

# GUIDANCE: TRANSITION FOR LOGBOOKS FOR RCA APPLICATIONS UNDER RG 180 AUDITOR REGISTRATION (2016)

In order to register as a Registered Company Auditor (RCA), an applicant must meet the requirements of s.1280 of the Corporations Act 2001, which comprise qualifications, skills and demonstrating they are capable, fit and proper. With respect to skills the applicant may either have the prescribed level of practical experience, or equivalent experience, or satisfy the components of the ASIC-approved competency standard.

In June 2016, ASIC issued a new Regulatory Guide RG 180 Auditor Registration (RG 180 (2016)), approving the Auditing competency standard for registered company auditors (2016), issued by CPA Australia, CA ANZ and IPA, and revoking the previous competency standard that was issued in 2004.

A new logbook to demonstrate how the applicant satisfies the auditing competency standard (2016) is contained in Document E of RG 180 (2016).

RG 180 (2016) requires the Auditor Competencies Logbook to be used from 1 July 2017. Logbooks prepared in accordance with the Auditing Competency Standard for Registered Company Auditors (2004) will not be accepted after **30 June 2017** for applications for registration as a RCA.

## Transition period

<b>1 July 2016</b>	RG 180 (2016) and auditing competency standard (2016) apply for applications lodged for registration as a RCA.
<b>1 July 2016- 30 June 2017</b>	Applications accepted by ASIC under the 2004 competency standard OR the new 2016 competency standard.
<b>1 July 2017 onwards</b>	Applications accepted by ASIC only under the 2016 competency standard.

## Use of Logbook during and after the transition period

For applicants, the following options are available with respect to use of the 2016 vs 2004 logbooks:

Scenario	Recommended approach
Applicant has commenced recording their experience using the 2004 prescribed logbook and will be able to complete the logbook covering a continuous 3-5 year period for all tasks <u>and lodge</u> the application by 30 June 2017.	Continue to use the 2004 prescribed logbook and ensure the application is lodged by 30 June 2017.
Applicant has not commenced recording in either the 2004 or 2016 prescribed logbook.	Use the 2016 prescribed logbook as application may be lodged after 30 June 2017.

Scenario	Recommended approach
Applicant has commenced recording in the 2004 prescribed logbook but will not complete the application until after 30 June 2017.	Transfer the entries from the 2004 prescribed logbook to the 2016 prescribed logbook using the mapping tables in Appendix 1 below and continue recording in the new logbook. If an assessor has signed off on competence in tasks/contexts in the 2004 prescribed logbook, the assessor will need to sign off again the equivalent task/activity in the 2016 prescribed logbook.

## Key changes:

The 2016 competency standard requires demonstration of competency against 8 tasks, which are broken down into specific activities. The 8 tasks are:

- 1 Planning - Plan the audit
- 2 Planning - Assess risk
- 3 Evidence gathering - Internal control review
- 4 Evidence gathering - Substantive testing
- 5 Evidence gathering - Documentation and forming an opinion
- 6 Continuous activities - Supervise staff and manage the audit
- 7 Continuous activities - Exercise decision making on reporting and other issues
- 8 Continuous activities - Apply knowledge of auditing standards, the Corporations Act, ethical requirements, tax laws and relevant legislation

The 2004 competency standard required competency to be documented for 4 tasks: planning, evidence gathering, evidence evaluation and decision making, which are required to be performed in each of 5 contexts: client acceptance/continuance, audit planning, control testing, substantive testing and opinion formulation. This results in 20 different task/context combinations.

