

User Manual on AP4.0

ALL YOU NEED TO KNOW

EQC Compliance Advisory
WWW.EQCADVISORY.COM

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Introduction

AP4.0 is an advanced audit automation program designed to streamline and enhance the efficiency of audit engagements. By leveraging automation and large language models, it transforms traditional audit workflows, allowing CPA practices to reduce time spent on manual tasks while maintaining high-quality audit standards. Its ability to handle multiple engagements simultaneously ensures scalability and consistency across audit processes. Below is an outline of its core functionality:

Automated Audit Preparation:

AP4.0 automates the preparation of audit working papers by generating customized Excel files based on specific engagement parameters, such as financial statement line items, client industry, and key accounting estimates. It ensures that only relevant working papers and audit programs are included, tailored to each client's needs.

Comprehensive Workflow Automation

The program integrates tasks such as AML sanction screening, audit planning, analytical review generation, sample size calculations, audit adjustments that automatically update audit programs, working papers, sampling sheets and analytical reviews. Comparatives can be automatically rolled over. These tasks, which traditionally require significant manual effort, are completed efficiently and accurately, reducing preparation time and potential errors.

Auto-Documentation and Intelligent Sampling

Using large language models, AP4.0 auto-completes audit documentation, ensuring compliance with regulatory standards and consistent quality. It also automates sample selection from general ledgers and calculates sample sizes for tests of details, minimizing manual input while enhancing audit precision.

Multi-Engagement Management

AP4.0 can process multiple audit engagements simultaneously, automatically organizing working papers, audit programs, and analytical reviews into structured folders. It also names files based on client information, ensuring clarity and easy navigation.

Regulatory Compliance and Audit Quality

The program is designed to meet regulators' expectations for audit documentation and working papers, ensuring compliance without additional manual effort. This helps CPA practices focus on delivering value-added audit work.

By automating routine and repetitive tasks, AP4.0 enables auditors to focus on areas that require professional judgment and expertise. The program not only improves efficiency but also elevates audit quality, benefiting both CPA practices and their clients.

1.2 Purpose and Features

AP4.0 is designed to revolutionize the audit process by automating time-consuming and repetitive tasks, allowing auditors to focus on high-value work. It automates key processes such as client acceptance, AML sanction screening, audit planning, analytical reviews, sample size calculations, and audit confirmations, ensuring accuracy and efficiency. By tailoring working papers to each engagement's unique requirements, AP4.0 eliminates unnecessary documentation while maintaining compliance with regulatory standards.

One of AP4.0's standout features is its ability to manage multiple audit engagements simultaneously. The program automatically organizes working papers, audit programs, and analytical reviews into structured folders, naming files based on client information for easy identification. Its intelligent sampling capabilities further enhance audit precision by automating the selection of samples from general ledgers and calculating appropriate sample sizes for tests of details.

In addition to improving efficiency, AP4.0 ensures consistency and quality through its use of large language models to auto-complete audit documentation. This not only reduces the potential for human error but also helps CPA practices meet regulatory expectations. By streamlining workflows and elevating audit quality, AP4.0 empowers auditors to deliver better results while working more sustainably.

1.3 System Requirements

To ensure optimal performance and reliability, AP4.0 requires a modern computer system capable of handling its advanced automation processes. Below are the minimum and recommended system requirements for running AP4.0 effectively:

Minimum System Requirements

- Operating System: Windows version introduced in 2010 or newer (e.g., Windows 7, Windows 8, Windows 10, or Windows 11).
- Processor (CPU): Intel Core i3 (1st generation) or newer, or equivalent processor. Older processors without the i-series architecture (e.g., Intel Core 2 Duo or Pentium) are not supported.
- Memory (RAM): 16GB.
- Storage: At least 10GB of free storage space.
- Microsoft Excel: Excel 365 or Excel 2021 or newer versions.

Recommended System Requirements

For best performance, particularly when managing multiple engagements or handling large datasets:

- **Operating System: Windows 10 or Windows 11.**
- **Processor (CPU): Intel Core i5 (6th generation or newer), Intel Core i7, or equivalent AMD Ryzen processor.**
- **Memory (RAM): 32GB.**
- **Storage: Solid-State Drive (SSD) with at least 20GB of free storage space.**
- **Microsoft Excel: Excel 365 (latest version).**

1.4 Additional Technical Considerations:

File Access Requirements:

AP4.0 requires full access to the C Drive for creating, opening, modifying, and saving Excel files. Ensure that the following permissions are configured:

The user account running AP4.0 must have administrator privileges to allow the program to write to the C Drive.

Ensure that the folders used by AP4.0 are not restricted by system or administrator policies.

Firewall and Anti-Virus Settings:

AP4.0 interacts with files on the C Drive and requires Excel to open and save files dynamically. To prevent disruptions:

Allow AP4.0 through the Windows Firewall by adding it to the list of allowed programs.

Configure your anti-virus software to exclude AP4.0's installation folder and working directories from real-time scanning. This ensures that the program's file creation and modification processes are not blocked or flagged as suspicious.

Ensure that any network security tools or endpoint protection solutions do not restrict AP4.0's access to Excel or file directories.

Excel Integration and Macros:

AP4.0 relies on seamless integration with Microsoft Excel. Ensure that macros are enabled in Excel, as the program may utilize them for certain processes.

Excel must be set to allow files to open without additional security prompts (e.g., disabling Protected View for trusted locations).

Administrator Privileges:

During installation and regular use, AP4.0 requires administrator privileges to run properly. Ensure that the user account has sufficient permissions to install, configure, and execute the program. If your system is managed by an IT department, you may need their assistance to configure these settings.

