidence of this approach on the audit file. Three ISAs will have a particular impact: ISA (UK and Ireland) 240, *The auditor's responsibility to consider fraud in an audit of financial statements*; ISA (UK and Ireland) 315, *Understanding the entity and its environment and assessing the risks of material misstatement*; and ISA (UK and Ireland) 330, *The auditor's procedures in response to assessed risks*.

The APB has published guidance for auditors on the application of ISAs (UK and Ireland) to the audits of charities, in Bulletin 2005/1, *Audit Risk and Fraud - Supplementary Guidance for Auditors of Charities*.

ISA (UK and Ireland) 240 requires auditors to obtain and document an understanding of the process for identifying and responding to the risks of fraud, and of the systems established to mitigate these risks. The auditors will need to ascertain, evaluate and record relevant internal controls, recognising the possibility that fraud may have taken place regardless of their past experience of the honesty and integrity of management and those charged with governance (for example the trustees of the charity).

Characteristics of charities that may increase the risk of fraud include use of volunteer and/or inexperienced staff, transactions for income and expenditure often undertaken in cash, and patterns of giving by members of the public (in cash, by cheque, and through donations in kind) that are unpredictable in terms of timing and point of donation.

In addition to the procedures described below in relation to ISAs (UK & Ireland) 315 and 330, ISA (UK & Ireland) 240 requires the auditor to obtain specific representations from management (the trustees) that it has disclosed to the auditor the results of its assessment of the risk that the financial statements may be materially misstated due to fraud. Auditors will need to be satisfied that these representations are based on sound consideration.

ISA (UK & Ireland) 315 requires the auditor to obtain an understanding of the entity and its environment, including its internal control, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and sufficient to design and perform further audit procedures. Activities that pose special considerations for charities include:

- Donations, whether cash or in kind/intangible, over the internet or by legacy, etc.
- Other income (fund-raising activities, central and local government grants, etc).
- Use of funds, e.g. segregation of restricted funds.

The ISA requires auditors to obtain an enhanced understanding of controls where they identify risks. For example, the auditors might consider the significant risks affecting charity audits to be completeness of incoming resources (for example the loss or leakage of funds collected), overseas operations (for example the misallocation or misreporting of fund-raising expenses) and restricted funds. The auditors would therefore ascertain, document and evaluate the design of the controls related to the significant risks. They would then determine whether those controls have been implemented. These steps are required irrespective of the extent or nature of evidence they plan to obtain from substantive procedures.

Having obtained an understanding of internal control relevant to the audit, and identified and assessed the risks, auditors are required by ISA (UK & Ireland) 330 to design and carry out procedures based on their assessment of the risk of material misstatement. Where they consider that there is a significant risk, for example in relation to the completeness of reported income, they should perform substantive procedures that are specifically responsive to that risk. In relation to charities, the procedures will depend on the systems established by the trustees to ensure appropriate safeguarding and recording of incoming resources as soon as money or other assets intended for the charity come within its control.

To summarise, external auditors will need to adopt a more focused approach and provide evidence of this approach in their working papers. The impetus to greater efficiency and effectiveness will benefit charities subject to audit, although the process could be painful for those that are not well prepared. Charities that have adopted good management practices will find the external audit much easier to deal with because best practice is itself based on identifying risks and implementing measures designed to counter those risks.

An article explaining how charity trustees and managers can prepare for audits conducted under ISAs[1] can be found on the Institute's website at *www.icaew.co.uk/index.cfm?AUB=tb2i_51642*.

[1] New Auditing Standards: how best practice will benefit charities

2004 audit inspections of accounting firms in the US

The November 2004 edition of *True & Fair* included a brief report on the limited 2003 audit inspection reports of the Big Four firms by the Public Company Accounting Oversight Board (PCAOB).

The PCAOB has now completed its full 2004 inspections of the Big Four firms and has recently reported on these and on around 150 inspections of other firms.

Background

The Sarbanes-Oxley Act of 2002 requires the PCAOB to conduct annual inspections of registered public accounting firms that audit more than 100 issuers (public companies) and at least triennial inspections in respect of firms that provide audit reports for fewer issuers. All UK firms with SEC registered clients fall into the latter category.