To assist applicants in transferring any entries already made in the 2004 prescribed logbook to the 2016 prescribed logbook, tables which map the 2004 logbook task/context combinations to the 2016 logbook activities under each task are included in the appendices:

- Appendix 1: Registered Company Auditor Competency Standard Logbook Mapping 2004 Logbook to 2016 Logbook
- Appendix 2: Registered Company Auditor Competency Standard Logbook Mapping 2016 Logbook to 2004 Logbook

## Resources:

### Current requirements

[Document E: Auditor competencies logbook 2016](#)

[RG 180 Auditor Registration \(June 2016\)](#)

[Auditing Competency Standard for RCAs \(2016\)](#)

### Previous requirements

Auditing Competency Standard for Registered Company Auditors Logbook (2004)

RG 180 Auditor Registration (2004)

Auditing Competency Standard for RCAs (2004)

# APPENDIX 1: Registered Company Auditor Competency Standard Logbook Mapping

## 2004 Logbook to 2016 Logbook

2004 Logbook Context/Task	2016 Logbook Task/Activity
<b>1.0 Context: Client acceptance/retention</b>	
<p><b>Task 1.1 Planning:</b> Identify the criteria necessary for the client acceptance/ retention decision on a potential/ existing audit engagement.</p> <p>Sub-tasks: Guide, supervise and review the audit team in (i) the development of a discussion document on the nature of an audit; (ii) the requirements relating to the audit; and (iii) the development of preliminary policies on client acceptance/ retention.</p>	<p>E2 Planning (plan the audit) - Exercise professional judgement in respect of engagement acceptance, continuance and independence.</p>
<p><b>Task 1.2 Evidence gathering:</b> Gather evidence relevant to the client acceptance/ retention decision.</p> <p>Sub-tasks: Undertake background research on the industry in question to establish industry risk parameters. Determine and document the full range of critical requirements applying to the organisation. Determine relevance to the audit of specific regulatory requirements. Guide, supervise and review the audit staff in (i) the acquisition of data relevant to the acceptance/ retention decision; (ii) the conduct of research related to industry risk parameters; and (iii) the identification of specific regulatory requirements. Develop consciousness in key audit staff of the criteria relating to the acceptance/ retention decision. As requested, support the negotiation process with the (prospective) client. Brief the audit team on applicable regulatory requirements, and the consideration and implications of the treatment of ambiguities.</p>	<p>E2 Planning (plan the audit) – Evaluate risk of engagement continuance or acceptance.</p> <p>E2 Planning (plan the audit) - Exercise professional judgement in respect of engagement acceptance, continuance and independence.</p> <p>E2 Planning (plan the audit) - Demonstrate a significant involvement in the process of planning the audit, taking into consideration due care, objectivity and ethical principles.</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
<p><b>Task 1.3 Evidence evaluation:</b> Evaluate evidence relevant to the client acceptance/ retention decision.</p> <p>Sub-tasks: Collaborate in the assessment of criteria relevant to the client acceptance/ retention decision, to identify factors where there might be difficulties in meeting the criteria. Develop proposals as to how these difficulties might be met. Identify issues or conditions relating to criteria that will be referred for wider consideration. After consultation with relevant staff or experts, evaluate (prospective) client criteria in relation to objectives and a risk/return position; negotiate these with leadership of the audit project or review partner. In association with leadership of the audit project or review partner, resolve issues, conditions and difficulties relating to the criteria identified.</p>	<p>E2 Planning (plan the audit) - Exercise professional judgement in respect of engagement acceptance, continuance and independence.</p> <p>E2 Planning (plan the audit) - Demonstrate a significant involvement in the process of planning the audit, taking into consideration due care, objectivity and ethical principles.</p>
<p><b>Task 1.4 Decision making:</b> Decide whether to accept/reject a prospective client or retain/relinquish an existing client.</p> <p>Sub-tasks: Develop a preliminary discussion document on the nature of the audit engagement, focussing on client activities and risks; negotiate approval of this document with leadership of the audit project or review partner. Document the final agreement with the client, including parameters, conditions and liaison arrangements. Brief the audit team on the nature of the audit that has been accepted/ retained.</p>	<p>E2 Planning (plan the audit) – Evaluate risk of engagement acceptance or continuance.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) – Consider going concern on a continuous basis.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others - in particular when considering audits of a group, internal auditors, and the work of experts.</p>
<b>2.0 Context: Audit planning</b>	
<p><b>Task 2.1 Planning:</b> Identify the criteria necessary for the decision as to the appropriate audit plan.</p> <p>Sub-tasks: Lead the development of audit strategies. Establish parameters for the development of the audit plan - in terms of objectives, identified risks, regulatory requirements and cost structures. Guide, supervise and review the audit staff in (i) the development of preliminary staff profiles (numbers, skills, levels of seniority) related to</p>	<p>E2 Planning (plan the audit) - Demonstrate a significant involvement in the process of planning the audit, taking into consideration due care, objectivity and ethical principles.</p> <p>E2 Planning (plan the audit) - Evaluate the audit risk profile of an engagement in respect of components of audit risk.</p> <p>E3 Planning (assess risk) - Identify and assess the risks of material misstatements of the financial statements including fraud or error and customise the audit strategy.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Manage audit engagement by providing leadership</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
<p>the audit; (ii) the procedures for the audit engagement; and (iii) the development of resource projections relating to an audit. Assign responsibilities for implementation of the audit plan. Approve/arrange for necessary staffing, logistical support, and training.</p>	<p>of audit teams and project management.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts.</p>
<p><b>Task 2.2 Evidence gathering:</b> Gather evidence relevant to the determination of the audit plan.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in (i) the review and documentation of operational and organisational structures and systems in line with audit objectives; (ii) liaison processes used by the audit staff (including its documentation); and (iii) the acquisition of data relevant to the determination of the audit plan.</p>	<p>E3 Planning (assess risk) - Consider the entity's risk management process and the way it is monitored as part of the assessment of material misstatement.</p> <p>E3 Planning (assess risk) - Apply knowledge of the entity and its environment in order to identify and assess the risks of material misstatement.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>
<p><b>Task 2.3 Evidence evaluation:</b> Evaluate evidence relevant to the audit plan.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in their assessments of both the audit risks associated with the client's organisation and the cost-effectiveness of the preliminary audit plan. Lead discussions on possible and relevant audit strategies and in the development of a preliminary audit plan.</p>	<p>E2 Planning (plan the audit) - Evaluate the audit risk profile of an engagement in respect of components of audit risk.</p> <p>E3 Planning (assess risk) - Consider the entity's risk management process and the way it is monitored as part of the assessment of material misstatement.</p> <p>E3 Planning (assess risk) - Apply knowledge of the entity and its environment in order to identify and assess the risks of material misstatement.</p> <p>E3 Planning (assess risk) - Evaluate the impact on the audit of a potential breach of laws and regulations.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>