2. Getting Started



THIS SECTION PROVIDES A STEP-BY-STEP GUIDE TO HELP YOU BEGIN USING **AP4.0** EFFECTIVELY. FROM THE INITIAL SETUP AND CONFIGURATION—HANDLED BY OUR DEDICATED SUPPORT TEAM—TO LAUNCHING THE PROGRAM AND EXPLORING ITS USER-FRIENDLY INTERFACE, THIS SECTION ENSURES YOU HAVE ALL THE INFORMATION NEEDED TO GET STARTED. YOU’LL ALSO BE INTRODUCED TO THE BASIC CONTROLS AND NAVIGATION FEATURES, ALLOWING YOU TO FAMILIARIZE YOURSELF WITH **AP4.0**’S STREAMLINED DESIGN AND INTUITIVE FUNCTIONALITY, ENABLING YOU TO QUICKLY INTEGRATE IT INTO YOUR AUDIT WORKFLOW.

2.1 Initial Setup and Configuration

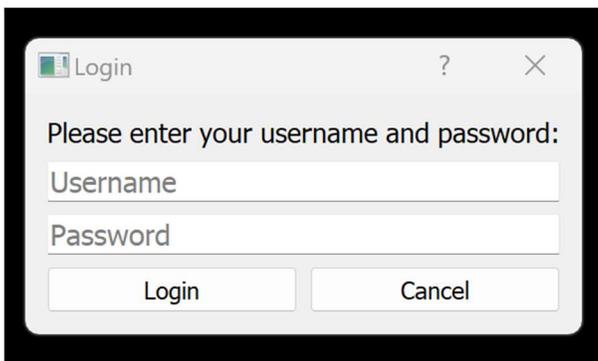
Before getting started with AP4.0, ensure that your system meets the System Requirements and complies with the Technical Considerations outlined in the previous sections. Once verified, schedule an appointment with our support team to complete the setup process. Our team will handle the installation of the program and configure it to meet your CPA practice's specific needs. During this stage, your CPA Practice Name will be added to the program, user account login credentials will be set up, and the number of credits along with their expiry date will be configured on the back-end.

Please note that these details will only be updated if there is a revision to your CPA practice name as registered with the AFRC, additional credits are purchased, or the expiry date is extended by purchasing more credits. All credits purchased on or before 30 June 2025 will expire on 30 June 2026. For any updates or changes, please contact our support team.

2.2 Launching the Program

1. Launch AP4.0 by locating “Audit Program 4.0” or “AP4.0” on Desktop. Double click the shortcut to launch the program.
2. Login using the username and password assigned to you. Please note that login credentials are specific for the workstation where the program installed. In case you have accidentally shared the login credentials with others, they may not access your client data using your login credentials, unless they login on your workstation.

Login username and password are case sensitive.



2.3 Overview of the User Interface

After logging in to AP4.0, you will be directed to the AP4.0 Wizard (the Home Screen). This is the central screen where you can navigate the program's core functionalities. The AP4.0 Wizard contains three buttons and one dropdown menu, each designed to guide you through the audit process efficiently.

1. Check Credit Balance

By clicking the "Check Credit Balance" button, a popup window will appear displaying your account information stored on the back end. This includes details such as Credits Purchased, Credits Used, Credits Available, and the Expiry Date of Credits. After reviewing this information, you can simply close the popup window to return to the AP4.0 Wizard Home Screen.

2. Multi-Engagement Management

The "Multi-Engagement Management" button generates a PDF / Excel file that serves as a To-Do List to help manage the status of all ongoing audit engagements for your CPA practice. This file provides details on the progress of each client in the system and recommends the next steps for each engagement. For example:

- Client A: Generate APM next.
- Client B: Generate COA Form and Ledger Templates next.
- Client C: Generate Audit Working Papers next.
- Client D: Generate Analytical Reviews next.

The PDF is dynamically updated based on the status of each client each time it is generated, ensuring you stay on track with your engagements. Once you've reviewed the file, close it to return to the AP4.0 Wizard Home Screen.

