**Examples of inspection findings**

+ Failure to adequately assess fraud risk or risk at component level
+ Relevant (IT) controls not included in testing, insufficient sample size, or inadequate procedures to substantiate reliance on controls
+ Deficiencies in observing inventory count and in assessing inventories for impairment
+ Insufficient testing of relevant contracts and terms
+ Insufficient challenging of management’s key assumptions and valuation methods
+ Insufficient supervision and review of component auditor’s work

“Audit firms are encouraged to ensure adequate risk assessments to minimise the chance of further deficiencies along the audit path”