<p><b>Task 2.4 Decision making:</b> Decide the appropriate audit plan.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in their drafting and documentation of the audit plan. Review and finalise the audit plan in the light of best practice or professional standards. Overview the documentation of the final audit plan. Discuss key implementation issues of the audit plan with relevant staff, including cost-effectiveness issues. Discuss acceptance of the audit plan with the leadership of the audit project or review partner. Assign preliminary responsibilities in relation to the audit (e.g. for developing file structures and</p>	<p>E2 Planning (plan the audit) - Demonstrate a significant involvement in the process of planning the audit, taking into consideration due care, objectivity and ethical principles.</p> <p>E3 Planning (assess risk) - Approve or recommend an appropriate audit strategy and communicate it to the audit team.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Initiate and manage changes in audit strategy.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Exercise professional judgement in reaching conclusions on which to base the audit opinion, including assessing risk of material</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
procedures). Brief the audit team on objectives, parameters and conditions of the audit.	<p>misstatement.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider going concern on a continuous basis.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Adopt a sceptical mindset in light of the nature of the entity, management, and the evidence obtained during the audit.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts.</p>
<b>3.0 Context: Control testing</b>	
<p><b>Task 3.1 Planning:</b> Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion as to whether planned reliance on internal control procedures is appropriate.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in the development of the audit programs for control testing.</p>	<p>E4 Evidence gathering (internal control review) - Develop an understanding of the control environment and evaluate the design and implementation of control to mitigate risks of material misstatement.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts.</p>
<p><b>Task 3.2 Evidence gathering:</b> Gather evidence relevant to the effectiveness of operation of internal control procedures upon which reliance has been planned.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in (i) the liaison processes used by the audit staff (including its documentation) during control testing; (ii) the acquisition of data relevant to the determination of the effectiveness of internal control procedures; and (iii) the budgeting, monitoring and day to day administration of this phase of the audit. Monitor the implementation of the audit plan, as it relates to control testing, to pre-set schedules/performance indicators.</p>	<p>E4 Evidence gathering (internal control review) - Evaluate tests of operating effectiveness performed.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
<p><b>Task 3.3 Evidence evaluation:</b> Evaluate the evidence relevant to the effectiveness of operation of internal control procedures</p> <p>Sub-tasks: Guide, supervise and review the audit staff's (i) final evaluations of control risk; (ii) evaluation of sufficiency and appropriateness of evidence gathered; (iii) qualitative and quantitative analysis of control deviations; (iv) discussion of the consequence of the control deviations with the client organisation; and (v) final evaluations of the control risks associated with the effectiveness of internal control procedures. Conclude as to the sufficiency and appropriateness of evidence gathered during control testing. Conclude as to the final evaluations of control risk.</p>	<p>E4 Evidence gathering (internal control review) - Evaluate tests of operating effectiveness performed.</p> <p>E4 Evidence gathering (internal control review) - Evaluate effects of deficiencies in internal control, and communicate deficiencies to those charged with governance.</p> <p>E4 Evidence gathering (internal control review) - Assess the effect of information technology (IT) controls on the audit strategy, and on the potential risk of material misstatements.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>
<p><b>Task 3.4 Decision making:</b> Decide whether planned reliance on internal control procedures is appropriate.</p> <p>Sub-tasks: Guide, supervise and review audit staff in (i) work performed during control testing and conclusions prepared by audit staff; (ii) documentation of conclusions as to the effectiveness of control procedures upon which reliance had been planned; (iii) identification of consequent changes, if any, to the audit plan; (iv) briefing of staff of changes to audit plan. Monitor performance of control testing against budget and recommend on revised resource allocations/projections. Consider and recommend on substantive changes to audit plan. Advise leadership of the audit project or review partner on major problems or issues and recommend solutions/actions. As necessary, arrange for documented revision of the audit plan, and brief relevant staff on the changes.</p>	<p>E4 Evidence gathering (internal control review) - Assess the effect of information technology (IT) controls on the audit strategy, and on the potential risk of material misstatements.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Initiate and manage changes in audit strategy.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Exercise professional judgement in reaching conclusions on which to base the audit opinion, including assessing risk of material misstatement.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Adopt a sceptical mindset in light of the nature of the entity, management, and the evidence obtained during the audit.</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
<b>4.0 Context: Substantive testing</b>	
<p><b>Task 4.1 Planning:</b> Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in their development of the audit programs for substantive testing.</p>	<p>E5 Evidence gathering (substantive testing) - Determine the nature and extent of substantive testing in light of associated risks of misstatement.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts.</p>
<p><b>Task 4.2 Evidence gathering:</b> Gather evidence relevant to the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in (i) the liaison processes used by the audit staff (including its documentation); (ii) the acquisition of data relevant to the determination of the extent of misstatements in account balances and underlying classes of transactions; (iii) the budgeting, monitoring and day to day administration of this phase of the audit. Monitor the implementation of the audit plan, as it relates to substantive testing, to pre-set schedules/performance indicators.</p>	<p>E5 Evidence gathering (substantive testing) - Evaluate the sufficiency and appropriateness of audit evidence obtained.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>
<p><b>Task 4.3 Evidence evaluation:</b> Evaluate evidence relevant to the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Sub-tasks: Guide, supervise and review the audit staff in their (i) evaluation of the sufficiency and appropriateness of evidence gathered; (ii) the qualitative and quantitative analysis of misstatements; (iii) discussion of the consequence of the misstatements with the client organisation; and (iv) final evaluation of the extent of misstatements in account balances and underlying classes of transactions. Conclude as to the sufficiency and appropriateness of evidence gathered during substantive testing. Conclude as to the final evaluation of misstatements in account balances and underlying classes of transactions.</p>	<p>E5 Evidence gathering (substantive testing) - Evaluate the sufficiency and appropriateness of audit evidence obtained.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>