3. Client Acceptance & Sanction Screening

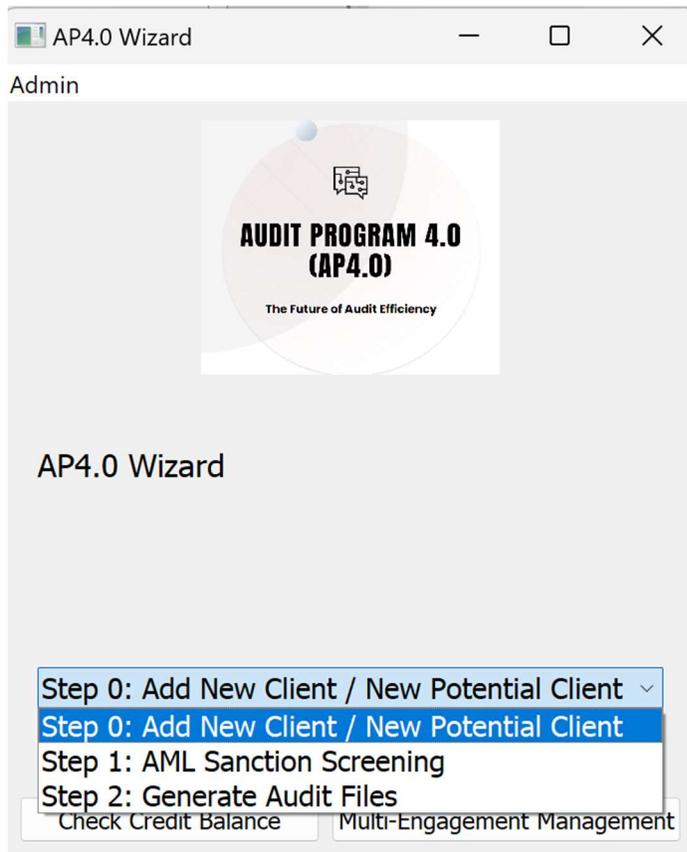


THIS SECTION GUIDES USERS THROUGH THE PROCESS OF MANAGING CLIENT INFORMATION AND CONDUCTING SANCTION SCREENING IN AP4.0. IT COVERS HOW TO EFFICIENTLY ADD OR EDIT CLIENT NAMES IN BULK, AS WELL AS INPUT THE NAMES OF DIRECTORS, SHAREHOLDERS, AND ULTIMATE BENEFICIAL OWNERS (UBOs) BY BULK UPLOAD. ONCE THE CLIENT AND RELATED NAMES ARE ADDED, THE PROGRAM PERFORMS SANCTION NAME SCREENING BY COMPARING ALL ENTERED NAMES AGAINST THE UN CONSOLIDATED SANCTION LIST. COMPREHENSIVE SEARCH REPORTS ARE THEN GENERATED AND STORED LOCALLY FOR YOUR RECORDS, ENSURING COMPLIANCE WITH REGULATORY REQUIREMENTS AND STREAMLINING YOUR CLIENT ACCEPTANCE PROCESS.

3.1 Functionalities of Dropdown Menu

The dropdown menu allows you to select from a list of specific functionalities to perform for an audit engagement. The options are:

- **Step 0: Add New Client / Potential New Client**
- **Step 1: AML Sanction Screening**
- **Step 2: Generate Audit Files**



After selecting the desired functionality, click the "Next" button to proceed to the corresponding step. Note that for any single audit engagement, the steps must be performed sequentially, starting from Step 0 and progressing through to Step 2.

The AP4.0 Wizard's simple and intuitive design ensures that you can easily access and execute the program's features to manage your audit engagements effectively.

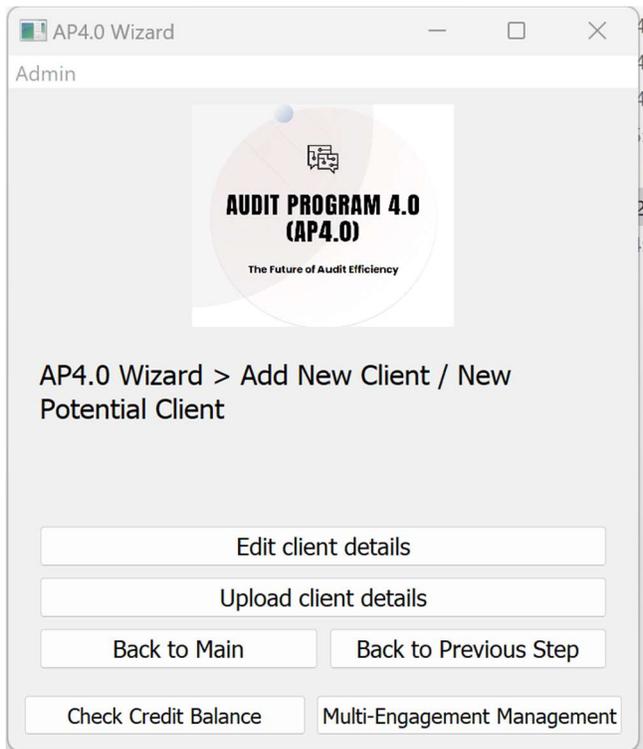
3.2 Add New Clients

To add new clients or potential clients, follow the steps below after selecting “**Step 0: Add New Client / Potential New Client**” from the dropdown menu on the AP4.0 Wizard Home Screen and clicking "Next". This process allows you to input client details in bulk for streamlined client management.

Step-by-Step Instructions

1. Accessing the Client Details File

On the new screen, click the "Edit Client Details" button. This will automatically open an Excel file named "**bulk_client_name_upload**". This file is used to input or edit client names in bulk.



2. Understanding the File Layout

The Excel file contains six columns for data entry:

- Column A: Internal Client ID (**Leave Blank**)
- Column B: Client Name (for companies)
- Column C: Country of Incorporation (for companies)
- Column D: First and Middle Names (for individuals)
- Column E: Last Name / Surname (for individuals)
- Column F: Nationality (for individuals)

For audit clients, only complete Columns B and C

The screenshot shows an Excel spreadsheet with the following structure:

1	Optional (Internal Ref)	If Client is an Entity, Please complete B & C		If client is an Individual, Please complete D, E, F		
2	File No.	Client Name	Country of Incorporation	First Name	Last Name	Nationality
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						

3. Adding Multiple Clients

Each row in the file represents a single client. You may add as many rows as needed to include all your clients in one upload.

