Exam Reference Pack: how to use it

ADVANCED AUDIT AND ASSURANCE | ALL MODULES | ONE-PAGE DECISION CHARTS

These charts bring together rules from all five modules, so you can answer scenario questions without flicking through the study guide. Find the page for your question below, start at the top of its chart and follow the arrows. **Teal-bordered white boxes are questions; pale boxes are steps; teal boxes are unmodified or 'go ahead' outcomes; navy boxes are modified or 'stop' outcomes; cream boxes are warnings; gold boxes on page 7 mark time periods.**

Find the right page

If the question asks you to...	Page
Find which standard, or which section of the Corporations Act, applies	2
Choose the type of engagement, the level of assurance or the form of conclusion	3
Decide whether an independence threat can be managed, or apply the rotation and fee rules	4
Set materiality, or decide whether uncorrected misstatements matter	5
Decide how going concern problems affect the auditor's report	6
Deal with events after the period end, or facts found after the report is signed	7
Choose between an unmodified, qualified, adverse or disclaimer of opinion	8
List or order the sections of an auditor's report	9
Decide whether a matter is a key audit matter, emphasis of matter, other matter or other information	10
Decide what to tell management, the board or a regulator such as ASIC	11

A method for any scenario question

1. **Name the issue and the rule**
   Say what the problem is and which standard or section applies (page 2).
2. **Measure it**
   Compare the amount with materiality, and weigh qualitative factors (page 5).
3. **Decide the effect on the financial report**
   Is it a misstatement, an inadequate disclosure, or a lack of evidence?
4. **Decide the effect on the auditor's report**
   Choose the opinion and any extra sections (pages 6 to 10).
5. **Say who you'll tell, and how**
   Management, those charged with governance, or a regulator (page 11). Use the scenario's facts at every step.

This pack follows the Australian standards and the Corporations Act as they apply to audits of financial years ending in 2026. Notes flag the main changes for periods beginning on or after 15 December 2026: revised ASA 570 and ASA 240, and 'listed entity' becoming 'publicly traded entity'. It's an original summary, so check the wording of the standard itself before you quote it.

