

ISSAI 1580

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Directriz de auditoría financiera

Manifestaciones escritas

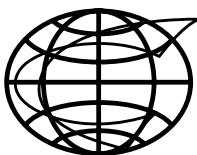
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La presente directriz de auditoría financiera se basa en la Norma Internacional de Auditoría (NIA) 580, “Manifestaciones escritas”, formulada por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (International Audit and Assurance Standards Board/IAASB) y publicada por la Federación Internacional de Contadores (International Federation of Accountants/IFAC). La NIA se ha incluido en la presente directriz con permiso de la IFAC.

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Nota de Práctica¹ a la Norma Internacional de Auditoría (NIA) 580

Manifestaciones escritas

Fundamentos

Esta Nota de Práctica proporciona orientaciones adicionales sobre la NIA 580, “Manifestaciones escritas”, y debe leerse conjuntamente con ella. La NIA 580 entra en vigor para las auditorías de estados financieros correspondientes a los períodos que comiencen a partir del 15 de diciembre de 2009. Esta Nota de Práctica será efectiva en la misma fecha que la NIA.

Introducción a la NIA

La NIA 580 establece las obligaciones del auditor de obtener manifestaciones escritas de la dirección y, cuando proceda, de los encargados de la gobernanza.

El Apéndice 1 de la NIA enumera otras NIA que contienen exigencias específicas en relación con las manifestaciones escritas, pero esas exigencias no limitan la aplicación de esta NIA.

Contenido de la Nota de Práctica

- P1. La Nota de Práctica proporciona orientaciones adicionales para los auditores del sector público en relación con los aspectos siguientes:
- a) Consideraciones generales.
 - b) Miembros de la dirección a quienes se solicita manifestaciones escritas.
 - c) Comunicación de un umbral.
 - d) Fecha de las manifestaciones escritas y período abarcado por ellas.
 - e) Falta de presentación de las manifestaciones escritas y dudas sobre su fiabilidad.

Aplicabilidad de la NIA en la auditoría del sector público

- P2. La NIA 580 es aplicable a los auditores de las entidades del sector público en el desempeño de su función de auditores de los estados financieros.

¹ Todas las Notas de Práctica habrán de leerse conjuntamente con la ISSAI 1000 “Introducción general a las Directrices de auditoría financiera de la INTOSAI”

Orientaciones adicionales sobre cuestiones ligadas al sector público

- P3. La NIA 580 contiene disposiciones de aplicación y otras disposiciones explicativas con consideraciones específicas a las entidades del sector público en el párrafo A9.

Consideraciones generales

- P4. En una auditoría financiera en el sector público los objetivos suelen ir más allá de la emisión de una opinión sobre si los estados financieros han sido elaborados, en todos sus aspectos significativos, de acuerdo con el marco de información financiera aplicable (es decir, el alcance de las NIA). El mandato de auditoría, o las obligaciones derivadas de la legislación y la reglamentación, o de órdenes ministeriales, exigencias políticas o resoluciones del poder legislativo, pueden contener objetivos adicionales, entre ellos obligaciones de auditoría e información. Un ejemplo son las obligaciones de información cuando el auditor haya detectado falta de conformidad con las normas en el ámbito presupuestario u contable o informe sobre la eficacia del control interno.
- P5. En el sector público, las obligaciones de la dirección pueden ser más amplias también que en el sector privado. Cuando soliciten manifestaciones escritas acerca de las obligaciones de la dirección, los auditores del sector público tomarán en consideración esta premisa más amplia.

Miembros de la dirección a quienes se solicita manifestaciones escritas

- P6. Al remitirse a la orientación facilitada en el párrafo A2 de la NIA, los auditores del sector público tendrán presente que las obligaciones de elaboración y presentación de los estados financieros pueden variar acorde con la legislación, y se familiarizarán con la legislación aplicable para identificar a quiénes deben solicitarse las manifestaciones escritas y asimismo pueden comunicar y concertarse, en la fase de planificación, con los encargados de la gobernanza para la determinación de los individuos obligados a presentar las manifestaciones escritas.

