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| --- | --- | --- | --- | --- |
| Client: XYZ Limited | | Prepared by: Mr. Y | Date: DD-MM-YYYY | Ref: **C5** |
| Year end: 31-12-2014 | File No. | Reviewed by: Mr. X | Date: DD-MM-YYYY |

**SYSTEMS AND INTERNAL CONTROLS SUMMARY**

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| --- | --- | --- |
| **Procedures undertaken** | ***Yes/ No***  ***N/A*** | **Comments** |
| 1. Complete the basic controls questionnaire (S4) or otherwise identify the company’s system of internal control relevant to the audit. | Yes | Please see S4 |
| 2. Document relevant systems and controls on C5.1 sufficient to demonstrate our understanding of the design of the system. | Yes | Please see C5.1 |
| 3. Perform the procedures set out on C5.1 to evidence review of the implementation of controls. | Yes |  |
| 4. Ensure that all weaknesses noted in the review of the design and implementation of controls are noted in the draft management letter. | Yes |  |
| 5. Where the assessment of the design and implementation of internal controls identifies significant weaknesses, have these been taken account of in the specific risk assessment on C6.3**.** | Yes | Please see C6.3 |
| 6. Where further testing of internal controls will be undertaken prepare the necessary internal control evaluation schedules (S3). | No | Please see S3 |
| 7. Ensure that Internal Control Evaluation forms (S3) are prepared where specific testing of the operation of controls is expected to be necessary because: |  |  |
| (a) substantive tests alone are not expected to provide sufficient evidence of operation, or | Yes |  |
| (b) our risk assessment includes an expectation that controls will be operating effectively. | Yes |  |

**Conclusion at planning stage**

I am satisfied that:

(a) the design and implementation of all controls relevant to the audit has been considered;

(b) tests of the effectiveness of controls have been planned where necessary.

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Audit engagement partner Date

**Review of reliance on internal controls at the completion stage**

I confirm that:

(a) tests of the effectiveness of controls were completed satisfactorily

(b) all weaknesses in controls identified have been recorded in a draft letter of comment for the client.

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Audit engagement partner Date

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