

SUBSTANTIVE PROCEDURES

Performed in **every** audit and consists of:

1. Test of Detail - Physical document inspection
2. Analytical Procedures - Finding and evaluating relationships between financial and non-financial information.

Determining Nature

1. Understand the account under audit and the IFRS requirements.
2. Identify controls around account.
3. Analyze if the account is predictable.

Detail vs Analytical

1. Test of Detail:
 - Significant Risk area.
 - Weak control environment
2. Analytical
 - More cost effective
 - Strong control environment

Test of Detail

1. Identify the **assertion** under audit **and** the **source document** most relevant to that assertion.
2. Based on the system description, form an **expectation**
3. Test whether the **expectation** has been met.

Analytics

1. Identify the **assertion** under audit.
2. Form an **expectation** for the **account** movement / relationship.
3. Test whether the **expectation** has been met.

Top Tip

1. Always start with your action words:
 - Enquire
 - Inspect
 - Recalculate
 - Reperform
 - Observe
 - Confirmation.