Comunicación de un umbral

- P7. Con arreglo al párrafo A14 de la NIA, el auditor puede examinar la conveniencia de comunicar a la dirección un umbral para las manifestaciones escritas solicitadas. Los auditores del sector público tendrán en cuenta la perspectiva más amplia del sector público de comunicar todas las incorrecciones, incluso las corregidas por la entidad, y todas las deficiencias de control y los casos de falta de conformidad con las normas. Al solicitar las manifestaciones escritas, los auditores del sector público examinarán la conveniencia de comunicar estas exigencias.

Fecha de las manifestaciones escritas y período abarcado por ellas

- P8. Según se establece en el párrafo A15 de la NIA, la fecha de las manifestaciones escritas debe ser lo más próxima posible a la fecha del informe de auditoría sobre los estados financieros. En el sector público, las manifestaciones de la dirección proceden a veces de los máximos responsables de la gobernanza, por lo que es importante que los auditores del sector público planifiquen su tarea con anticipación para que esas manifestaciones se obtengan a tiempo para evitar retrasos en la presentación de su informe de auditoría.

Falta de presentación de las manifestaciones escritas y dudas sobre su fiabilidad

- P9. Es posible que los auditores del sector público sean nombrados mediante procedimientos legales y no puedan, por tanto, rechazar o abandonar un mandato según se establece en el párrafo A24 de la NIA. En esos casos, los auditores del sector público tienen la posibilidad de informar al poder legislativo.

Apéndice 1: Ejemplos adicionales para el Apéndice 2 de la NIA, “Modelo de carta de manifestaciones”

El Apéndice 2 de la NIA presenta un modelo de carta de manifestaciones. Sobre la base de la legislación aplicable o del mandato de auditoría, los auditores del sector público pueden añadir otros elementos, como la consideración de si:

- Las actividades y las operaciones financieras son conformes a las normas.
- Los sistemas de control interno han funcionado con eficacia durante todo el período abarcado por la auditoría.
- La función de auditoría interna ha funcionado con eficacia durante todo el período abarcado por la auditoría.
- El programa público XYZ se ha llevado a la práctica de forma eficaz, eficiente y económica.
- La dirección ha facilitado su interpretación de las exigencias de conformidad, que pueden ser objeto de distintas interpretaciones.
- Han sido facilitados todos los contratos, acuerdos de subvención y cualquier otra correspondencia respecto a acuerdos que impliquen el uso de fondos de programas.
- La dirección ha facilitado todos los contratos y acuerdos con organizaciones de servicios, incluidas las comunicaciones referentes a incumplimientos.

International Standard on Auditing

Written Representations



**International Federation
of Accountants**

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This International Standard on Auditing (ISA) 580, “Written Representations” was prepared by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting body within the International Federation of Accountants (IFAC). The objective of the IAASB is to serve the public interest by setting high quality auditing and assurance standards and by facilitating the convergence of international and national standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

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INTERNATIONAL STANDARD ON AUDITING 580

WRITTEN REPRESENTATIONS

(Effective for audits of financial statements for periods
beginning on or after December 15, 2009)

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Appendix 1: List of ISAs Containing Requirements for Written
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Appendix 2: Illustrative Representation Letter

International Standard on Auditing (ISA) 580, “Written Representations” should be read in conjunction with ISA 200, “Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing.”

Introduction

Scope of this ISA

1. This International Standard on Auditing (ISA) deals with the auditor's responsibility to obtain written representations from management and, where appropriate, those charged with governance in an audit of financial statements.
2. Appendix 1 lists other ISAs containing subject-matter specific requirements for written representations. The specific requirements for written representations of other ISAs do not limit the application of this ISA.