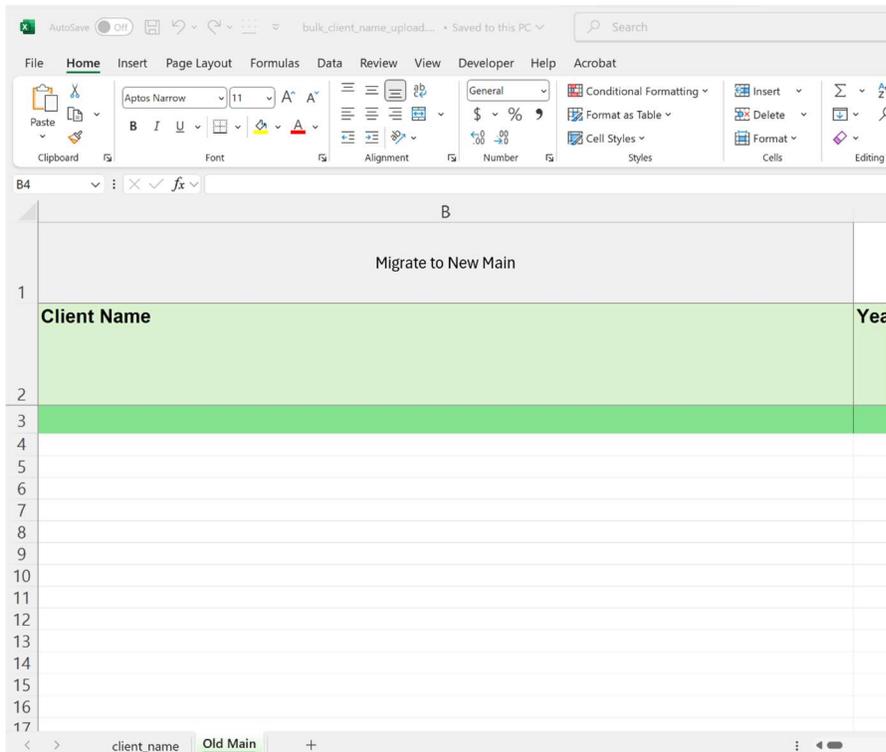
4. Saving the File

Once you've entered all the client details, save the Excel file. There's no need to specify a location, as the program will automatically save the file to a pre-determined location. Simply click Save and close the file. Avoid using "Save As," as this may create unnecessary duplicates or disrupt the program's workflow.

5. System Migration

(Only Applicable to Installation of AP4.0 Prior to 31 January 2025)

If you have completed the "Main" worksheet prior to 31 January 2025, you may paste the data into the "Worksheet" named "Old Main", and then click the button, "Migrate to New Main". This will help to automatically migrate the data into the our New "Main" worksheet.



If otherwise, you may directly complete the worksheet named "client_name".

3.3 Upload Client Names

1. Accessing the Upload Function

On the same screen, click the “***Upload Client Details***” button. This action will automatically upload the clients entered into the excel file in the previous step. Ensure that you have closed the excel file before you click this button.

2. Confirmation of Successful Upload

Once the upload is complete, a message box will pop up confirming that the client names have been successfully updated in the database.

This process ensures all client names are securely stored and ready for the next steps, such as adding directors, shareholders, and UBOs or performing sanction screening.

3.4 Client Acceptance / Engagement Continuance

This section serves as a compliance reminder for auditors to adhere to regulatory requirements during the audit process. While this section does not include any specific functions within the AP4.0 program, it highlights critical steps to ensure compliance with anti-money laundering (AML) and counter-terrorist financing (CTF) regulations, as required by the Money Laundering Reporting Officer (MLRO) in Hong Kong.

Sanction Name Screening Requirements

When conducting client acceptance procedures for new clients or engagement continuance procedures for existing clients, auditors must perform UN sanction name screening on the following individuals associated with the client:

- Directors, and
- Shareholders, and
- Ultimate Beneficial Owners (UBOs)

Timing for Name Screening Procedures

- For New Clients: Sanction name screening must be performed before the date of the audit engagement letter is issued.
- For Existing Clients (Engagement Continuance): Sanction name screening must be performed before the commencement of audit planning work for the engagement.

Next Steps:

To comply with these requirements, users should proceed to the next sub-sections to learn how to:

1. Add the names of directors, shareholders, and UBOs of the previously added clients.
2. Perform AML sanction name screening, which includes:
 - Initial Name Screening: To fulfill client acceptance or engagement continuance procedures.
 - Ongoing Name Screening: As part of ongoing monitoring, performed at a frequency in accordance with the user's AML Procedures Manual.

By following these steps, auditors can ensure compliance with legal and regulatory frameworks, mitigating potential risks and fulfilling their professional responsibilities.

3.5 Adding Names of Directors, Shareholders and Ultimate Beneficial Owners

To perform AML sanction screening on directors, shareholders, and ultimate beneficial owners (UBOs) of clients, you must first add their names to the program's search database. Follow the steps below to complete this process.

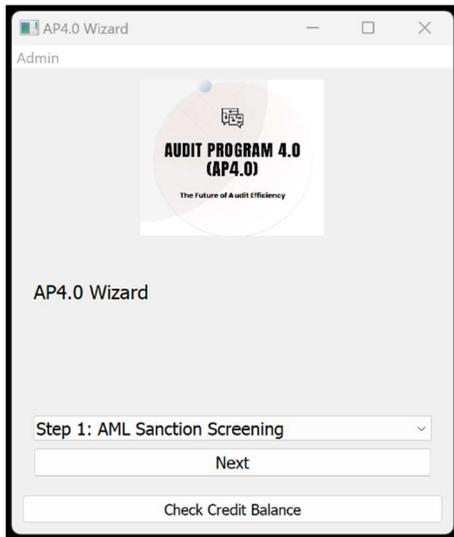
Step-by-Step Instructions

1. Return to the AP4.0 Wizard Home Screen

Click the "Back to Main" button to return to the AP4.0 Wizard Home Screen.

