



# Auditing the balance sheet

## Overstatement

- Focus on **Existence** and **Valuation**
- Does the asset or liability really exist?
- Is the asset or liability valued appropriately?

## Understatement

- Focus on **Completeness** and **Valuation**
- Are assets or liabilities complete?
- Are assets or liabilities appropriately valued?

## Test of Controls

- Who recognizes, adjusts and value assets / liabilities.
- What system controls are in place.
- What risks does the control address.

## Substantive

- How are assets / liabilities recognized, measured and disclosed vs **IFRS** requirement.
- Trend vs CY Actual
- Ratio trend vs CY ratio