Written Representations as Audit Evidence

3. Audit evidence is the information used by the auditor in arriving at the conclusions on which the auditor's opinion is based.¹ Written representations are necessary information that the auditor requires in connection with the audit of the entity's financial statements. Accordingly, similar to responses to inquiries, written representations are audit evidence. (Ref: Para. A1)
4. Although written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own about any of the matters with which they deal. Furthermore, the fact that management has provided reliable written representations does not affect the nature or extent of other audit evidence that the auditor obtains about the fulfillment of management's responsibilities, or about specific assertions.

Effective Date

5. This ISA is effective for audits of financial statements for periods beginning on or after December 15, 2009.

Objectives

6. The objectives of the auditor are:
 - (a) To obtain written representations from management and, where appropriate, those charged with governance that they believe that they have fulfilled their responsibility for the preparation of the financial statements and for the completeness of the information provided to the auditor;
 - (b) To support other audit evidence relevant to the financial statements or specific assertions in the financial statements by means of written representations if determined necessary by the auditor or required by other ISAs; and

¹ ISA 500, "Audit Evidence," paragraph 5(c).

- (c) To respond appropriately to written representations provided by management and, where appropriate, those charged with governance, or if management or, where appropriate, those charged with governance do not provide the written representations requested by the auditor.

Definitions

7. For purposes of the ISAs, the following term has the meaning attributed below:

Written representation – A written statement by management provided to the auditor to confirm certain matters or to support other audit evidence. Written representations in this context do not include financial statements, the assertions therein, or supporting books and records.

8. For purposes of this ISA, references to “management” should be read as “management and, where appropriate, those charged with governance.” Furthermore, in the case of a fair presentation framework, management is responsible for the preparation and *fair* presentation of the financial statements in accordance with the applicable financial reporting framework; or the preparation of financial statements *that give a true and fair view* in accordance with the applicable financial reporting framework.

Requirements

Management from whom Written Representations Requested

9. The auditor shall request written representations from management with appropriate responsibilities for the financial statements and knowledge of the matters concerned. (Ref: Para. A2-A6)

Written Representations about Management’s Responsibilities

Preparation of the Financial Statements

10. The auditor shall request management to provide a written representation that it has fulfilled its responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework, including where relevant their fair presentation, as set out in the terms of the audit engagement.² (Ref: Para. A7-A9, A14, A22)

Information Provided and Completeness of Transactions

11. The auditor shall request management to provide a written representation that:

² ISA 210, “Agreeing the Terms of Audit Engagements,” paragraph 6(b)(i).

- (a) It has provided the auditor with all relevant information and access as agreed in the terms of the audit engagement,³ and
- (b) All transactions have been recorded and are reflected in the financial statements. (Ref: Para. A7-A9, A14, A22)

Description of Management's Responsibilities in the Written Representations

12. Management's responsibilities shall be described in the written representations required by paragraphs 10 and 11 in the manner in which these responsibilities are described in the terms of the audit engagement.

Other Written Representations

13. Other ISAs require the auditor to request written representations. If, in addition to such required representations, the auditor determines that it is necessary to obtain one or more written representations to support other audit evidence relevant to the financial statements or one or more specific assertions in the financial statements, the auditor shall request such other written representations. (Ref: Para. A10-A13, A14, A22)

Date of and Period(s) Covered by Written Representations

14. The date of the written representations shall be as near as practicable to, but not after, the date of the auditor's report on the financial statements. The written representations shall be for all financial statements and period(s) referred to in the auditor's report. (Ref: Para. A15-A18)

Form of Written Representations

15. The written representations shall be in the form of a representation letter addressed to the auditor. If law or regulation requires management to make written public statements about its responsibilities, and the auditor determines that such statements provide some or all of the representations required by paragraphs 10 or 11, the relevant matters covered by such statements need not be included in the representation letter. (Ref: Para. A19-A21)

Doubt as to the Reliability of Written Representations and Requested Written Representations Not Provided

Doubt as to the Reliability of Written Representations

16. If the auditor has concerns about the competence, integrity, ethical values or diligence of management, or about its commitment to or enforcement of these, the auditor shall determine the effect that such concerns may have on the reliability of representations (oral or written) and audit evidence in general. (Ref: Para. A24-A25)

³ ISA 210, paragraph 6(b)(iii).