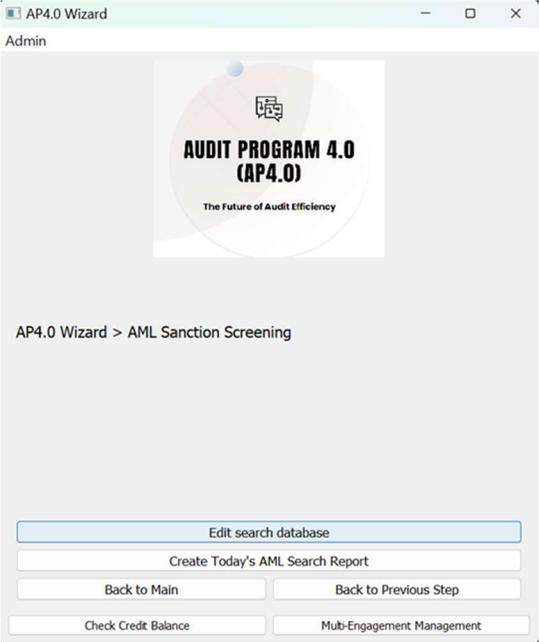
2. Select AML Sanction Screening

From the dropdown menu, select "Step 1: AML Sanction Screening", then click "Next". This will take you to the screen where you can add names of directors, shareholders, and UBOs.



3. Open the Search Database File

Click the "Edit Search Database" button. This will automatically open an Excel file named "search_database". This file is used to input the names of the stakeholders associated with your clients.



4. Understanding the File Layout

Shareholders, Directors, and Ultimate Beneficial Owners								
Please only fill one individual or one entity per row								
ap4.0 client number	client name	file no.	first name	last name	if individual, nationality	entity name	if entity, country of incorporation	role
A0001	ABC Company Limited						Hong Kong	
D0001	DEF Company Limited						Hong Kong	
J0001	Jack Dai Man Chan		Jack Dai Man	Chan	Hong Kong			
A0001	ABC Company Limited		ABC Director	Chan	Hong Kong			Director
A0001	ABC Company Limited					ABC Holding Co Ltd	Hong Kong	Intermediate Shareholder
A0001	ABC Company Limited		ABC UBO	Cheng	Hong Kong			Ultimate Beneficial Owner
D0001	DEF Company Limited					DEF Holding Co Ltd	Hong Kong	Immediate Shareholder
D0001	DEF Company Limited		DEF Director	Wong	Hong Kong			Director
D0001	DEF Company Limited		DEF UBO	Wong	Hong Kong			Ultimate Beneficial Owner

The "**search_database**" file has the following columns:

- Column A: Unique Client ID (auto-assigned by AP4.0 for each client).
- Column B: Client Name (auto-populated from Step 0).
- Column C: Internal Client ID/File Number (optional - user-entered).
- Column D: First Name(s) (for **individual stakeholders**).
- Column E: Surname (for **individual stakeholders**).
- Column F: Nationality (for **individual stakeholders**).
- Column G: Entity Name (for **company stakeholders**).
- Column H: Country of Incorporation (for **company stakeholders**).
- Column I: Role (**mandatory** - dropdown menu to select the stakeholder's relationship with the client).

5. Adding Multiple Stakeholders for the Same Client:

If a client has multiple stakeholders:

- **Copy the Unique Client ID (Column A), Client Name (Column B), and optionally the Internal Client ID (Column C) to the next row(s).**
- Complete Columns D, E, F, and I for individual stakeholders or Columns G, H, and I for company stakeholders.

6. Important Notes on Stakeholder Entries

- Include all directors, shareholders, and UBOs who acted in these capacities during the financial period being audited, even if they have since resigned.
- Each row must contain only one stakeholder's details.

7. Saving the File

Once all stakeholder names have been entered:

- Save the Excel file. There is no need to choose a save location, as the program automatically saves it to a pre-determined location.
- Close the file.

8. Database Storage

The names entered will be automatically stored in the program's backend database locally. No further steps are required to save or upload the data.

Additional Notes

- **Credit Usage:** The number of stakeholder names added does not affect credit deductions. Credits are deducted based on the frequency of searches, not the number of names searched.
- **Editing/Deleting Names:** To modify or remove names, reopen the "search_database" file by clicking "Edit Search Database" and make the necessary changes.
- **Best Practices:** Retaining stakeholder names in the database is recommended for regulatory inspections unless your practice prefers removing them after a certain period, as it does not impact credit usage.

By completing these steps, you have successfully added the names of directors, shareholders, and UBOs for AML sanction screening. Continue to the next section to perform sanction name screening.

3.5 Initial and Ongoing AML Sanction Name Screening

The Initial and Ongoing AML Sanction Name Screening function allows you to perform name screening searches for compliance with anti-money laundering (AML) and counter-terrorist financing (CTF) regulations. This process is essential during both client acceptance procedures (initial screening) and as part of ongoing monitoring for existing clients.

Step-by-Step Instructions

1. Access the AML Sanction Screening Interface

From the **AP4.0 Wizard > AML Sanction Screening** screen, locate the "**Create Today's AML Search Report**" button.

2. Start the Sanction Name Screening Search

- Click the "**Create Today's AML Search Report**" button to initiate the search.
- The search will begin immediately, and the program will:
 - Retrieve the Consolidated UN Sanction List directly from the official UN Sanctions website.
 - Compare all saved client names and their associated directors, shareholders, and UBOs against the sanction list.

3. Search Duration and Considerations

- The search process may take several minutes or longer, depending on the number of names to be screened.
- Ensure you allocate sufficient time before clicking the button to avoid disruptions.
- System Requirements:
 - Google Chrome must be installed on the C Drive prior to running the search.
 - Internet access is required to download the UN Sanction List and conduct the search.

4. Search Completion Notification

- Once the search is complete, a message box will pop up confirming the successful generation of the search report.

5. Locating the AML Search Report

- The search report is saved in PDF format and can be found in the following directory:

C Drive > AP4.0 folder > output folder > Step1_AML_Sanction_Screening folder > AML_Search_Report folder.

- The file name will include the date and timestamp of the search (e.g., `AML_Search_Report_2025-01-18_10-30AM.pdf`) for easy identification.