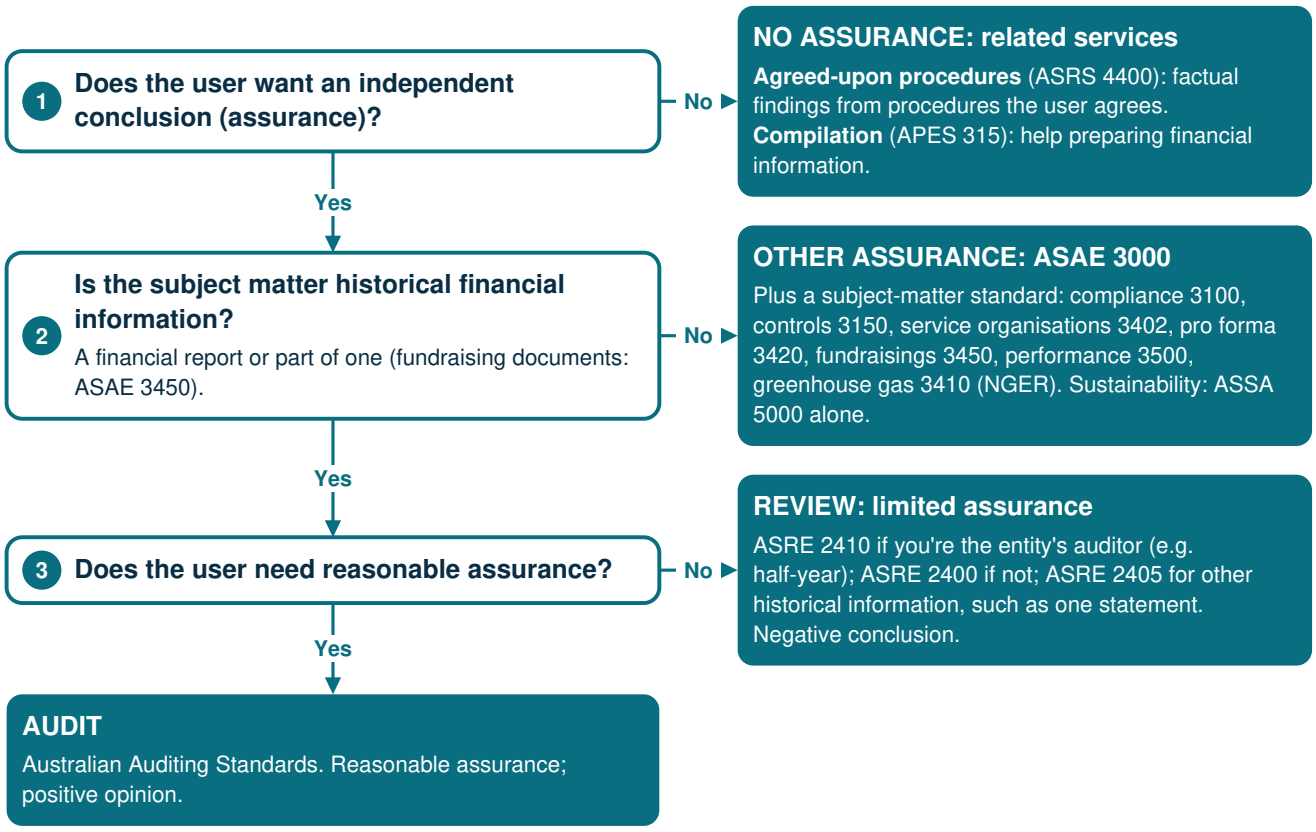
Standards and law finder

WHICH PRONOUNCEMENT APPLIES? | ALL MODULES

Topic	Where to look
Ethics and independence	APES 110 Code of Ethics (including Independence Standards); ASA 102; Corporations Act s324CA-s324CK (conflicts and banned relationships), s307C (independence declaration), s324DA-s324DD (rotation)
Quality management	ASQM 1 (the firm's system); ASQM 2 (engagement quality reviews); ASA 220 (quality on each audit)
Terms of engagement	ASA 210 (preconditions, the engagement letter, changing the terms)
Planning, risk and materiality	ASA 300 (strategy and plan); ASA 315 (understanding the entity, its controls and its risks); ASA 320 (materiality)
Fraud; laws and regulations	ASA 240 (fraud); ASA 250 (laws and regulations); APES 110 section 360 (responding to non-compliance)
Responding to risks	ASA 330 (tests of controls and substantive procedures); ASA 402 (entities using service organisations)
Evidence	ASA 500 (sufficient appropriate evidence); ASA 501 (inventory and segment information); ASA 502 (litigation and claims); ASA 505 (external confirmations); ASA 510 (opening balances)
Analytics and sampling	ASA 520 (analytical procedures as substantive tests and near the end); ASA 530 (audit sampling)
Estimates and related parties	ASA 540 (accounting estimates and disclosures); ASA 550 (related parties)
Using others' work	ASA 600 (group audits and component auditors); ASA 610 (internal auditors); ASA 620 (auditor's experts)
Documentation	ASA 230 (final file ordinarily assembled within 60 days of the report date); Corporations Act s307B (keep for seven years)
Misstatements	ASA 450 (accumulate, communicate and evaluate misstatements)