2004 Logbook Context/Task	2016 Logbook Task/Activity
<p><b>Task 4.4 Decision making:</b> Decide the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Sub-tasks: Advise leadership of the audit project or review partner on major problems or issues and recommend solutions/actions. Consider and recommend on substantive changes to the audit plan. As necessary, arrange for the documented revision of the audit plan, and brief relevant staff on the changes.</p>	<p>E7 Continuous activities (supervise staff and manage the audit) - Initiate and manage changes in audit strategy.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Exercise professional judgement in reaching conclusions on which to base the audit opinion, including assessing risk of material misstatement.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider going concern on a continuous basis.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Adopt a sceptical mindset in light of the nature of the entity, management, and the evidence obtained during the audit.</p>
<b>5.0 Context: Opinion formulation</b>	
<p><b>Task 5.1 Planning:</b> Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the financial report.</p> <p>Sub-tasks: Identify the factors relevant to the determination of materiality for reporting purposes. Guide, supervise and review the audit staff in their development of the audit programs for this phase of the audit.</p>	<p>E6 Opinion formation (documenting and forming an opinion) - Analyse the presentation and disclosures of the financial statements.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Evaluate accounting policies to determine whether the entity has adopted and presented them as required by the relevant financial reporting framework.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Evaluate the accounting treatment and disclosure of transactions, including accounting estimates and the use of fair values.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts.</p>
<p><b>Task 5.2 Evidence gathering:</b> Gather evidence relevant to the formation of an opinion on the financial report.</p> <p>Sub-task: Lead the liaison processes used by the audit team (including its documentation). Monitor the implementation of the audit plan during this phase of the audit to pre-set schedules/ performance indicators. Supervise the checking and editing of the (draft) final report for the overall audit.</p>	<p>E6 Opinion formation (documenting and forming an opinion) - Evaluate accounting policies to determine whether the entity has adopted and presented them as required by the relevant financial reporting framework.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Evaluate the accounting treatment and disclosure of transactions, including accounting estimates and the use of fair values.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Assess the reasonableness of the financial statements when compared to the understanding of the financial</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
	<p>situation of the entity including such matters as subsequent events, related party transactions and fraud.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Evaluate the assertions of the entity's management on a range of audit and accounting issues, including going concern and subsequent events.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>
<p><b>Task 5.3 Evidence evaluation:</b> Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Sub-tasks: Guide, supervise and review audit staff in their evaluation of both the sufficiency and appropriateness of evidence gathered during this phase of the audit and the factors relevant to the determination of the type of opinion to be included in the auditor's report. Conclude as to sufficiency and appropriateness of evidence gathered during this phase of the audit. Conclude as to factors relevant to the determination of the type of opinion to be included in the auditor's report. Discuss with the client organisation the consequence of the evidence gathered on the type of opinion that may issue. Advise leadership of the audit project or review partner on major problems or issues and recommend solutions/actions.</p>	<p>E6 Opinion formation (documenting and forming an opinion) - Evaluate accounting policies to determine whether the entity has adopted and presented them as required by the relevant financial reporting framework.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Evaluate the accounting treatment and disclosure of transactions, including accounting estimates and the use of fair values.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Assess the reasonableness of the financial statements when compared to the understanding of the financial situation of the entity including such matters as subsequent events, related party transactions and fraud.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Review adequacy, completeness and objectivity of the documentation of the audit evidence supporting the final draft report.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Evaluate the assertions of the entity's management on a range of audit and accounting issues, including going concern and subsequent events.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Manage communication with those charged with governance.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Identify significant deficiencies or other matters to be communicated.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Review work of the team and others involved in the audit such as component auditors and experts.</p>

