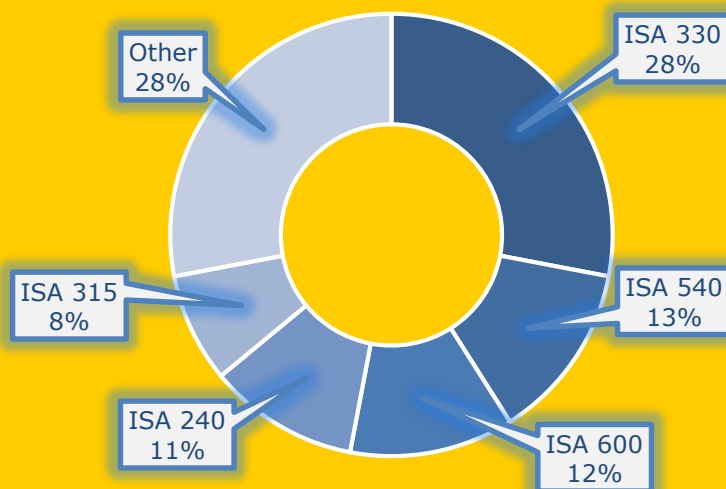




COMMITTEE OF
EUROPEAN
AUDITING
OVERSIGHT
BODIES

Inspection Findings: Industrial Products Industry

Most common types of findings



Analysis results

# Findings	138
# Jurisdictions	8
# Networks	8

# Most affected FS line items	Revenue Inventory
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Based on inspection findings between 2014 and 2018.

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"

