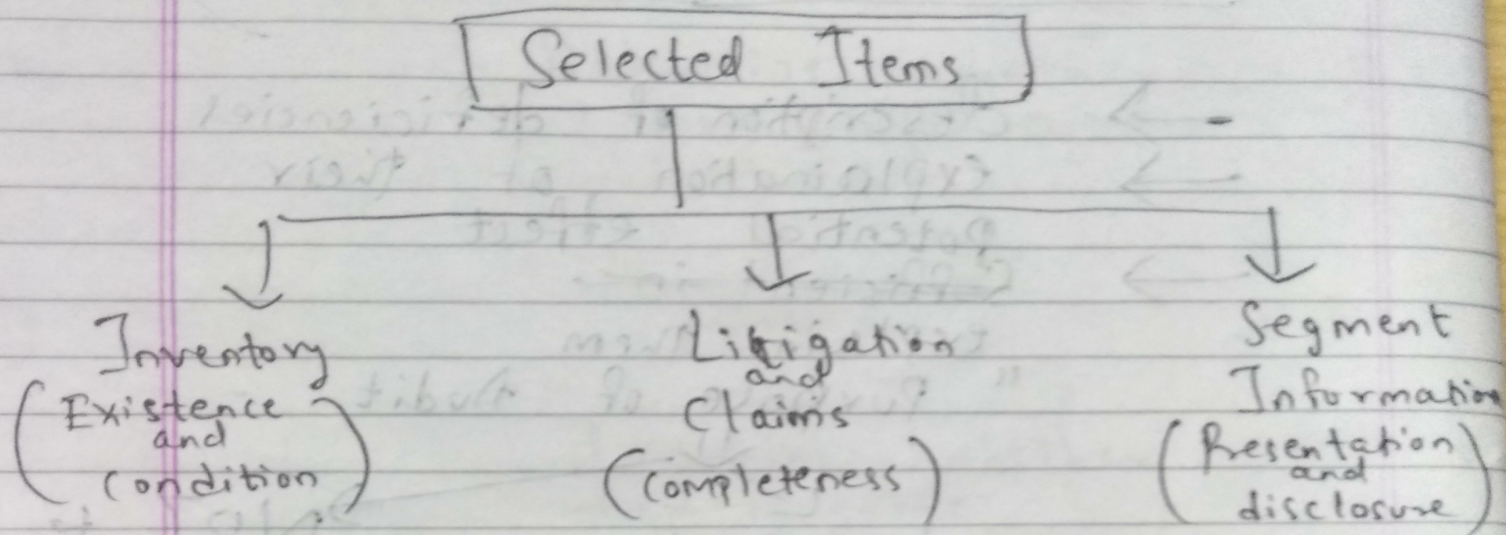


SA 501 Audit Evidence - Specific Consideration for Selected Items



Inventory

Attendance at Physical
Inventory Count

(year end)
(9/15 date)

①

Practicable

②
impracticable

* Evaluate Management's
instructions and
Procedures

* Observe Performance
of Management's Procedures

Inspect the inventory

Perform test count

Perform Audit Procedures

over entity's final Inventory

records, to determine whether they accurately reflect
actual inventory count results.

* Perform alternate
audit Procedures

(3) Inventory Counting Conducted
at date other than date of
FS

(1)

+

(e.g. count date = 15 April)

Perform audit Procedures
to obtain A.E
about whether changes
in inventory between
count date and
date of FS are properly
recorded.

(4)

If auditor is unable to attend Physical
inventory Counting due to unforeseen
Circumstances

Same as (3)

(5)

When inventory under custody
of 3rd Party is material

↓

* Request confirmation for quantities
and condition

* Perform inspection or other
audit procedures

Litigation and Claims

① Perform audit Procedures including

* Inquiry of

Management

others including in-house legal counsel

* Review

Minutes of meeting

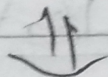
correspondence between entity and its external legal counsel.

* Review

legal expenses account

②

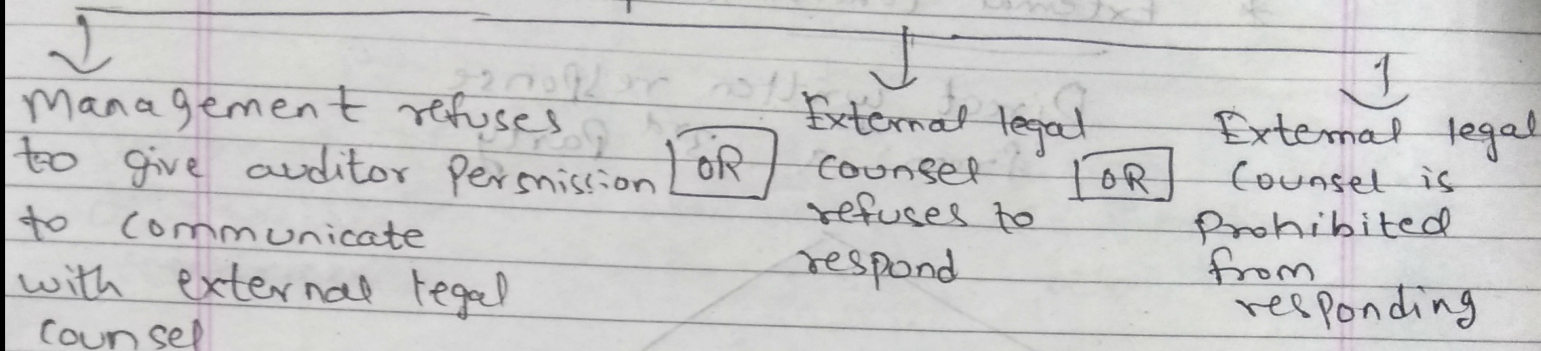
If auditor assesses RMM regarding litigation or Claims



Seek direct communication with entity's external legal counsel

through letter of inquiry, Prepared by Management, Sent by auditor, requesting entity's external legal Counsel to directly communicate with auditor

IF



(3) Obtain WR that all known pending litigations and claims have been informed to auditor.

SEGMENT INFORMATION

* Obtain SAAE regarding presentation and disclosure of segment information in accordance with applicable FRF (CAS 14)

* Obtain understanding of Methods used by management in determining segment information