2004 Logbook Context/Task	2016 Logbook Task/Activity
<p><b>Task 5.4 Decision making:</b> Decide the appropriate audit opinion on the financial report.</p> <p>Sub-tasks: Discuss draft report items with appropriate level of client organisation's staff. Review accuracy, completeness and objectivity of documentation supporting the final report. Advise leadership of the audit project or review partner on draft final report, including unresolved issues. Review structure of (draft) final report, in terms of audit objectives, structure of underlying evidence/ reasoning, and reasonableness. Supervise any redrafting of final report and review its final form. Monitor issuance of final report.</p>	<p>E6 Opinion formation (documenting and forming an opinion) - Evaluate the accounting treatment and disclosure of transactions, including accounting estimates and the use of fair values.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Assess the reasonableness of the financial statements when compared to the understanding of the financial situation of the entity including such matters as subsequent events, related party transactions and fraud.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Review adequacy, completeness and objectivity of the documentation of the audit evidence supporting the final draft report.</p> <p>E6 Opinion formation (documenting and forming an opinion) - Prepare an appropriate audit report based on the evidence obtained.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Evaluate the assertions of the entity's management on a range of audit and accounting issues, including going concern and subsequent events.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Manage communication with those charged with governance.</p> <p>E7 Continuous activities (supervise staff and manage the audit) - Identify significant deficiencies or other matters to be communicated.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Exercise professional judgement in reaching conclusions on which to base the audit opinion, including assessing risk of material misstatement.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider going concern on a continuous basis.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Adopt a sceptical mindset in light of the nature of the entity, management, and the evidence obtained during the audit.</p> <p>E8 Continuous activities (exercise decision making on reporting and other issues) - Consider the use of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts.</p>

