Examples of inspection findings

- Traditional substantive audit approach not appropriate in a context of numerous automated transactions. This approach is not mitigated by more achievement of substantive testing
- Weaknesses in relevant controls identification and testing (including IT controls)
- No or insufficient testing of the information provided by the audited entity (completeness and accuracy) used as audit evidence
- Deficiencies in observing inventory count, particularly in a context of multi-store locations
- Insufficient challenging of management’s key assumptions and valuation methods (gross valuation and provision on inventory, trademark, store’s impairment ....)

“Well understanding entity’s business model is a key step for auditors in order to define and perform the appropriate audit procedures”