Working with External Audit

Service approach

- Review last year's external auditor's performance
 audit team, services and fees
- Discuss audit proposition service approach/ strategy, terms and fees
- Review auditor's independence and experience of audit team, including understanding the auditor's own performance evaluation processes



Audit plan

- Understand the audit plan
- Understand from the auditor what to expect services, timing and reporting requirements
- Review the experience of the audit team
- Consider how key risk areas will be addressed during the audit



Financial reporting

- Review the audited financial statements
- Discuss key audit findings significant accounting policies/audit judgements/ financial reporting quality
- Discuss any disagreements that occurred with management
- Meet separately with the external auditor



Governance matters

- Be aware of difficulties encountered in performing the audit – restrictions on access to information/ management
- Be informed of deficiencies in internal control/fraud/illegal acts
- Be updated on matters affecting the auditor's independence, including rotation plans for succession of the key audit partner



Working with External Audit

Questions you should ask about the Finding

Key questions	Who to ask	Response to look for
Discuss The auditor's judgements about the quality, not just acceptability, of the company's financial accounting principles. The auditor's insight into those areas of greatest importance in coming to a view as to the truth and fairness of the financial report as a whole.	External Audit Partner	A clear this could include issues such as the transparency of the credit union's financial disclosures and degree of aggressiveness or conservatism of its accounting policies and underlying estimates, areas of greatest judgement and most sensitive accounting policies and underlying estimates
Discuss disagreements with management about matters that individually or in aggregate could be significant to the financial statements or the auditors' report.	External Audit Partner	These communications include consideration of whether the matter has been resolved and the significance of the matter.