17. In particular, if written representations are inconsistent with other audit evidence, the auditor shall perform audit procedures to attempt to resolve the matter. If the matter remains unresolved, the auditor shall reconsider the assessment of the competence, integrity, ethical values or diligence of management, or of its commitment to or enforcement of these, and shall determine the effect that this may have on the reliability of representations (oral or written) and audit evidence in general. (Ref: Para. A23)
18. If the auditor concludes that the written representations are not reliable, the auditor shall take appropriate actions, including determining the possible effect on the opinion in the auditor's report in accordance with ISA 705,⁴ having regard to the requirement in paragraph 20 of this ISA.

Requested Written Representations Not Provided

19. If management does not provide one or more of the requested written representations, the auditor shall:
 - (a) Discuss the matter with management;
 - (b) Reevaluate the integrity of management and evaluate the effect that this may have on the reliability of representations (oral or written) and audit evidence in general; and
 - (c) Take appropriate actions, including determining the possible effect on the opinion in the auditor's report in accordance with ISA 705, having regard to the requirement in paragraph 20 of this ISA.

Written Representations about Management's Responsibilities

20. The auditor shall disclaim an opinion on the financial statements in accordance with ISA 705 if:
 - (a) The auditor concludes that there is sufficient doubt about the integrity of management such that the written representations required by paragraphs 10 and 11 are not reliable; or
 - (b) Management does not provide the written representations required by paragraphs 10 and 11. (Ref: Para. A26-A27)

Application and Other Explanatory Material

Written Representations as Audit Evidence (Ref: Para. 3)

- A1. Written representations are an important source of audit evidence. If management modifies or does not provide the requested written

⁴ ISA 705, "Modifications to the Opinion in the Independent Auditor's Report."

representations, it may alert the auditor to the possibility that one or more significant issues may exist. Further, a request for written, rather than oral, representations in many cases may prompt management to consider such matters more rigorously, thereby enhancing the quality of the representations.

Management from whom Written Representations Requested (Ref: Para. 9)

- A2. Written representations are requested from those responsible for the preparation of the financial statements. Those individuals may vary depending on the governance structure of the entity, and relevant law or regulation; however, management (rather than those charged with governance) is often the responsible party. Written representations may therefore be requested from the entity's chief executive officer and chief financial officer, or other equivalent persons in entities that do not use such titles. In some circumstances, however, other parties, such as those charged with governance, are also responsible for the preparation of the financial statements.
- A3. Due to its responsibility for the preparation of the financial statements, and its responsibilities for the conduct of the entity's business, management would be expected to have sufficient knowledge of the process followed by the entity in preparing and presenting the financial statements and the assertions therein on which to base the written representations.
- A4. In some cases, however, management may decide to make inquiries of others who participate in preparing and presenting the financial statements and assertions therein, including individuals who have specialized knowledge relating to the matters about which written representations are requested. Such individuals may include:
- An actuary responsible for actuarially determined accounting measurements.
 - Staff engineers who may have responsibility for and specialized knowledge about environmental liability measurements.
 - Internal counsel who may provide information essential to provisions for legal claims.
- A5. In some cases, management may include in the written representations qualifying language to the effect that representations are made to the best of its knowledge and belief. It is reasonable for the auditor to accept such wording if the auditor is satisfied that the representations are being made by those with appropriate responsibilities and knowledge of the matters included in the representations.
- A6. To reinforce the need for management to make informed representations, the auditor may request that management include in the written representations confirmation that it has made such inquiries as it considered appropriate to

place it in the position to be able to make the requested written representations. It is not expected that such inquiries would usually require a formal internal process beyond those already established by the entity.