# APPENDIX 2: Registered Company Auditor Competency Standard Logbook Mapping

## 2016 Logbook to 2004 Logbook

2016 Logbook Activity	2004 Logbook Context/Task
<b>Table E2 – Planning (1) Plan the audit</b>	
Evaluate risk of engagement continuance or acceptance. (ASA 220)	<p>Task 1.2 Evidence gathering: Gather evidence relevant to the client acceptance/ retention decision.</p> <p>Task 1.4 Decision making: Decide whether to accept/reject a prospective client or retain/relinquish an existing client.</p>
Exercise professional judgement in respect of engagement acceptance, continuance and independence. (ASA 200, 210)	<p>Task 1.1 Planning: Identify the criteria necessary for the client acceptance/ retention decision on a potential/ existing audit engagement.</p> <p>Task 1.2 Evidence gathering: Gather evidence relevant to the client acceptance/ retention decision.</p> <p>Task 1.3 Evidence evaluation: Evaluate evidence relevant to the client acceptance/ retention decision.</p>
Demonstrate a significant involvement in the process of planning the audit, taking into consideration due care, objectivity and ethical principles. (ASA 300)	<p>Task 1.2 Evidence gathering: Gather evidence relevant to the client acceptance/ retention decision.</p> <p>Task 1.3 Evidence evaluation: Evaluate evidence relevant to the client acceptance/ retention decision.</p> <p>Task 2.1 Planning: Identify the criteria necessary for the decision as to the appropriate audit plan.</p> <p>Task 2.4 Decision making: Decide the appropriate audit plan.</p>
Evaluate the audit risk profile of an engagement in respect of components of audit risk. (ASA 300)	<p>Task 2.1 Planning: Identify the criteria necessary for the decision as to the appropriate audit plan.</p> <p>Task 2.3 Evidence evaluation: Evaluate evidence relevant to the audit plan.</p>