What is of particular importance is the extent of any new messages or areas of inspection compared to last year's limited review. For this purpose this brief review has mainly covered the 2004 reports on the Big Four firms.

The inspections were carried out between June and December 2004 and primarily covered 2003 audit engagements. The dates of the PCAOB reports date from 29 September to 17 November 2005. Consequently, the engagements will not have needed to comply with PCAOB Auditing Standards Nos. 2 and 3.

'Whole firm' matters

In respect of 'whole firm' matters, these are largely dealt with in the Review of the Firms' Quality Control Systems. The inspectors chose to review the policies and procedures in the same seven functional areas as in the previous limited audit inspections:

- Tone at the top
- Practices for partner evaluation (although this time including disciplinary actions)
- Independence issues
- Client acceptance and retention
- The firm's internal inspection program
- Practices for establishment and communication of audit policies, procedures and methodologies, including training; and
- The supervision by US audit engagement teams of the work performed by foreign affiliates on foreign operations of US audit clients.

However, any defects in the firms' quality control system are discussed in the non-public portion of the reports and remain non-public unless the firm fails to address them to the PCAOB's satisfaction within 12 months of the date of the report.

Audit file reviews

The main areas selected by the inspectors for review in respect of audit engagements included the same subject matters as previously: revenues, reserves or estimated liabilities, related party transactions, supervision of work performed by foreign affiliates and the assessment of risk by the audit team.

New areas included were derivatives, income taxes, and testing and documentation of internal controls by the audit team.

Audit findings

The Review of Audit Engagements section, in the inspection reports on each of the Big Four firms, had the same standard first four paragraphs including in paragraph four the statement that, 'In some cases, the deficiencies identified were of such significance that it appeared to the inspection team that the Firm had not, at the time it issued its audit report, obtained sufficient competent evidential matter to support its opinion on the issuer's financial statements.'

The alleged deficiencies are then described on an audit-by-audit basis. The main audit and related financial reporting issues recorded by the inspectors appear to be:

1. Insufficient audit evidence to support:
   - Allowances (i.e. provisions) for loan losses (especially in bank audits)
   - The evaluation of accounts receivable
   - Reliance on internal and IT controls at issuers' service organisations
   - The evaluation of derivatives
   - The evaluation and impairment testing of goodwill
   - Evaluation and analysis of investments
   - The segmental reporting used
   - The accounting treatment of securitisation arrangements
   - Late adjustments to the valuation and basis of inventories
2. Incorrect accounting treatment of operating and capital leases
3. Incorrect inclusion of certain securities as cash equivalents
4. Insufficient tests of general IT controls to support risk analysis
5. Deficiencies in testing of the issuer's internal controls relied upon by the firm
6. Insufficient or incorrect basis of sampling applied

The outcome of the reviews included a number of financial statements being restated (in one case an audit report was reissued) and in the remainder, where deemed appropriate, the firms addressed the matters by performing additional audit procedures or improving existing documentation in the audit working papers.

It should be noted that the firms' public responses to the inspectors' findings provide support to the exercise but in some cases the firms beg to differ on the professional judgements made in respect of the audit work performed. Whilst PCAOB Auditing Standard No. 3 on audit documentation did not apply to the audits reviewed, the firms do recognise the ongoing need to document clearly their audit procedures to comply with the Board's requirements under this standard, which became effective in 2004.

Influence the shape of reporting - GRI consultation

On 2 January 2006 the Global Reporting Initiative ('GRI') published in draft the third iteration of its reporting guidelines ('G3') for public consultation.

Global Reporting Initiative

Established in 1997, GRI is an independent organisation with an aim to develop generally accepted and adopted guidelines for organisations to report on the economic, environmental and social impacts of their activities. GRI prides itself on its multi-stakeholder approach, involving representatives from business, accountancy, the investment community, labour organisations, academics and other civil organisations as well as human rights and environmental activists.