Completion	ASA 560 (subsequent events); ASA 570 (going concern); ASA 580 (written representations)
The auditor's report	ASA 700 (forming the opinion and the report); ASA 701 (key audit matters); ASA 705 (modified opinions); ASA 706 (emphasis of matter and other matter); ASA 710 (comparatives); ASA 720 (other information)
Communication	ASA 260 (those charged with governance); ASA 265 (deficiencies in internal control)
Auditor's duties in law	Corporations Act s307 (matters the auditor forms an opinion on), s308 (the report), s311 (reporting to ASIC), s250RA and s250PA (the AGM and members' questions), s1289 (qualified privilege)
Special purpose and partial reports	ASA 800 (special purpose frameworks); ASA 805 (single statements and elements); ASA 810 (summary financial statements)
Reviews	ASRE 2410 (review by the entity's own auditor, such as a half-year review); ASRE 2400 (review by another practitioner); ASRE 2405 (other historical financial information, such as one statement)
Other assurance	ASAE 3000 (umbrella standard); ASAE 3100 (compliance); ASAE 3150 (controls); ASAE 3402 (controls at a service organisation); ASAE 3420 (pro forma information in a prospectus); ASAE 3450 (fundraisings and prospective information); ASAE 3500 (performance)
Sustainability assurance	ASSA 5000 (all sustainability assurance, periods from 1 January 2025) and ASSA 5010 (timeline for Corporations Act sustainability reports); ASAE 3410 (greenhouse gas statements) only where NGER requires it, until periods from 15 December 2026
Related services and client money	ASRS 4400 (agreed-upon procedures); ASRS 4450 (comfort letters); APES 315 (compilations); APES 310 (client monies)

