

CONSIDERATION OF SUBSEQUENT EVENTS (events after the balance sheet date)

Client:	Greenpen Example ©		
Year-end:			
Prepared by:		Date:	
Reviewed by:		Date:	

Final consideration immediately before date of auditor's report:	By:		Date:		Initial:	
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IAS 10 (AC107) defines subsequent events / events after the balance sheet date as those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Risk factors relating to subsequent events	
<p>1 Indicate whether we have identified any factors that indicate a <i>significant risk(s)</i> in respect of the identification and/or proper accounting treatment of subsequent events. Refer to:</p> <p>1.1 Relevant knowledge matters documented as part of Section C (audit planning) – Identify / refer.</p> <p>1.1 Factors identified during the audit of individual financial statements items – Identify / refer.</p>	
<p>2 In respect of <i>significant risks</i> identified:</p> <p>2.1 Comment on management's awareness of, and response to the risk(s).</p> <p>2.2 Describe the relevant internal controls that have been implemented to address the risk(s).</p> <p>2.3 Document specific audit procedures applied to address the risk(s)</p>	
Identification of subsequent events	
<p>3 Document any subsequent events identified as a result of the cut-off and/or valuation audit procedures performed in respect of individual financial statements items.</p>	
<p>4 Discuss with management the procedures that they have applied to identify any subsequent events and document any events so identified.</p>	

5 Inquire of management regarding the current status of items that were accounted for on the basis of preliminary or inconclusive data.	
6 Inquire of management regarding new commitments, borrowings or guarantees.	
7 Inquire of management regarding sales or acquisitions of assets that have occurred or are planned.	
8 Inquire of management regarding the issue of new shares or debentures or an agreement to merge or liquidate (or plans in this regard).	
9 Inquire of management regarding any assets that have been appropriated by government or destroyed (e.g. by fire or flood).	
10 Inquire of management regarding any developments in respect of risk areas and contingencies.	
11 Inquire of management regarding any unusual accounting adjustments that have been made or are contemplated.	
12 Inquire of management regarding any events that have occurred or are likely to occur which will bring into question the appropriateness of accounting policies used in the financial statements.	
13 Inquire of management regarding any events that have occurred or are likely to occur which will bring into question the appropriateness of the going concern assumption.	
14 Inspect the minutes of relevant meetings held after the balance sheet date.	
15 Inspect the latest available financial information pertaining to the relevant period after the balance sheet date.	
Follow-up of subsequent events identified	
16 Distinguish between adjusting events and non-adjusting events in accordance with IAS 10 (AC107).	

17 Confirm the actual occurrence of the events concerned.	
18 Confirm the accuracy and completeness of the financial and other information relating to the events concerned.	
19 In the case of a <i>material</i> adjusting event, confirm the proper and accurate recognition of the event in terms of the balance/total affected, including checking the measurement and disclosure of the financial statements item concerned.	
20 In the case of a <i>material</i> non-adjusting event, confirm the proper and accurate note-disclosure in the financial statements [refer to IAS 10 (AC107)].	
Conclusion in respect of subsequent events	
	Yes No
Have we obtained sufficient, appropriate audit evidence to conclude favourably regarding the identification and accounting treatment of subsequent events?	
AUDIT DIFFERENCES AND UNCERTAINTIES <i>(unresolved differences and uncertainties to be transferred to B5)</i>	
Description of differences or uncertainties (scope limitation)	Rand
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ADDITIONAL CONSIDERATIONS AND/OR DISCUSSION POINTS	
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CZ8 provides additional guidance in respect of the consideration of subsequent events occurring between the date of the financial statements and the date of the auditor's report, and facts discovered after the date of the auditor's report, including audit reporting considerations (as applicable).