Background

GRI first released the *Sustainability Reporting Guidelines* in 2000. These were then revised in 2002 as the *G2 Guidelines*. Although sustainability reporting is a relatively new and evolving discipline, the increase in reporting has accelerated in recent years: in the UK alone, according to a survey conducted by an accountancy firm in 2005, 71% of the top 100 companies produced separate corporate responsibility reports in 2005, compared with 49% in 2002. In order to keep pace with the increasingly sophisticated needs of reporting organisations and their stakeholders, GRI continued to review the *G2 Guidelines* though 2003 and 2004, and identified two areas for further development:

- The quality, clarity, and 'assurability' of the performance indicators need to be improved to allow for greater comparability while effectively communicating the individual organisation's performance; and
- More explanation is needed on the process of creating a sustainability report including the use of stakeholder engagement and how the GRI reporting principles can be applied in practice.

GRI subsequently organised multi-stakeholder working groups of experts and a Practitioners' Network that culminated in the draft *G3 Guidelines* that are now exposed.

G3 Sustainability Reporting Guidelines

The document is intended to set out a general reporting framework on an organisation's economic, environmental and social performance. It provides principles for defining report content and quality of reported information. The guidance then sets out the basic disclosure items and a suggested format, in light of the content determined in accordance with the principles. The guidelines are applicable to organisations regardless of their size, sector or location. The guidance also proposes that preparers of information should consider if the report could be subject to external independent assurance process.

Responding to G3

The consultation document is located at *www.grig3.org*. The deadline for comments is 31 March 2006.

Aligning filing dates

HM Revenue and Customs (HMRC) and Companies House have issued a joint consultation document which, as part of plans to establish a single electronic portal for filing certain Government returns, proposes to align the deadlines by which companies must file their accounts with Companies House and tax returns with HMRC. The proposals are that:

- Private companies would file both their accounts and their tax return either 7 or 9 months after the end of the accounting period. Although the consultation paper's preferred option is 7 months the consultation seeks views on both options.
- Public companies (PLCs) would file their accounts 6 months after the end of the accounting period and their tax return either 7 or 9 months after the end of the accounting period, the preferred option is 7 months.
- The tax enquiry window, currently 12 months after the statutory filing date, would be reduced to 12 months after the date on which the tax return is filed, thus removing a possible disincentive for early filing. For groups whose members all share the same accounting date, the enquiry period would close 12 months after the last company had filed its accounts.

Currently companies must file tax returns 12 months after the end of the accounting period. Public companies have 7 months to file their accounts with Companies House and private companies 10 months. The accounts filing dates are due to change to 9 months (private companies) and 6 months (public companies) in any case as part of the ongoing Company Law reform.

There are no proposals to change the CT payment date which is 9 months and 1 day for most companies and 4 quarterly instalments for large companies. The changes would not affect accounting periods ending before 1 October 2007.

The ICAEW has been gathering evidence from practitioners, particularly from smaller firms, to understand the likely impact of these proposals. Whilst the change to the tax enquiry window is welcomed, it is becoming clear that the smallest firms would find it difficult to adjust to aligned filing dates as a result of their other professional engagements, including personal tax and PAYE returns. Our response will urge a proper rethink on this issue, to ensure that the Government really does 'think small first' before proceeding with changes that will prove very difficult for some of our members to implement.

The consultation is now closed. The ICAEW's response is available from the website.

Q&As: Audit reports

What should my audit opinion be?

What is the new wording for audit reports?

Question: During the planning of a company audit I have identified that there are several serious audit issues to be addressed. The company manufactures clothes in the UK and is having a tough time trading because of competition from cheaper imports. A bank overdraft is used to fund the company and no formal facility agreement is in place.

The company is also in the middle of an HMRC enquiry that has brought to light significant PAYE liabilities and the ex-finance director who left several months ago is being pursued by the company for fraud. The tax liabilities and the extent of the fraud are obviously significant but are hard to quantify. In particular the probability of recovery of the stolen funds is unclear.

The year end is 31 December 2005, and even at the planning stage I am considering my audit opinion, what should it be?