Written Representations about Management’s Responsibilities (Ref: Para. 10-11)

- A7. Audit evidence obtained during the audit that management has fulfilled the responsibilities referred to in paragraphs 10 and 11 is not sufficient without obtaining confirmation from management that it believes that it has fulfilled those responsibilities. This is because the auditor is not able to judge solely on other audit evidence whether management has prepared and presented the financial statements and provided information to the auditor on the basis of the agreed acknowledgement and understanding of its responsibilities. For example, the auditor could not conclude that management has provided the auditor with all relevant information agreed in the terms of the audit engagement without asking it whether, and receiving confirmation that, such information has been provided.
- A8. The written representations required by paragraphs 10 and 11 draw on the agreed acknowledgement and understanding of management of its responsibilities in the terms of the audit engagement by requesting confirmation that it has fulfilled them. The auditor may also ask management to reconfirm its acknowledgement and understanding of those responsibilities in written representations. This is common in certain jurisdictions, but in any event may be particularly appropriate when:
- Those who signed the terms of the audit engagement on behalf of the entity no longer have the relevant responsibilities;
 - The terms of the audit engagement were prepared in a previous year;
 - There is any indication that management misunderstands those responsibilities; or
 - Changes in circumstances make it appropriate to do so.

Consistent with the requirement of ISA 210,⁵ such reconfirmation of management’s acknowledgement and understanding of its responsibilities is not made subject to the best of management’s knowledge and belief (as discussed in paragraph A5 of this ISA).

Considerations Specific to Public Sector Entities

- A9. The mandates for audits of the financial statements of public sector entities may be broader than those of other entities. As a result, the premise, relating to management’s responsibilities, on which an audit of the financial statements of a public sector entity is conducted may give rise to additional

⁵ ISA 210, paragraph 6(b).

written representations. These may include written representations confirming that transactions and events have been carried out in accordance with law, regulation or other authority.

Other Written Representations (Ref: Para. 13)

Additional Written Representations about the Financial Statements

A10. In addition to the written representation required by paragraph 10, the auditor may consider it necessary to request other written representations about the financial statements. Such written representations may supplement, but do not form part of, the written representation required by paragraph 10. They may include representations about the following:

- Whether the selection and application of accounting policies are appropriate; and
- Whether matters such as the following, where relevant under the applicable financial reporting framework, have been recognized, measured, presented or disclosed in accordance with that framework:
 - Plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - Liabilities, both actual and contingent;
 - Title to, or control over, assets, the liens or encumbrances on assets, and assets pledged as collateral; and
 - Aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance.

Additional Written Representations about Information Provided to the Auditor

A11. In addition to the written representation required by paragraph 11, the auditor may consider it necessary to request management to provide a written representation that it has communicated to the auditor all deficiencies in internal control of which management is aware.

Written Representations about Specific Assertions

A12. When obtaining evidence about, or evaluating, judgments and intentions, the auditor may consider one or more of the following:

- The entity's past history in carrying out its stated intentions.
- The entity's reasons for choosing a particular course of action.
- The entity's ability to pursue a specific course of action.

- The existence or lack of any other information that might have been obtained during the course of the audit that may be inconsistent with management's judgment or intent.

A13. In addition, the auditor may consider it necessary to request management to provide written representations about specific assertions in the financial statements; in particular, to support an understanding that the auditor has obtained from other audit evidence of management's judgment or intent in relation to, or the completeness of, a specific assertion. For example, if the intent of management is important to the valuation basis for investments, it may not be possible to obtain sufficient appropriate audit evidence without a written representation from management about its intentions. Although such written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own for that assertion.

Communicating a Threshold Amount (Ref: Para. 10-11, 13)

A14. ISA 450 requires the auditor to accumulate misstatements identified during the audit, other than those that are clearly trivial.⁶ The auditor may determine a threshold above which misstatements cannot be regarded as clearly trivial. In the same way, the auditor may consider communicating to management a threshold for purposes of the requested written representations.