Which engagement, which conclusion?

ASA, ASRE, ASAE, ASSA, ASRS AND APES 315 | MODULES 1 AND 5



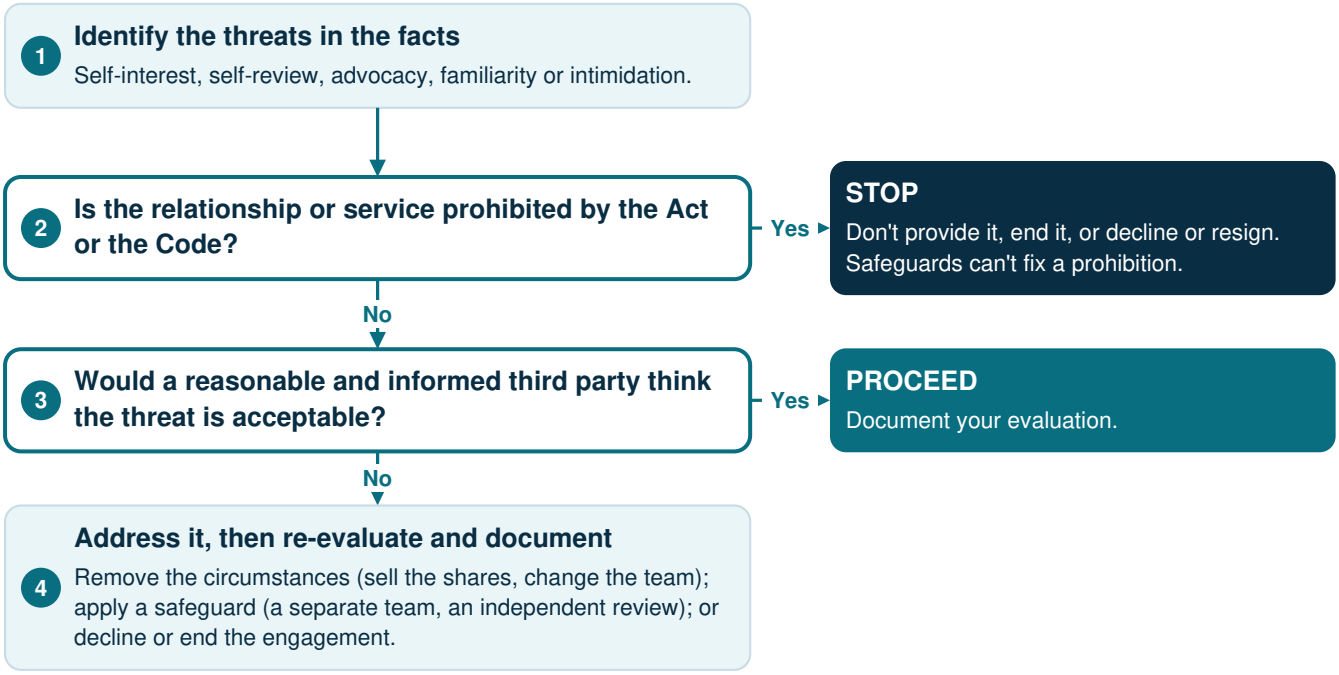
Comparing the five services

Engagement	Assurance	Conclusion	Typical wording
Audit	Reasonable: high, but not absolute	Positive opinion	'...is in accordance with the Corporations Act 2001, including giving a true and fair view...'
Review	Limited: meaningful, but lower	Negative conclusion	'...we have not become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001...'
Other assurance	Reasonable or limited	Positive or negative	'...in all material respects...' or '...nothing has come to our attention...'
Agreed-upon procedures	None	Factual findings only	'We compared... reported bookings were $48,200 and the system showed $51,700.'
Compilation	None	Compilation report	'...we have not audited or reviewed... and do not express an opinion or a review conclusion.'

Every assurance engagement needs five elements: three parties (the practitioner, the responsible party and the intended users), an appropriate subject matter, suitable criteria, sufficient appropriate evidence, and a written assurance report.

Independence: threats and hard rules

APES 110 AND THE CORPORATIONS ACT | MODULES 1 AND 2



Rules to quote

Rule	What it requires
Conflict of interest (s324CA)	Take all reasonable steps to end it as soon as possible. If it still exists seven days later, notify ASIC in writing.
Banned relationships (s324CE-s324CH)	Listed relationships disqualify the auditor, such as being an officer of the client in the year audited or the 12 months before it.
Independence declaration (s307C)	The lead auditor declares to the directors that there were no contraventions (or lists them). A copy goes in the directors' report.
Rotation: the Act (s324DA-s324DD)	Lead and review auditors of a listed company or listed scheme: at most five successive years (or five out of seven), then two years off. Directors can extend this to up to seven years on the audit committee's written recommendation.
Rotation: APES 110 (public interest entities)	Key audit partners: at most seven cumulative years. Cooling-off: engagement partner five years; engagement quality reviewer three; other key audit partners two. Where both rules apply, follow the stricter one.
Fee dependence (public interest entities)	Fees from one client above 15% of the firm's total: tell those charged with governance. Two consecutive years: decide whether a pre-issuance review is needed, and the dependence is disclosed publicly. Five consecutive years: stop being the auditor (rare exceptions).
Non-assurance services	Never take on management responsibilities for an audit client. For a public interest entity, don't provide a service that creates a self-review threat, and get those charged with governance to agree to services first.

