

SA 580

516.1 As per SA 580, Written representations means a written statement by auditor provided to the management to –

- a) confirm certain matters
- b) support other audit evidence
- c) both of the above
- d) none of the above

516.2 As per SA 580, Written representations means a written statement by management provided to the auditor to –

- a) confirm certain matters
- b) support other audit evidence
- c) both of the above
- d) none of the above

516.3 As per SA 580, Written representations in this context include –

- a) financial statements,
- b) the assertions therein
- c) supporting books and records
- d) none of the above

516.4 For purposes of SA-580, references to “management” should be read as

- a) management
- b) those charged with governance
- c) both of the above
- d) management and, where appropriate, those charged with governance.

516.5 As per SA 580, there are two types of written representations: -

1. Written Representations about Management’s Responsibilities
2. Other Written Representations.

State whether true or false:

- a) True
- b) False

516.6 As per SA 580, written Representations about Management’s Responsibilities is _____in nature

- a) compulsory
- b) optional (as per requirement of auditor)
- c) both of the above

- d) none of the above

516.7 Identify the incorrect one:

- a) As per SA 580, 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.
- b) As per SA 580, written representations can be considered as necessary, sufficient & appropriate audit evidence on their own about any of the matters with which they deal.

516.8 Identify the correct one:

- a) 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 fulfilment of management’s responsibilities, or about specific assertions.
- b) The fact that management has provided reliable written representations affect the nature or extent of other audit evidence that the auditor obtains about the fulfilment of management’s responsibilities, or about specific assertions.

516.9 Identify the correct one:

- a) Written representations cannot be a substitute for other evidence that the auditor could expect to be reasonably available.
- b) Written representations can be a substitute for other evidence that the auditor could expect to be reasonably available.

516.10 Identify the correct one:

- a) If the auditor is unable to obtain sufficient appropriate audit evidence that he believes would be available regarding a matter which has or may have a material effect on the financial information.
- b) If representation from management has not been obtained on the matter in that case only it will constitute a limitation on the scope of his examination.

- c) If representation from management has been obtained on the matter this will still constitute a limitation on the scope of his examination.
- d) Even If representation from management has not been obtained on the matter this will not constitute a limitation on the scope of his examination.
- e) None of the above

516.11 The auditor may also ask management to reconfirm its acknowledgement and understanding of those responsibilities in written representations. This is particularly appropriate when:

1. The terms of the audit engagement were prepared in a previous year;
2. There is any indication that management misunderstands those responsibilities
3. Changes in circumstances make it appropriate to do so.
4. All of the above

516.12 Identify the correct one:

As per SA 580, Written representations are requested from those responsible for:

- a) the preparation and presentation of the Audit report
- b) the preparation and presentation of the Stakeholders report
- c) the preparation and presentation of the financial statements
- d) all of the above

516.13 Identify the correct one:

To the effect that representations are made to the best of its knowledge and belief, written representations by management:

- a) should always use an unqualified language
- b) may be in qualifying language
- c) should always use a qualified language
- d) none of the above

516.14 Identify the correct one:

The date of the written representations shall be:

- a) as near as practicable to, before or after, the date of the auditor's report on the financial statements

- b) as near as practicable to, but not before, the date of the auditor's report on the financial statements
- c) as near as practicable to, but not after, the date of the auditor's report on the financial statements
- d) all of the above

516.15 Identify the incorrect one:

If management does not provide one or more of the requested written representations, the auditor shall:

- a) Discuss the matter with management;
- b) Re-evaluate the integrity of management and evaluate the effect that this may have on the reliability of representations 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 SA 705.
- d) None of the above

Answers

516.1	d
516.2	c
516.3	d
516.4	d
516.5	d
516.6	a
516.7	b
516.8	a
516.9	a
516.10	b
516.11	4
516.12	c
516.13	b
516.14	c
516.15	d