### [3.6.15 ENGAGEMENT TEAM DISCUSSION DOCUMENT](#_WHAT_IS_THE_OUTPUT FROM THIS?)

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| **Auditee:** |  | **Reviewed by:** | **Name** | **Rank** | **Date** |
| **Period end:** |  | **Level 1** |  |  |  |
| **Prepared by:** |  | **Level 2** |  |  |  |
| **Rank:** |  | **Level 3** |  |  |  |
| **Date:** |  |  |  |  |  |

**Date of discussion:** *[Insert date]*

**List of team members participating in the discussion:**

|  |  |
| --- | --- |
| **Name**  | **Rank** |
|  |  |
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| **Discussion Aspect** | **Resolution / notes** |
| --- | --- |
| Characteristics of the engagement (i.e. Legislative and Reporting Framework; Locations).  |  |
| Reporting objectives (i.e. Deadlines; Key Dates: Final Reporting; Discussions with Management). |  |
| Important factors that will determine the focus of the engagement team’s efforts (i.e. materiality; the control environment assessment particular risk areas and other developments). |  |
| Implications to modify the overall audit strategy. |  |
| Nature, timing and extent of the direction and supervision of engagement team members and review thereof including the level of IT utilisation by audit staff. |  |
| **FRAUD** |  |
| How and why financial statements may be susceptible for fraud including the identification of: * Areas or audited components of the financial statements may be susceptible to fraud.
* How management could perpetrate and conceal fraudulent financial reporting.
* How assets of the entity could be misappropriated.
* The circumstances that might be indicative of earnings management and the practices that if encountered, might indicate the possibility of fraud.
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| A consideration of the known factors which:* Create an incentive or pressure for management or others to commit fraud
* Provide the opportunity for fraud to be perpetrated. and
* Indicate a culture or environment that enables management or others to rationalize committing fraud.
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| A consideration of management’s involvement in overseeing employees with access to cash or other assets susceptible to misappropriation. |  |
| A consideration of any unusual or unexplained changes in behavior or lifestyle of management or employees which have come to the attention of the engagement team. |  |
| Audit considerations such as:* Maintaining a proper state of mind throughout the audit regarding the potential for material misstatement due to fraud.
* How an element of unpredictability will be incorporated into performing audit procedures
* Which types of audit procedures are more effective than others to detect fraud.
* Allegations of fraud that have come to the auditor’s attention.
* The risk of management override of controls.
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