

Audit - give it a go

Project book



How to use this book

You'll be working through an audit for a fictional client, Sustedible. There are three tasks for you to complete as you work through the project. They're entirely fictional, but they'll give you a flavour of the work we do in audit.

For this activity, you'll need to manage your own time (you can complete the project in one sitting or choose to dip in and out), and work through the tasks sequentially. For each task, you'll see some instructions from your team, supporting documents and evidence from the client. You can also conduct your own research to help you.

The project book includes editable sections so you can complete the worksheets in here without having to print them. **To edit the document you'll need to download the project book and save it to your computer.** Remember to keep pressing 'save' throughout so you don't lose your work.



Task 1: PESTLE Analysis

Political



Economic



Social



Task 1: PESTLE Analysis

Technological



Legal



Environmental



Task 1: Notes

Use this space to record any notes

Task 2a: Stock count

Count the number of units held for each item and multiply it by the value per unit. This give us the total value of stock per item. Sustedible have completed their own stock count. **As their auditors, we need to verify this.**

Stock item number	Stock description	Units held	Value per unit	Total value held as per stock listing	Number verified via stock count	Total value stock held	Misstatement?
001 -1000	Chicken Tikka Masala	10	£6	£60			
001 -1001	Lamb Ragu	7	£6	£42			
001 -1002	Creamy Chicken Tarragon	8	£6	£48			
001 -1003	Aubergine Lasagne	6	£6	£36			
001 -1004	Lentil Chilli	8	£6	£48			
001 -1008	Proper Mash	10	£3	£30			
001 -1011	Mixed Salad	6	£3	£18			
TOTAL				£282			

Task 2b: Inventory

	Item	Quantity	Historical Value	Total Historical Value	Total NRV
Mains	Chicken Tikka Masala	75	£1.50		
	Lamb Ragu	34	£2.10		
	Creamy Chicken Tarragon	46	£1.33		
	Aubergine Lasagne	14	£0.98		
	Lentil Chilli	24	£1.05		
	Prawn Red Curry	35	£2.75		
	Traditional Fish Pie	35	£2.45		
Sides	Proper Mash	75	£0.86		
	Triple Cooked Chips	80	£0.97		
	Fresh Greens	56	£0.84		
	Glazed Carrots	45	£0.82		
	Mixed Salad	64	£0.79		
Total Inventory value:					

Net Realisable Value

Mains : $6 - (2 + 1.5) =$

Sides: $3 - (2 + 0.5) =$

Marketing costs (inc social media)

£2 per item

Modification costs

(e.g. cooking, preparing, packaging)

£1.50 per main

£0.50 per side

Task 2: Audit procedures (b & c)

How much should the total inventory be valued at in the financial statements?

Is Sustedible's valuation correct?

What risks might we encounter as auditors?
Did you encounter any?

What is our role as auditors in dealing with those risks?

Task 2: Notes

Use this space to record any notes

Task 3: Closing the audit

Clearance agenda

Auditor's opinion

Task 3: Notes

Use this space to record any notes