Date of and Period(s) Covered by Written Representations (Ref: Para. 14)

A15. Because written representations are necessary audit evidence, the auditor's opinion cannot be expressed, and the auditor's report cannot be dated, before the date of the written representations. Furthermore, because the auditor is concerned with events occurring up to the date of the auditor's report that may require adjustment to or disclosure in the financial statements, the written representations are dated as near as practicable to, but not after, the date of the auditor's report on the financial statements.

A16. In some circumstances it may be appropriate for the auditor to obtain a written representation about a specific assertion in the financial statements during the course of the audit. Where this is the case, it may be necessary to request an updated written representation.

A17. The written representations are for all periods referred to in the auditor's report because management needs to reaffirm that the written representations it previously made with respect to the prior periods remain appropriate. The auditor and management may agree to a form of written representation that updates written representations relating to the prior periods by addressing whether there are any changes to such written representations and, if so, what they are.

⁶ ISA 450, "Evaluation of Misstatements Identified during the Audit," paragraph 5.

A18. Situations may arise where current management were not present during all periods referred to in the auditor's report. Such persons may assert that they are not in a position to provide some or all of the written representations because they were not in place during the period. This fact, however, does not diminish such persons' responsibilities for the financial statements as a whole. Accordingly, the requirement for the auditor to request from them written representations that cover the whole of the relevant period(s) still applies.

Form of Written Representations (Ref: Para. 15)

A19. Written representations are required to be included in a representation letter addressed to the auditor. In some jurisdictions, however, management may be required by law or regulation to make a written public statement about its responsibilities. Although such statement is a representation to the users of the financial statements, or to relevant authorities, the auditor may determine that it is an appropriate form of written representation in respect of some or all of the representations required by paragraph 10 or 11. Consequently, the relevant matters covered by such statement need not be included in the representation letter. Factors that may affect the auditor's determination include:

- Whether the statement includes confirmation of the fulfillment of the responsibilities referred to in paragraphs 10 and 11.
- Whether the statement has been given or approved by those from whom the auditor requests the relevant written representations.
- Whether a copy of the statement is provided to the auditor as near as practicable to, but not after, the date of the auditor's report on the financial statements (see paragraph 14).

A20. A formal statement of compliance with law or regulation, or of approval of the financial statements, would not contain sufficient information for the auditor to be satisfied that all necessary representations have been consciously made. The expression of management's responsibilities in law or regulation is also not a substitute for the requested written representations.

A21. Appendix 2 provides an illustrative example of a representation letter.

Communication with Those Charged with Governance (Ref: Para. 10-11, 13)

A22. ISA 260 requires the auditor to communicate with those charged with governance the written representations which the auditor has requested from management.⁷

⁷ ISA 260, "Communication with Those Charged with Governance," paragraph 16(c)(ii).

Doubt as to the Reliability of Written Representations and Requested Written Representations Not Provided

Doubt as to the Reliability of Written Representations (Ref: Para. 16-17)

- A23. In the case of identified inconsistencies between one or more written representations and audit evidence obtained from another source, the auditor may consider whether the risk assessment remains appropriate and, if not, revise the risk assessment and determine the nature, timing and extent of further audit procedures to respond to the assessed risks.
- A24. Concerns about the competence, integrity, ethical values or diligence of management, or about its commitment to or enforcement of these, may cause the auditor to conclude that the risk of management misrepresentation in the financial statements is such that an audit cannot be conducted. In such a case, the auditor may consider withdrawing from the engagement, where withdrawal is possible under applicable law or regulation, unless those charged with governance put in place appropriate corrective measures. Such measures, however, may not be sufficient to enable the auditor to issue an unmodified audit opinion.
- A25. ISA 230 requires the auditor to document significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.⁸ The auditor may have identified significant issues relating to the competence, integrity, ethical values or diligence of management, or about its commitment to or enforcement of these, but concluded that the written representations are nevertheless reliable. In such a case, this significant matter is documented in accordance with ISA 230.