6. Contents of the Search Report

- The report contains:

- Names Searched: A detailed list of all client names, directors, shareholders, and UBOs screened.

- Search Results: Whether there are matches or no matches found for each name against the UN Sanction List.

- Consolidated UN Sanction List: A copy of the UN Sanction List used for the search, attached to the report for reference.

Use Cases

- Initial Name Screening:

Perform this search before issuing the audit engagement letter for new clients or before commencing audit planning work for existing clients as part of engagement continuance procedures.

- Ongoing Name Screening:

Conduct this search periodically as part of ongoing monitoring. The frequency of ongoing searches should align with your firm's AML Procedures Manual.

Additional Notes

- Search Credits: Credit deductions are based on the frequency of searches, not the number of names searched.
- System Requirements Reminder: Ensure Google Chrome is installed on the C Drive and that your system has stable internet access before initiating the search.

By following these steps, you can efficiently perform both initial and ongoing AML sanction name screenings, ensuring compliance with regulatory requirements and maintaining a robust monitoring system for your clients.

4. Preparation for Generation of Audit Files



THIS SECTION PROVIDES COMPREHENSIVE INSTRUCTIONS FOR GENERATING AUDIT FILES, INCLUDING AUDIT PROGRAMS, SAMPLING SHEETS, TESTS OF DETAILS, AND ANALYTICAL REVIEWS.

4.1 Introducing the 3 Key Stages

Select "Audit Planning":

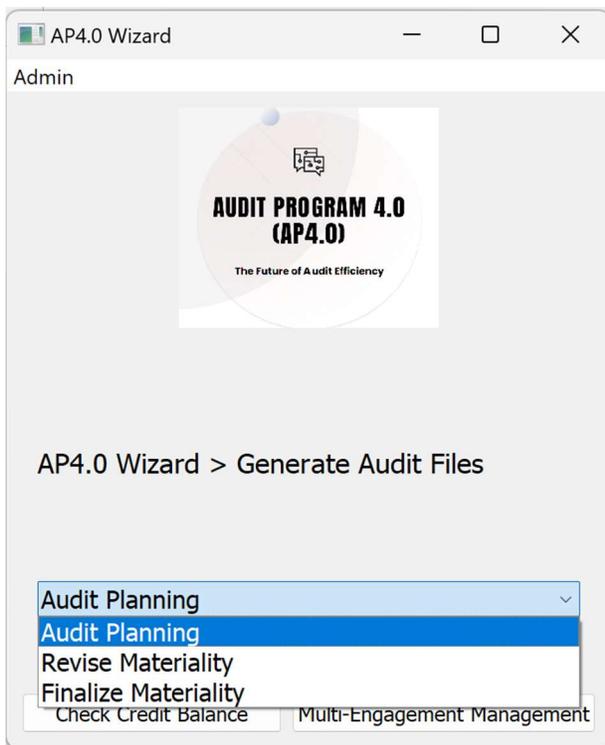
Select "Audit Planning" if this is the first time generating audit files for this engagement.

Select "Revise Materiality":

Select "Revise Materiality" if you have previously generated audit files for this engagement, and this is your first time putting through audit adjustments or late adjustments.

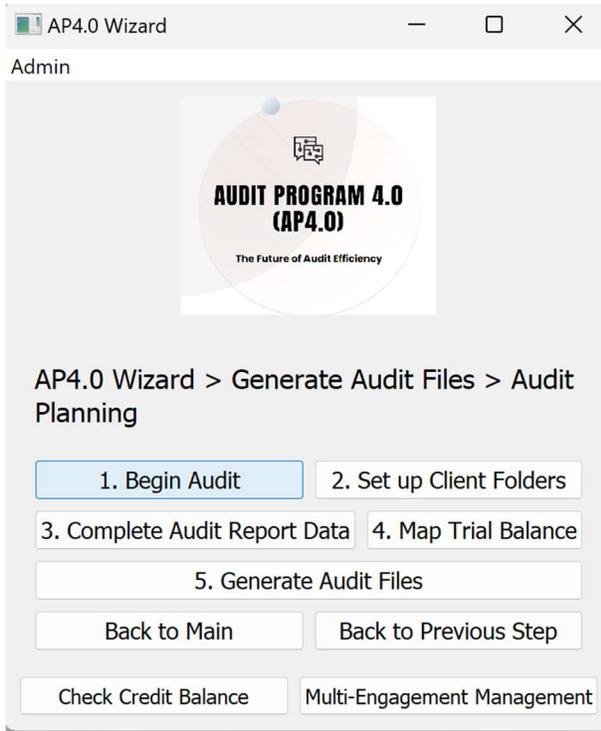
Select "Finalize Materiality":

Select "Finalize Materiality" if this is the second and final round of audit adjustments or late adjustments. Since this is the last time you can modify options, such as Audit Opinion, Report Date, Archive Dates, etc. You should only select this option if the audit report has been signed, and you know when you will archive the audit file.



4.2 Setting Complexity in 1. Begin Audit

To begin, click the “1. Begin Audit” button as shown below. This will open an excel file.



Input Year-End Date:

For each engagement, enter the year-end date. We suggest using DD/MM/YYYY date format.