2016 Logbook Activity	2004 Logbook Context/Task
<b>Table E3 Planning (2) Assess risk</b>	
Identify and assess the risks of material misstatements of the financial statements including fraud or error and customise the audit strategy. (ASA 240, 320, 330)	Task 2.1 Planning: Identify the criteria necessary for the decision as to the appropriate audit plan.
Consider the entity's risk management process and the way it is monitored as part of the assessment of material misstatement. (ASA 315)	Task 2.2 Evidence gathering: Gather evidence relevant to the determination of the audit plan. Task 2.3 Evidence evaluation: Evaluate evidence relevant to the audit plan.
Apply knowledge of the entity and its environment in order to identify and assess the risks of material misstatement. (ASA 315)	Task 2.2 Evidence gathering: Gather evidence relevant to the determination of the audit plan. Task 2.3 Evidence evaluation: Evaluate evidence relevant to the audit plan.
Evaluate the impact on the audit of a potential breach of laws and regulations. (ASA 250)	Task 2.3 Evidence evaluation: Evaluate evidence relevant to the audit plan.
Approve or recommend an appropriate audit strategy and communicate it to the audit team. (ASA 330)	Task 2.4 Decision making: Decide the appropriate audit plan.
<b>Table E4 Evidence gathering (3) Internal control review</b>	
Develop an understanding of the control environment and evaluate the design and implementation of control to mitigate risks of material misstatement. (ASA 315)	Task 3.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion as to whether planned reliance on internal control procedures is appropriate.
Evaluate tests of operating effectiveness performed. (ASA 315)	Task 3.2 Evidence gathering: Gather evidence relevant to the effectiveness of operation of internal control procedures upon which reliance has been planned. Task 3.3 Evidence evaluation: Evaluate the evidence relevant to the effectiveness of operation of internal control procedures.
Evaluate effects of deficiencies in internal control, and communicate deficiencies to those charged with governance. (ASA 315, 260, 265)	Task 3.3 Evidence evaluation: Evaluate the evidence relevant to the effectiveness of operation of internal control procedures.

2016 Logbook Activity	2004 Logbook Context/Task
Assess the effect of information technology (IT) controls on the audit strategy, and on the potential risk of material misstatements. (ASA 315)	Task 3.3 Evidence evaluation: Evaluate the evidence relevant to the effectiveness of operation of internal control procedures.  Task 3.4 Decision making: Decide whether planned reliance on internal control procedures is appropriate.
<b>Table E5 Evidence gathering (4) Substantive testing</b>	
Determine the nature and extent of substantive testing in light of associated risks of misstatement. (ASA 330, 530)	Task 4.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the extent of misstatements in account balances and underlying classes of transactions.
Evaluate the sufficiency and appropriateness of audit evidence obtained. (ASA 450, 500 series)	Task 4.2 Evidence gathering: Gather evidence relevant to the extent of misstatements in account balances and underlying classes of transactions.  Task 4.3 Evidence evaluation: Evaluate evidence relevant to the extent of misstatements in account balances and underlying classes of transactions.
<b>Table E6: TASK: Opinion formation—(5) Documenting and forming an opinion</b>	
Analyse the presentation and disclosures of the financial statements. (ASA 520, 710)	Task 5.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the financial report.
Evaluate accounting policies to determine whether the entity has adopted and presented them as required by the relevant financial reporting framework. (ASA 500, 520)	Task 5.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the financial report.  Task 5.2 Evidence gathering: Gather evidence relevant to the formation of an opinion on the financial report.  Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.