Written Representations about Management's Responsibilities (Ref: Para. 20)

- A26. As explained in paragraph A7, the auditor is not able to judge solely on other audit evidence whether management has fulfilled the responsibilities referred to in paragraphs 10 and 11. Therefore, if, as described in paragraph 20(a), the auditor concludes that the written representations about these matters are unreliable, or if management does not provide those written representations, the auditor is unable to obtain sufficient appropriate audit evidence. The possible effects on the financial statements of such inability are not confined to specific elements, accounts or items of the financial statements and are hence pervasive. ISA 705 requires the auditor to disclaim an opinion on the financial statements in such circumstances.⁹

⁸ ISA 230, "Audit Documentation," paragraphs 8(c) and 10.

⁹ ISA 705, paragraph 9.

A27. A written representation that has been modified from that requested by the auditor does not necessarily mean that management did not provide the written representation. However, the underlying reason for such modification may affect the opinion in the auditor's report. For example:

- The written representation about management's fulfillment of its responsibility for the preparation of the financial statements may state that management believes that, except for material non-compliance with a particular requirement of the applicable financial reporting framework, the financial statements are prepared in accordance with that framework. The requirement in paragraph 20 does not apply because the auditor concluded that management has provided reliable written representations. However, the auditor is required to consider the effect of the non-compliance on the opinion in the auditor's report in accordance with ISA 705.
- The written representation about the responsibility of management to provide the auditor with all relevant information agreed in the terms of the audit engagement may state that management believes that, except for information destroyed in a fire, it has provided the auditor with such information. The requirement in paragraph 20 does not apply because the auditor concluded that management has provided reliable written representations. However, the auditor is required to consider the effects of the pervasiveness of the information destroyed in the fire on the financial statements and the effect thereof on the opinion in the auditor's report in accordance with ISA 705.

Appendix 1

(Ref: Para. 2)

List of ISAs Containing Requirements for Written Representations

This appendix identifies paragraphs in other ISAs in effect for audits of financial statements for periods beginning on or after December 15, 2009 that require subject-matter specific written representations. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.

- ISA 240, “The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements” – paragraph 39
- ISA 250, “Consideration of Laws and Regulations in an Audit of Financial Statements” – paragraph 16
- ISA 450, “Evaluation of Misstatements Identified during the Audit” – paragraph 14
- ISA 501, “Audit Evidence—Specific Considerations for Selected Items” – paragraph 12
- ISA 540, “Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures” – paragraph 22
- ISA 550, “Related Parties” – paragraph 26
- ISA 560, “Subsequent Events” – paragraph 9
- ISA 570, “Going Concern” – paragraph 16(e)
- ISA 710, “Comparative Information—Corresponding Figures and Comparative Financial Statements” – paragraph 9

Appendix 2

(Ref: Para. A21)

Illustrative Representation Letter

The following illustrative letter includes written representations that are required by this and other ISAs in effect for audits of financial statements for periods beginning on or after December 15, 2009. It is assumed in this illustration that the applicable financial reporting framework is International Financial Reporting Standards; the requirement of ISA 570¹⁰ to obtain a written representation is not relevant; and that there are no exceptions to the requested written representations. If there were exceptions, the representations would need to be modified to reflect the exceptions.

(Entity Letterhead)

(To Auditor)

(Date)

This representation letter is provided in connection with your audit of the financial statements of ABC Company for the year ended December 31, 20XX¹¹ for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, (or *give a true and fair view*) in accordance with International Financial Reporting Standards.

We confirm that (, *to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves*):

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented (or give a true and fair view) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. (ISA 540)
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards. (ISA 550)

¹⁰ ISA 570, “Going Concern.”

¹¹ Where the auditor reports on more than one period, the auditor adjusts the date so that the letter pertains to all periods covered by the auditor’s report.

- All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed. (ISA 560)
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. (ISA 450)
- [Any other matters that the auditor may consider appropriate (see paragraph A10 of this ISA).]

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. (ISA 240)
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements. (ISA 240)
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others. (ISA 240)
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. (ISA 250)
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. (ISA 550)

- [Any other matters that the auditor may consider necessary (see paragraph A11 of this ISA).]

Management

Management