Answer: You have certainly done the right thing in considering these issues at the planning stage of the audit. The problems that you face as auditor appear to be:

Going Concern - due to poor trading and the uncertainty relating to future funding

PAYE liabilities - uncertainty relating to the extent of the necessary provision

Fraud - even if the extent of the fraud could be quantified, which you say it cannot as yet, there is uncertainty as to whether the ex-director has sufficient funds to reimburse the company

Auditing Standards - The year end of 31 December 2005 is particularly relevant for this audit because being a period commencing on or after 15 December 2004, it falls under International Standards on Auditing (UK and Ireland).

From the information given it appears clear that there is 'significant uncertainty' (as set out in ISA (UK and Ireland) 700) relating to future trading and hence the validity of the going concern basis and that a modified audit report is required with additional disclosures in the financial statements regarding the uncertainties surrounding the going concern basis.

The quantum of the PAYE liabilities creditor and the asset recognising the amount recoverable form the ex-director is uncertain. Unless there is evidence that is not being made available to you as auditor, a limitation of scope opinion would not appear to be appropriate.

Under the old SAS 600, *Auditor's Reports on Financial Statements*, which no longer applies, there would be a fundamental uncertainty. ISA (UK and Ireland) 700 does not use the term 'fundamental uncertainties' and instead uses the term 'emphasis of matter'. This should not be confused with the old UK 'emphasis of matter' as the ISA (UK and Ireland) 700 use of 'emphases of matter' is much more limited than that.

In this case, however, the emphasis of matter may not be appropriate. The combination of the uncertainties is considered by ISA (UK and Ireland) 700 and suggests that a more appropriate approach in extreme cases like this where there are multiple uncertainties that are significant to the financial statements might be to express a disclaimer of opinion rather than add an emphasis of matter.

Question: I have heard that there is new wording for audit reports. Where can I find details of this?

Answer: ISAs (UK and Ireland) apply to audits of accounting periods commencing on or after 15 December 2004, which in many cases means for December 2005 year end audits. Details of wording for audit reports can be found as follows:

ISA 700 (UK and Ireland) can be found at *www.frc.org.uk/apb/publications/pub0709*.

Example reports can be found in APB Bulletin 2005/4 at *www.frc.org.uk/apb/press/pub0971*.

Practitioners should be aware that it is not only the wording of audit report that has changed! The old SASs no longer apply and details of all of the new ISAs (UK and Ireland) can be found at *www.frc.org.uk/apb*.

Corporate Governance

Key corporate governance developments are still occurring and the associated risks and impact on directors' workload are expected to feed through to internal auditors. This might be bad news if you reflected a diminishing regulatory overload in your audit plan. On the other hand, you could recognise this continuing opportunity to contribute to good governance in stakeholders' best interests.

'Take a look at the detail behind ongoing governance developments,' said Martyn Jones, Deloitte's National Audit Technical partner, during January's internal audit lecture. 'There are,' he suggested, 'significant issues for internal audit to absorb and to prepare to provide assurance on. The need to balance assurance work on narrative and financial reporting with other internal audit work is as great as ever.'

As such, internal auditors should consider the initiatives below and ensure that their audit plans reflect them as appropriate. They should also ensure the board considers their impact.

The scrapping in November 2005 of the mandatory OFR has not removed the need to produce enhanced narrative reporting, to which major stakeholders attach great importance.

Enter the new UK company law requirement of all companies except small companies, to produce a business review. This entails a fair review of the business during the year and the year end position, inclusion of financial and other KPIs that would aid understanding and a description of principal risks and uncertainties.

The DTI has produced guidance on the business review regulations while the ASB's Reporting Standard 1 looks set to become best practice for organisations volunteering OFR-style information.

Narrative reporting also features on the IASB's agenda, in the form of a discussion paper on management commentary.

Internal auditors should be considering

- The need for a proper project plan for narrative reporting and the extent of their involvement
- The scope of required assurance on directors' statements
- The correlation of the risks reported with the organisation's Turnbull process
- The extent and quality of disclosure of risks and uncertainties and the usefulness and comparability of reported KPIs

The FRC's 2005 revisions to the Turnbull guidance on internal control come into effect for listed companies for periods beginning on or after 1 January 2006. While the review committee refrained from adopting a Sarbox section 404 approach, there are some material changes to consider:

- Directors must confirm that necessary actions have been or are being taken to remedy any significant control failings or weaknesses.
- Companies are encouraged to describe their risk management processes and the system of internal control.
- There is increased emphasis on the responsibility to review on a continuing basis.

