

Audit Materiality Evaluation Justification Form

Client Name	<input type="text" value="Enter client name"/>	Period Ended	<input type="text"/>
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Engagement Partner	<input type="text" value="Enter partner name"/>	Audit Team	<input type="text" value="Enter team members"/>
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1. Basis for Determination of Materiality

Select basis used for materiality determination:

Justification for selected basis:

2. Quantitative Calculation

Key Figures:

Item	Amount	Percentage/Benchmark
<input type="text" value="E.g., Profit before tax"/>	<input type="text"/>	<input type="text" value="E.g., 5%"/>
<input type="text" value="Other basis (if any)"/>	<input type="text"/>	<input type="text" value="E.g., 1%"/>

Calculation and reasoning:

3. Qualitative Considerations

Qualitative factors influencing materiality (e.g., regulatory requirements, user needs, entity circumstances):

4. Determination of Performance and Specific Materiality

Performance Materiality:

Enter amount and percentage

Justification for performance materiality applied:

Provide justification

Specific Materiality (if applicable):

Enter details or N/A

5. Approval and Review

Prepared by

Name

Date

Reviewed by

Name

Date

Important Notes

- This form must be completed at the planning stage of the audit and updated if circumstances change.
- The selection of basis and benchmarks for materiality should be justified with reference to the specific entity and relevant audit standards.
- Qualitative factors may require materiality to be set lower than the calculated amount.
- Approval by both preparer and reviewer is required to ensure compliance and documentation quality.
- Retain this form as part of the audit working papers for regulatory and internal review.