

TABLE OF CONTENTS

Chapter		Paragraph
Part I		
Authoritative and Nonauthoritative Guidance on the Auditor's Risk Assessment in a Financial Statement Audit		
1	Overview of Applying the Audit Risk Standards	.01-.42
2	Key Concepts Underlying the Auditor's Risk Assessment Process	.01-.122
3	Planning and Performing Risk Assessment Procedures	.01-.147
4	Understanding the Client, Its Environment, and Its Internal Control	.01-.89
5	Risk Assessment and the Design of Further Audit Procedures	.01-.76
6	Performing Further Audit Procedures	.01-.125
7	Evaluating Audit Findings, Audit Evidence, and Deficiencies in Internal Control	.01-.79
Part II		
Additional Resources		
Appendix		
A	Considerations in Establishing the Overall Audit Strategy	
B	Understanding the Entity and Its Environment	
C	Internal Control Components	
D	Exhibit—Management Antifraud Programs and Controls	
E	Illustrative Financial Statement Assertions and Examples of Substantive Procedures Illustrations for Inventories of a Manufacturing Company	
F	Consideration of Prior Year Uncorrected Misstatements	
G	Assessing the Severity of Identified Deficiencies in Internal Control	
H	Examples of Circumstances That May Be Deficiencies, Significant Deficiencies, or Material Weaknesses	
I	Suggestions for Conducting Inquiries	
J	Matters to Consider in Determining Performance Materiality	

Illustrative Audit Documentation Case Study

Appendix

K	Illustrative Audit Documentation Case Study: Young Fashions, Inc.
K-1	Young Fashions: Understanding of Entity and Its Environment
K-2	Young Fashions: Evaluation of Entity-Level Controls
K-3	Young Fashions: Understanding of Internal Control—IT General Controls
K-4	Young Fashions: Evaluation of Activity-Level Controls—Wholesale Sales
K-5	Young Fashions: Assessing Risks of Material Misstatement and Linkage to Further Audit Procedures
K-6	Young Fashions: Evaluation of Uncorrected Misstatements and Assessment of Control Deficiencies
L	The Effect of Group Audits on Planning and Determining Materiality
M	Overview of Statements on Quality Control Standards
N	Schedule of Changes Made to the Text From the Previous Edition
Index of Pronouncements and Other Technical Guidance	
Subject Index	