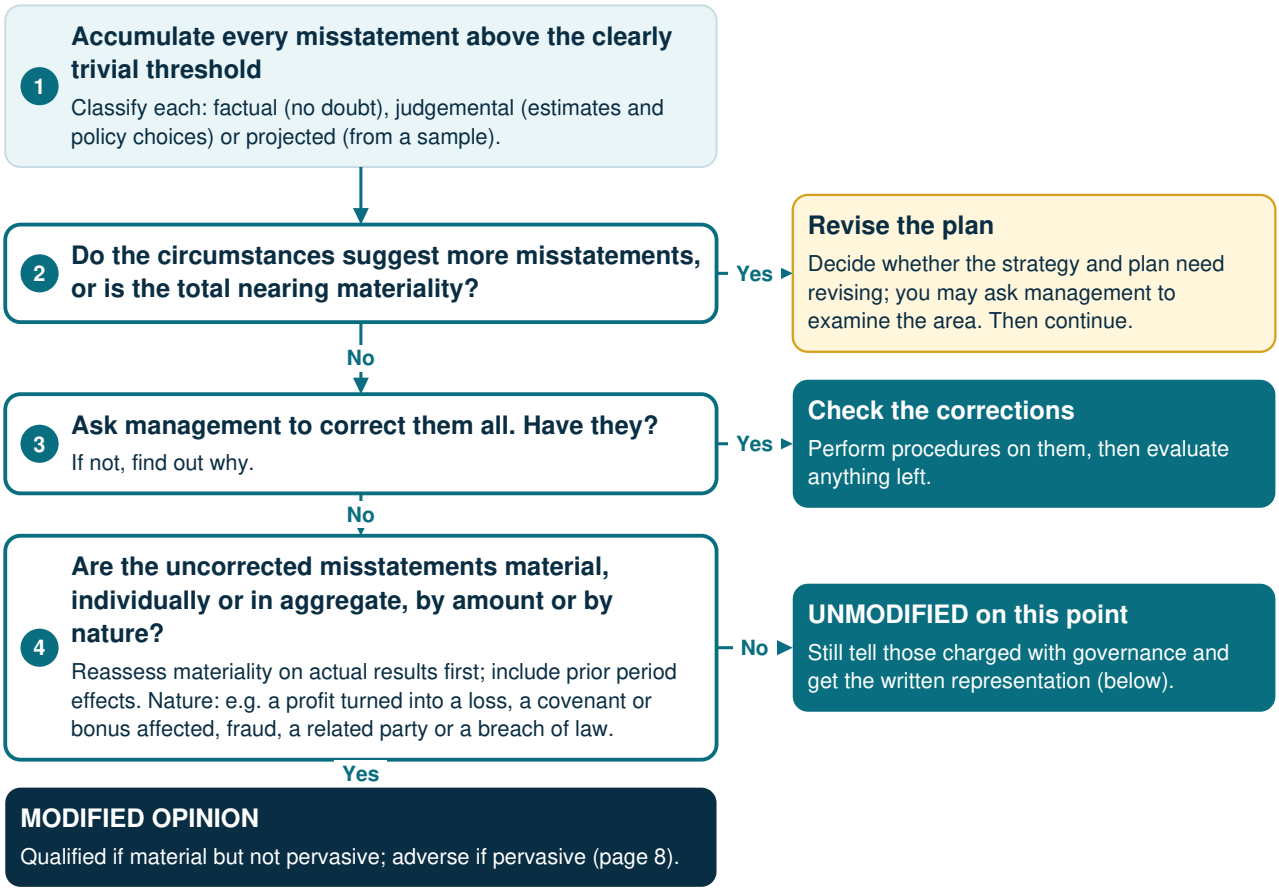
Materiality and evaluating misstatements

ASA 320 AND ASA 450 | MODULES 2 TO 4

Setting materiality (ASA 320)

Level	How it's set (professional judgement)
Overall materiality	A percentage of a benchmark: profit before tax from continuing operations for most profit-making entities (often about 5%), or a smaller percentage of revenue, total expenses or net assets when profit is volatile or not the focus.
Performance materiality	Set below overall materiality, so that the total of uncorrected and undetected misstatements is unlikely to exceed it. Lower when more misstatements are expected or controls are weaker.
Specific materiality	Lower levels for items where smaller misstatements would influence users, such as executives' pay and related party transactions.
Clearly trivial	Below this, misstatements needn't be accumulated (set by the auditor; ASA 450 gives no percentage). If in doubt, it isn't clearly trivial.
Revision	When new information would have produced a different amount, such as actual results unlike the forecasts.

Evaluating misstatements (ASA 450)



On every route: tell those charged with governance about uncorrected misstatements and ask for correction, and get management's written representation that they're immaterial, individually and in total, with a summary in the letter.

Going concern: from doubt to report

ASA 570 | MODULES 2 AND 4 | LOSSES, DEBT FALLING DUE, BREACHED COVENANTS, LOST SUPPORT OR CUSTOMERS

1 Are there events or conditions that may cast significant doubt on the entity's ability to continue as a going concern?

No ▶ **UNMODIFIED OPINION**
No going concern section today. Revised ASA 570 (periods from 15 December 2026): a short Going Concern section is required here.