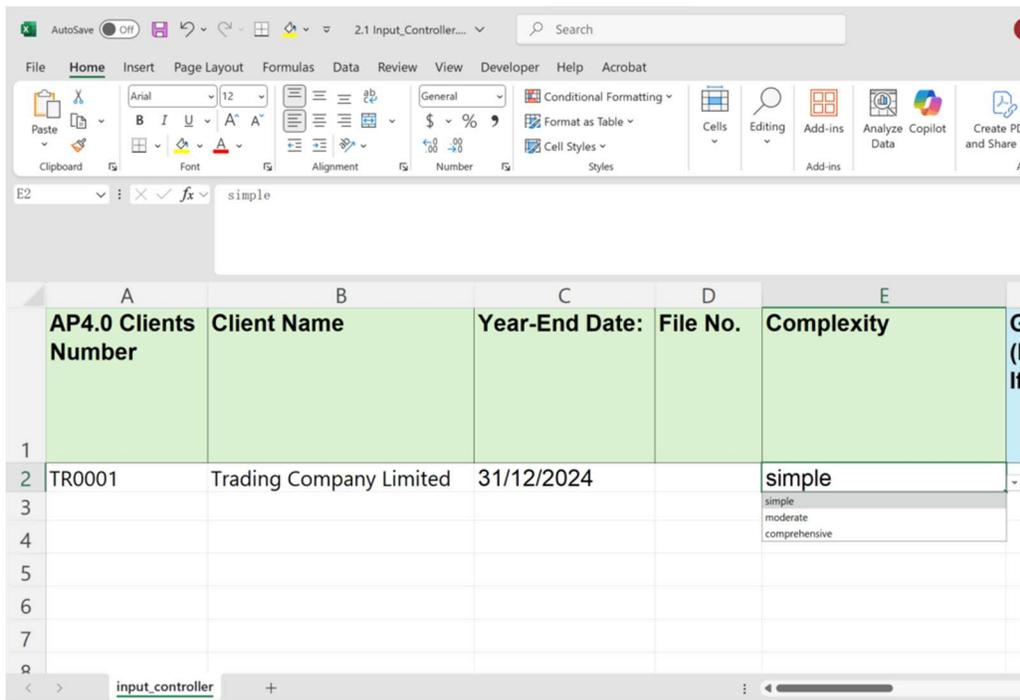
Select Complexity:

In the Excel file, under Column E: Complexity, select the complexity of the audit files you would like to generate. There are three options that you can select from:

- Simple
- Moderate
- Comprehensive

You can select the number of working papers the program generates. Selecting Moderate / Comprehensive will generate more working papers. Each engagement may have a different complexity. Choosing “Simple” will generate fewer working papers for each engagement. You may want to select “Simple” if you consider the reviewing working papers may be time consuming and the minimum is sufficient.

In the next steps, you will be able to preview the list of working papers that can be generated before you decide to generate the audit files. No credits is deducted until you run the button “5. Generate Audit Files”.

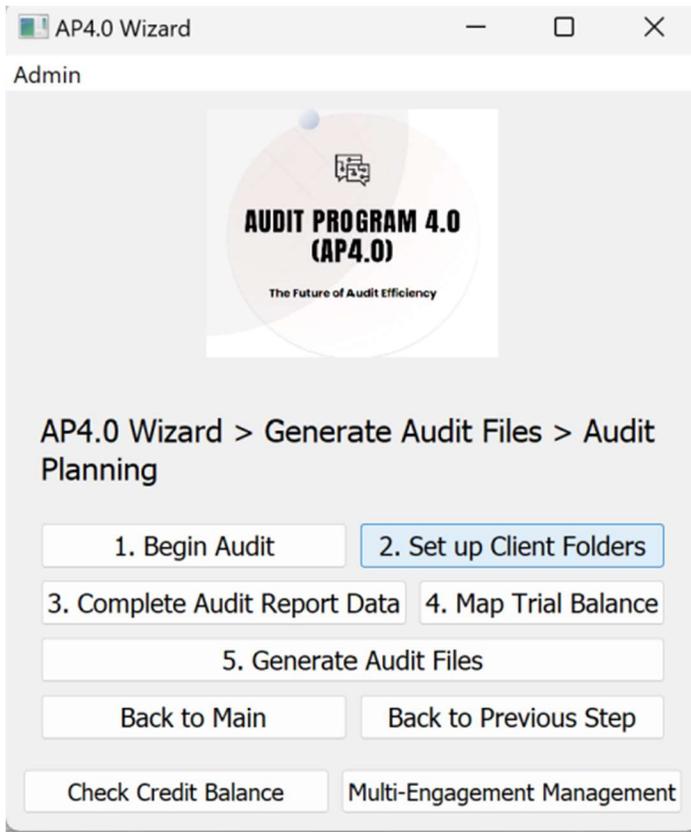


After updating the year-end dates and the Complexity for each audit engagement, save the Excel file and close it.

Proceed to the next step.

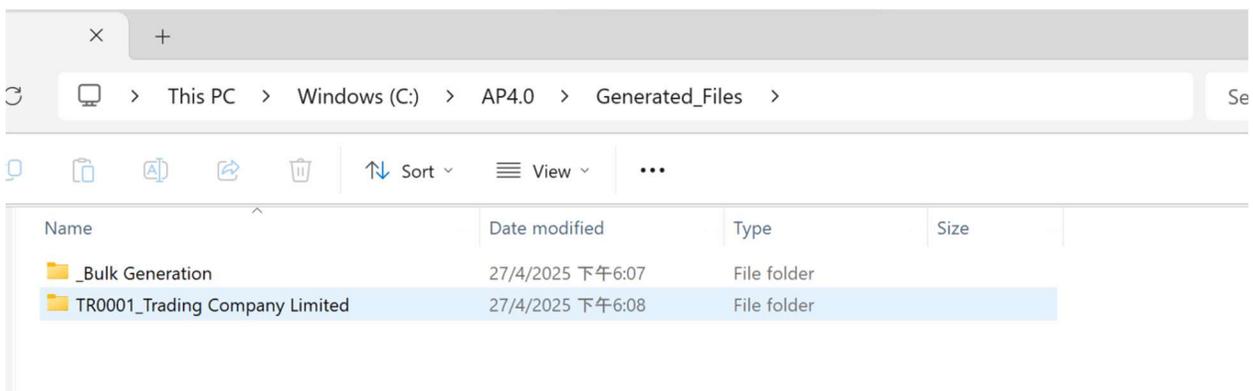
4.3 Set Up Client Folders:

By Clicking the button:”2. Set Up Client Folders”, the system will create a folder for each audit client.



