

# Significant Audit Areas Identification Schedule

Audit Area	Description	Reason for Significance	Risk Assessment	Planned Audit Response	Responsible Auditor
Revenue Recognition	Evaluation of timing and completeness of revenue	Material account; inherent risk of misstatement	High	Test revenue transactions and review cutoff procedures	Jane Doe
Inventory Valuation	Assessment of inventory existence and net realizable value	Significant balance; complex estimation	High	Observe inventory count, test inventory aging	John Smith
Accounts Receivable	Verification of outstanding receivables and allowances	Potential credit risk and recoverability concerns	Moderate	Send debtor confirmations, review allowances	Amy Lee
Provision for Legal Claims	Review completeness and valuation of contingent liabilities	Subjective estimates; legal exposure	Moderate	Discuss with management, review legal correspondence	Michael Tan

## Important Notes:

- This schedule is a key planning document identifying high-risk areas in an audit engagement.
- Regularly update the schedule as new risks or changes are identified during the audit process.
- Documentation of rationale and planned responses supports compliance with auditing standards.
- Ensure responsible auditors are clearly assigned to each significant area for accountability.