Yes

Do more work
Evaluate management's assessment and plans; test cash flow forecasts; get written evidence of finance from lenders; consider later events; get written representations.

2 Is the going concern basis of accounting appropriate?

No ▶ **ADVERSE OPINION**
if the report still uses the going concern basis. (A proper, disclosed alternative basis, such as liquidation: unmodified; an emphasis of matter may be added.)

Yes

3 Does a material uncertainty exist?
Its possible impact and likelihood mean clear disclosure is needed for a true and fair view.

No ▶ **UNMODIFIED OPINION, if disclosure is adequate**
Check the events or conditions and management's judgements are adequately disclosed; if not, qualified or adverse. A close call may be a key audit matter.

Yes

4 Is the material uncertainty adequately disclosed?
The main events or conditions, management's plans, and a clear statement that a material uncertainty exists that may cast significant doubt.

No ▶ **QUALIFIED or ADVERSE OPINION**
The basis section says a material uncertainty exists and isn't adequately disclosed. From 15 December 2026: also a Material Uncertainty section pointing to it.

Yes

UNMODIFIED OPINION + 'Material Uncertainty Related to Going Concern' section
After the Basis for Opinion: it points to the note and says the opinion isn't modified. The key audit matters section refers to it rather than repeating it.

Management won't assess

If management won't make or extend its assessment when asked, treat it as a possible limitation: qualified opinion or disclaimer.

Several uncertainties

Multiple material uncertainties significant to the whole financial report: in extremely rare cases, a disclaimer of opinion.

Tell the board

Always tell those charged with governance about the events or conditions, your conclusions, the disclosures and the effect on your report.

Trap: never use an emphasis of matter for a going concern material uncertainty. Period today (ASA 570 Aus 13.1-13.2): about twelve months from the report date to next year's expected report date. Revised ASA 570 (periods from 15 December 2026): at least twelve months from approval of the financial report; a Going Concern or Material Uncertainty section in every report, except with a disclaimer or a going concern adverse opinion; publicly traded entities also explain how management's assessment was evaluated when there's a material uncertainty or a significant judgement that there isn't.

Subsequent events: three periods

ASA 560 AND AASB 110 | MODULE 4



Going concern trap: if events after the period end show the entity will be liquidated or stop trading, the financial report can't be prepared on a going concern basis (AASB 110): go to page 6. **Dating:** the auditor's report can't be dated before the directors approve the financial report; in practice it's usually signed the same day.

Choosing the audit opinion

ASA 705 AND ASA 580 | MODULE 4

1 What kind of problem is it?
A misstatement (amounts, policies, presentation or disclosure) that management won't correct, or an inability to obtain sufficient appropriate evidence.

Neither → **UNMODIFIED OPINION**
Then check page 10 for extra sections.

One of these ↓

2 Is it material, or could its possible effects be material?

No → **UNMODIFIED on this point**
Keep it in the evaluation of misstatements (page 5).

Yes ↓

3 Is it, or could it be, pervasive?

No → **QUALIFIED OPINION**
Misstatement: 'except for the effects of the matter...'. Lack of evidence: 'except for the possible effects of the matter...'.

Yes ↓

ADVERSE OPINION or DISCLAIMER OF OPINION
Misstatement: adverse, the financial report doesn't give a true and fair view. Lack of evidence: disclaimer, 'we do not express an opinion'.

Nature of the matter	Material but not pervasive	Material and pervasive
The financial report is materially misstated	Qualified opinion	Adverse opinion
Unable to obtain sufficient appropriate evidence	Qualified opinion	Disclaimer of opinion

Pervasive effects aren't confined to specific elements, accounts or items; or, if they are, they're a substantial proportion of the financial report; or, for disclosures, they're fundamental to users' understanding.

