

MOORE STEPHENS

AUDIT AND ASSURANCE



**PREPARING FOR
A REVIEW**

**SERIOUS ABOUT YOUR SUCCESS?
SO ARE WE. LET'S TALK.
www.moorestephens.nz**



Welcome

We've prepared this guide to help our clients prepare for a review engagement. You'll find out how to prepare for your review, what to expect and what goes on during a review.

Are your financial statements finalised?

Here's some things to check off in order to ensure that your financial statements are ready for our review:

- Check that all accruals, debtors and creditors are included
- Ensure that a petty cash count and stock-take was done at balance date, and that appropriate adjustments have been made
- Keep a journal book and supporting documents for journals made, as we'll review material journals posted during the year
- Read through the draft financial statements and make sure they comply with the relevant financial reporting framework
- Compare the current and past year's figures to make sure everything looks right – we may ask for explanations on any unusual or material variations
- Obtain your governing body's approval to release the draft financial statements to us for our review.

Let's get started

Firstly contact us to discuss the arrangements for the review engagement. We'll ensure that there is an engagement letter in place and we'll confirm our independence. We will agree on:

- The scope of the review engagement – the financial reporting framework, balance date, and confirm our compliance with the International Standard on Review Engagements (NZ)
- Timetable - Ensuring that we need sufficient time to go through the review process
- Where we'll undertake the review – this can be at your office or at ours
- Fee estimates – a sensible and realistic price to undertake the review
- The review engagement team – who the engagement partner is and the team members
- Any other information relevant to the review.

Get your records sorted

To enable us to provide an efficient and timely review, we require that certain information is ready for us at the start of our review. We will provide you with a review preparation checklist to assist you to collate documents and other information that we require.

What you can expect

We'll undertake the review in accordance with the International Standard on Review Engagements (NZ) and various ethical and professional requirements. Our review will be undertaken in accordance to the Moore Stephens methodology, which requires us to undertake various procedures and tests. Every review is different so our review programme is tailored to your organisation.

A review is limited primarily to inquiries of personnel and analytical review procedures so we may interview (either in person or via email) your staff or governing body to ask them questions about their knowledge of financial policies and transactions. We may also request further documentation from your staff, or confirmations from external parties. Any issues or adjustments we find will be brought to your attention and discussed in a timely manner. The independent assurance practitioner's report will follow after the review fieldwork has been completed.

The Moore Stephens review engagement process

To help you understand the Moore Stephens review engagement process, below is a brief summary of the process. Please don't hesitate to contact our team if you have any questions during the review.



Appointment: You appoint us to undertake a review engagement at the AGM or at a meeting of the governing body.

Review engagement letter: Issued to agree to terms of engagement – the objective and scope of the review. This letter is usually issued about every three years. If there are significant changes to the terms of your review, a new letter will be issued.

Planning: At this stage we confirm timetable, staffing, fees and information requirements. We then obtain knowledge of your organisation and plan our procedures, which primarily consist of making enquiries of your team and applying analytical procedures, and evaluating the evidence obtained.

Review: We carry out the review of your organisation. This may include a site visit, and meetings with those involved in the accounting process.

Exit discussion: We will meet or correspond about issues or adjustments to be made.

Management letter of representation: We will request from your governing body representations on material matters relating to the review.

Independent assurance practitioner's report: We will issue our conclusion on your financial statements.

Review management report: Issued at the end of the review, we will write to you detailing our findings and any recommendations for potential improvements.

What you'll receive

We consider that you will receive value from our services from the following:

- Discussions at the commencement of the assurance engagement to facilitate an efficient, effective and timely review
- Our focus on evaluating the effectiveness of your systems of internal control, and reporting practical recommendations that will strengthen controls where deficiencies are identified.
- A meaningful review carried out by a credible and reputable assurance firm that is Serious about Success
- A realistic and sensible fee
- An assurance team that is friendly, professional and approachable. We place significant emphasis on the continuing education of our professional staff who regularly attend training sessions and seminars.
- Audit News – our national audit newsletter which provides you with information which we hope will be of some use to your organisation, and to share news and views of life in the audit world. This is available on our website at any time.
- Most importantly, an Independent Assurance Practitioner's Report that you can be proud to attach to your financial statements, knowing that it has been prepared after a comprehensive and professional review engagement process.





Moore Stephens

We are one of the few remaining audit practices trading as a national network of independent firms rather than being a national firm. This gives us the great advantage of ensuring we maintain a local focus on clients, whilst still maintaining access to national resources.

We provide audits and reviews and a variety of other assurance services. Contact your local Moore Stephens Audit office to discuss your requirements.

Our services include:

- Financial statement audits
- Financial statement review engagements
- Due diligence assignments
- Financial reporting and disclosure services
- Special purpose audits
- Agreed-upon procedures
- Internal control reviews
- Real estate trust account audits
- Vote scrutineering
- Other special purpose engagements.

Due to independence requirements, our audit team doesn't provide financial statement preparation services, but we can point you in the right direction.

Should you have any questions about any of the articles in this publication, please contact your local audit team.

Moore Stephens Markhams Auckland Audit

Level 10, 203 Queen Street
PO Box 2194, Auckland 1140, New Zealand
T +64 (0)9 309 6011

Moore Stephens Christchurch Audit

335 Lincoln Road, Addington
PO Box 13 104, Christchurch 8141, New Zealand
T +64 (0)3 379 6710

Moore Stephens Wairarapa Audit

40 Perry Street
PO Box 190, Masterton 5840, New Zealand
T +64 (0)6 929 7734

Moore Stephens Wellington Audit

Level 11, 34-42 Manners Street
PO Box 24324, Wellington 6142, New Zealand
T +64 (0)4 910 1093

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