Internal auditors should view the first change cautiously as it could give rise to another source of misleading statements. They can help the board to judge what constitutes a significant weakness and adequate evidence thereof. Internal auditors should also identify the necessary work for verifying the wording of directors' statements.

- Key areas in the Company Law Reforms bill include those which enhance directors' responsibilities, such as the codification of directors' duties based on 'enlightened shareholder value'.
- The EU is increasingly recognising the importance of shareholders' rights in the context of good governance. Initiatives include the European Corporate Governance Forum which was established in 2004 to examine best practice in member states and convergence of national corporate governance codes and the Jaap Winter Group review of risk management in companies.
- Plans for the Financial Reporting Council, currently the regulator for corporate reporting and governance, include finalising the convergence strategy of UK standards with IFRS and selective reviews of accounts in the automobile, pharmaceutical, retail, transport and utility sectors. The FRC will continue to lead the debate and monitor reporting and governance - perceived areas of greatest risk to confidence - and will review best practices in narrative reporting and pensions' liabilities.
- First year applications of IFRS are expected to provide scope for improvement, further consideration and reflection. It is also not established which auditors (external or internal) will carry out each element of the increased work on controls under ISAs. Internal auditors should keep on top of the audit committee's grasp of these changes.
- In some ways the public sector has moved ahead of quoted companies and looks set to 'gold plate' the principles of the ASB's Reporting Standard 1. A review of corporate governance in the public sector has been completed.

In summary, ongoing corporate governance developments will continue to have an impact on the internal audit universe. Internal auditors can systematically turn them into strategic opportunities and help boards to harness risk management and to address potentially under-prepared areas such as narrative reporting, the Turnbull changes and codification of directors' duties. Internal auditors will then be well-placed to provide appropriate assurance.

bulletinboard

Faculty update

Competition winners

Following on from the Anagrams and Su Doku competitions in the December/January issue of *Audit & Beyond*, the lucky winners were:

Anagrams - Janet Carr, Morris & Co

Su Doku - Josh Ward, Grant Thornton

Solutions to both competitions can be found at *www.icaew.co.uk/aafac*.

Internal audit lecture series

How to identify behavioural elements of fraud

Monday 24 April 2006, Mike Comer, Fraud investigator and consultant

The lecture will start at 6pm and will be followed by wine and a finger buffet. The lecture will be held at Moorgate Place, London EC2P 2BJ. The cost of this lecture is £32.50 plus VAT.

For more information please contact Louise Thornton on 020 7920 8493.

Future dates

12 June 2006
11 September 2006
23 October 2006
04 December 2006

Friendly Societies

The Auditing Practices Board (APB) has published a consultation draft of a revision of Practice Note (PN) 24, the Audit of Friendly Societies in the United Kingdom.

The revised Practice Note provides guidance for auditors on their audit procedures and has been developed following the replacement of Statements of Auditing Standards (SASs) with ISAs (UK and Ireland).

The consultation draft may be downloaded from the publications section of the APB's website at *www.frc.org.uk/apb*. The deadline for comments is 8 May 2006.

CCH professional development events

Audit update - ethics and ISAs

London, South and West, 10 April 2006, £125
Manchester, 19 April 2006, £125
Kent, 24 April 2006, £125
Gatwick, 25 April 2006, £125
Humberside, 26 April 2006, £125

Charities: audit, accounting and tax update

London (Central), 24 April 2006, £125
Merseyside, 25 April 2006, £125

Acting for ABTA regulated clients

London, 4 April 2006, £199

For further details on how to book any of the above events, please visit *www.cchseminars.co.uk* or call 01635 588898.

Faculty members receive a 10 per cent discount on the prices listed above for these courses. Please mention *Audit & Beyond* when booking.

Audit & Beyond editorial information

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