Limitation imposed by management

Before acceptance: if it would lead to a disclaimer, don't accept (unless the law requires it). After acceptance: ask for it to be removed; if refused, tell those charged with governance and try alternative procedures. Material, not pervasive: qualified. Material and pervasive: withdraw if possible under law (a public company auditor needs ASIC's consent to resign), otherwise disclaim.

Written representations (ASA 580)

Directors' representations about their responsibility for the financial report, and about giving you all information and recording all transactions, not provided, or unreliable because of doubts about integrity: disclaimer of opinion. Other representations refused: reconsider integrity and evidence, and the effect on the opinion.

When the opinion is modified, the heading changes (Qualified, Adverse or Disclaimer of Opinion) and the basis section describes the matter, quantifying its effect where practicable. With a disclaimer, there's no key audit matters or other information section unless the law requires one. A key audit matter or emphasis of matter never replaces a modified opinion.

The auditor's report, section by section

ASA 700, 701, 705, 706 AND 720, ASA 570 | AUSTRALIAN LISTED COMPANY | MODULE 4

Title	ALWAYS	'Independent Auditor's Report', showing the auditor is independent.
Addressee	ALWAYS	For a company under the Corporations Act: its members.
Opinion	ALWAYS, FIRST	Names the company, the financial report (statements, notes, consolidated entity disclosure statement and directors' declaration) and the period. Says the report is in accordance with the Corporations Act, including giving a true and fair view and complying with Australian Accounting Standards and the Corporations Regulations. Heading changes if modified.
Basis for Opinion	ALWAYS, SECOND	Audit under the Australian Auditing Standards; independence under the Act and the Code (for listed entities, the Code's requirements for public interest entities); the declaration given to the directors would be in the same terms today; evidence is sufficient and appropriate. If modified, explains the matter and its effect.
Material Uncertainty Related to Going Concern	ONLY IF	An adequately disclosed material uncertainty (page 6). From 15 December 2026: also beside a qualified or adverse opinion; otherwise a 'Going Concern' section; neither with a disclaimer.
Emphasis of Matter	ONLY IF	A matter disclosed in the financial report is fundamental to users' understanding (page 10).
Key Audit Matters	LISTED	Listed entities (publicly traded entities for periods from 15 December 2026), where law requires, or voluntarily. Never with a disclaimer (page 10).
Other Matter	ONLY IF	A matter not in the financial report that's relevant to the audit or the report (page 10).
Other Information	WHEN OBTAINED	Other annual report content, such as the directors' report, obtained by the report date (listed, or publicly traded from 15 December 2026: also content expected later). No opinion on it; nothing to report, or the uncorrected material misstatement. Not with a disclaimer.
Responsibilities of the Directors for the Financial Report	ALWAYS	A true and fair financial report under the accounting standards and the Act, and a true and correct consolidated entity disclosure statement; internal control; assessing going concern.
Auditor's Responsibilities for the Audit of the Financial Report	ALWAYS	Reasonable assurance, scepticism, risk assessment, the going concern conclusion, communication with the directors. Can sit in an appendix or on the standard setter's website.
Report on the Remuneration Report	LISTED	Opinion on whether the remuneration report complies with s300A of the Corporations Act.
Signature, firm, partner, place and date	ALWAYS	The engagement partner signs in their own name and the firm's. Dated no earlier than the date sufficient appropriate evidence is obtained, including the directors' approval, and after the engagement quality review.

Order: the Opinion and Basis for Opinion always come first. The going concern, emphasis of matter, key audit matters and other matter sections then follow in the order that best fits; an emphasis of matter, for example, can sit just before or after the key audit matters. The independence declaration itself is in the directors' report, not the auditor's report.

Which section does a matter belong in?