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Evaluate the accounting treatment and disclosure of transactions, including accounting estimates and the use of fair values. (ASA 500, 540)	<p>Task 5.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the financial report.</p> <p>Task 5.2 Evidence gathering: Gather evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Assess the reasonableness of the financial statements when compared to the understanding of the financial situation of the entity including such matters as subsequent events, related party transactions and fraud. (ASA 560, 550,700, 720)	<p>Task 5.2 Evidence gathering: Gather evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Review adequacy, completeness and objectivity of the documentation of the audit evidence supporting the final draft report. (ASA 230, 520, 450, 720)	<p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Prepare an appropriate audit report based on the evidence obtained (ASA 700, 705, 706)	Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.
<b>Table E7: TASK: Continuous activities—(6) Supervise staff and manage the audit</b>	
Manage audit engagement by providing leadership of audit teams and project management. (ASA 220)	Task 2.1 Planning: Identify the criteria necessary for the decision as to the appropriate audit plan.
Initiate and manage changes in audit strategy. (ASA 330)	<p>Task 2.4 Decision making: Decide the appropriate audit plan.</p> <p>Task 3.4 Decision making: Decide whether planned reliance on internal control procedures is appropriate</p> <p>Task 4.4 Decision making: Decide the extent of misstatements in account balances and underlying classes of transactions.</p>
Evaluate the assertions of the entity's management on a range of audit and accounting	Task 5.2 Evidence gathering: Gather evidence relevant to

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issues, including going concern and subsequent events. (ASA 315, 580, 560, 570)	<p>the formation of an opinion on the financial report.</p> <p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Manage communication with those charged with governance. (ASA 260, 450)	<p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Identify significant deficiencies or other matters to be communicated. (ASA 260)	<p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Review work of the team and others involved in the audit such as component auditors and experts. (ASQC 1)	<p>Task 2.2 Evidence gathering: Gather evidence relevant to the determination of the audit plan.</p> <p>Task 2.3 Evidence evaluation: Evaluate evidence relevant to the audit plan.</p> <p>Task 3.2 Evidence gathering: Gather evidence relevant to the effectiveness of operation of internal control procedures upon which reliance has been planned.</p> <p>Task 3.3 Evidence evaluation: Evaluate the evidence relevant to the effectiveness of operation of internal control procedures</p> <p>Task 4.2 Evidence gathering: Gather evidence relevant to the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Task 4.3 Evidence evaluation: Evaluate evidence relevant to the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Task 5.2 Evidence gathering: Gather evidence relevant to the formation of an opinion on the financial report.</p> <p>Task 5.3 Evidence evaluation: Evaluate evidence relevant to the formation of an opinion on the financial report.</p>



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<b>Table E8: TASK: Continuous activities—(7) Exercise decision making on reporting and other issues</b>	
Exercise professional judgement in reaching conclusions on which to base the audit opinion, including assessing risk of material misstatement. (ASA 200, 700, 320)	<p>Task 2.4 Decision making: Decide the appropriate audit plan.</p> <p>Task 3.4 Decision making: Decide whether planned reliance on internal control procedures is appropriate.</p> <p>Task 4.4 Decision making: Decide the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Consider going concern on a continuous basis. (ASA 570)	<p>Task 1.4 Decision making: Decide whether to accept/reject a prospective client or retain/relinquish an existing client.</p> <p>Task 2.4 Decision making: Decide the appropriate audit plan.</p> <p>Task 4.4 Decision making: Decide the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Adopt a sceptical mindset in light of the nature of the entity, management, and the evidence obtained during the audit. (ASA 200)	<p>Task 2.4 Decision making: Decide the appropriate audit plan.</p> <p>Task 3.4 Decision making: Decide whether planned reliance on internal control procedures is appropriate.</p> <p>Task 4.4 Decision making: Decide the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>
Consider the user of the work of others, in particular when considering audits of a group, internal auditors, and the work of experts. (ASA 600, 610, 620)	<p>Task 1.4 Decision making: Decide whether to accept/reject a prospective client or retain/relinquish an existing client.</p> <p>Task 2.1 Planning: Identify the criteria necessary for the decision as to the appropriate audit plan.</p> <p>Task 2.4 Decision making: Decide the appropriate audit plan.</p> <p>Task 3.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion</p>

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	<p>as to whether planned reliance on internal control procedures is appropriate.</p> <p>Task 4.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the extent of misstatements in account balances and underlying classes of transactions.</p> <p>Task 5.1 Planning: Identify the nature, timing and extent of audit procedures necessary to be able to form an opinion on the financial report.</p> <p>Task 5.4 Decision making: Decide the appropriate audit opinion on the financial report.</p>