KEY AUDIT MATTER, EMPHASIS OF MATTER, OTHER MATTER OR OTHER INFORMATION | ASA 701, 706, 720 | MODULE 4

1 Does it materially misstate the report, or block evidence on something possibly material?

- Yes → **MODIFIED OPINION**: Explain it in the basis section (page 8); the key audit matters section refers to it (none with a disclaimer).
- No ↓

2 Is it a material uncertainty related to going concern, adequately disclosed?

- Yes → **MATERIAL UNCERTAINTY section**: Page 6. Not an emphasis of matter; the key audit matters section refers to it.
- No ↓

3 Does the report have key audit matters, and is this one of the most significant?

- Yes → **KEY AUDIT MATTER**: Why it was one of the most significant matters; how the audit addressed it; a reference to any related disclosure.
- No ↓

4 Is it presented or disclosed in the financial report, and fundamental to users' understanding?

- Yes → **EMPHASIS OF MATTER**: Refers to the note; says the opinion isn't modified. E.g. a major catastrophe or exceptional litigation.
- No ↓

5 Is it outside the financial report, but relevant to understanding the audit or your report, and not barred by law?

- Yes → **OTHER MATTER**: E.g. last year was audited by another auditor; the report's use is restricted.
- No ↓

6 Is other information materially misstated or inconsistent, and still uncorrected after you raise it with those charged with governance?

- Yes → **OTHER INFORMATION section**: Describe the uncorrected misstatement there (the section appears whenever other information is obtained).
- No ↓

Not for the auditor's report

Raise it with management or those charged with governance (page 11).

The key audit matters funnel

Matters communicated with those charged with governance

Matters that needed significant auditor attention: higher assessed or significant risks; significant judgements, including estimates with high uncertainty; significant events or transactions

Matters of most significance = KEY AUDIT MATTERS

A key audit matter never replaces a modified opinion, the material uncertainty section or proper disclosure, and isn't also an emphasis of matter (list it first to stress it). From 15 December 2026 (revised ASA 240), fraud-related key audit matters carry a fraud subheading.

Who do you tell, and how?

ASA 260, 265, 240 AND 250, CORPORATIONS ACT S311 | MODULES 2 AND 4

Communicating inside the entity

To	What	How
Those charged with governance (the board or audit committee)	Responsibilities; planned scope and timing; significant findings (practices, difficulties, matters discussed, representations requested, effects on the report); uncorrected misstatements; significant control deficiencies; fraud by management, key control staff, or others causing material misstatement; non-compliance; independence (listed; publicly traded from 15 December 2026)	Promptly. In writing: significant deficiencies; independence (listed entities); significant findings where talking wouldn't be enough
Management	Other control deficiencies worth their attention (the management letter); misstatements found, with a request to correct them; significant deficiencies, in writing (unless inappropriate); fraud or suspected fraud	Promptly, at the right level of responsibility

Reporting to ASIC (Corporations Act s311)

1 Are you aware of circumstances that:

1. give reasonable grounds to suspect a significant contravention of the Act; 2. give such grounds for a contravention your report or the directors won't adequately deal with; or 3. amount to an attempt to unduly influence, coerce, manipulate or mislead anyone in the audit, or interfere with it?

No ▶ Use the report or the directors

Deal with it by commenting in your report or raising it with the directors.

Yes

NOTIFY ASIC IN WRITING as soon as practicable, and within 28 days

Qualified privilege (s1289) protects you from defamation claims when you report in good faith. ASIC's Regulatory Guide 34 helps you judge significance. Notify even if the matter is fixed meanwhile; don't wait for the audit to end.

Fraud and non-compliance with laws (ASA 240, ASA 250, APES 110 section 360)

1 Understand it

Get evidence of what happened and its possible effect; consider legal advice.

2 Communicate

With the right level of management, and with those charged with governance, straight away if management may be involved.

3 Consider reporting outside

Is there a legal duty or a public interest reason to tell an authority? E.g. ASIC under s311; the ATO for self-managed super fund contraventions; APRA for regulated banks, insurers and super funds.

4 Reassess the audit

Risks, the reliability of representations and the opinion; in extreme cases, withdraw where the law allows.