Check the following File Path to see if a folder has been created for each audit client:

C:\AP4.0\Generated_Files\



4.4 Completing the “Main” Worksheet

The "Main" worksheet is the key input form used to control the entire audit process.

Accessing the "Main" Worksheet

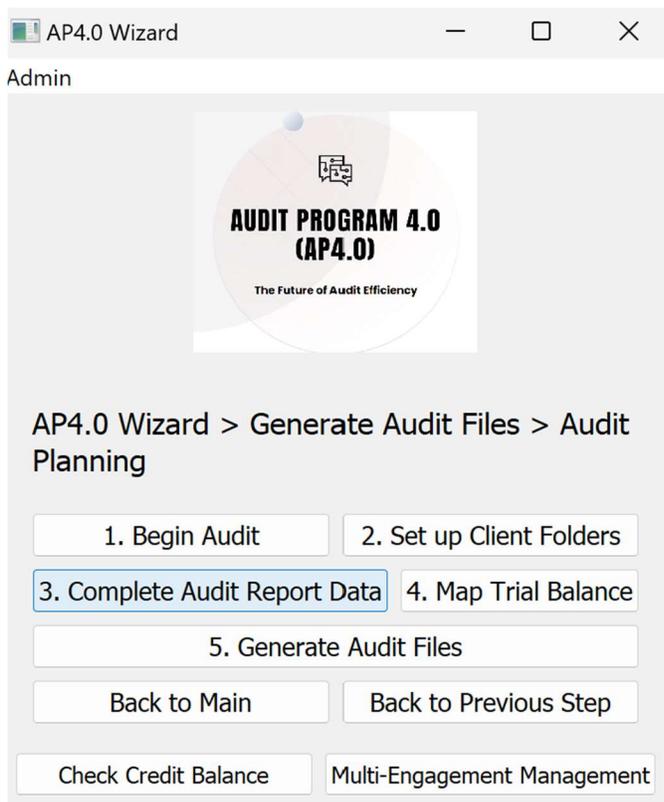
1. Return to AP4.0 Wizard Home Screen

- Click the "Back to Main" button to go to the AP4.0 Wizard Home Screen.

2. Navigate to Step 2

- From the dropdown menu, select "Step 2: Generate Audit Files" and click "Next".

3. Choose Audit Planning / Revise Materiality / Finalize Materiality



Completing the "Main" Worksheet

1. General Guidelines

- Always start entering data from row 4.
- Each row represents one audit engagement.
- Complete the fields for each row from Column B onwards.
- The Client ID in column A is automatically generated by the program

2. Field-by-Field Instructions

Columns F to M (AP4.0 Functions)

- Enter "Yes" in columns F to I, if you wish to generate Audit Programs / Audit Work Papers for the first time
- Enter "Yes" in column L, if you wish to re-generate Audit Program / Audit Work Papers, after putting through audit adjustments.
- Enter "Yes" in column M, if you wish to re-generate Audit Program / Audit Work Papers, after putting through final client late adjustments.
- Enter "Yes" in column J, if this is not the first year's audit using the Audit Program, and you wish to roll over prior year's Finalized Audit as comparatives. (Note: Only applicable when prior year's audit has completed running "Finalize materiality" i.e. Column M.)

Column T (Professional Clearance Date / Sanction Screening Date):

- Enter the date of the professional clearance letter received from the ex-auditor for new clients.
- Alternatively, use the date of the initial sanction screening for simplicity.

Column U (Engagement Letter Date):

- For new clients: Enter the date the engagement letter is signed.
- For recurring clients: Enter the date the audit team decides to commence the audit.
- Ensure this date is after the date in Column T.

Column V (Date of Audit Planning):

- Enter the date when audit planning is prepared.
- Ensure this date is after the date in Column U.

Column W (Field Audit Commencement Date):

- Enter the start date of the field audit.
- Ensure this date is after the date in Column V.

Column X (Subsequent Event Procedures Date):

- Enter the date up to which subsequent event procedures are performed.
- For consistency, use a month-end date that is before the audit report date (e.g., 31/12/YYYY).

Column Y (Audit Report Date):

- Enter the date of the audit report.

Column AA (Archive Due Date):

- This should be calculated as 60 days from the audit report date (Column Y).

Column Z (File Archive Date):

- Enter the date when the audit file is archived.
- Ensure this date is between the audit report date (Column Y) and the archive due date (Column AA).

Columns AB to AD (Financial Data):

- Enter the preliminary sales, profit/(loss) before tax, and total assets for the audit client.

Note: You may change these financials at a later date by selecting “Revise Materiality” / “Finalize Materiality” when there are audit adjustments / late adjustments. (See Section 4.1 Above).

Columns AE to AM (Dropdown Selections):

- Use the dropdown menus to provide the most appropriate answers based on the engagement.

Columns AN and AQ (Principal Activities):

- Enter the principal activities of the audit client as described in the directors' report:
 - Column AN: Enter the first principal activity.
 - Column AQ: Enter the second principal activity, or input "N/A" if there is only one.
- Use the "Search for Principal Activities" worksheet to find the closest match for the client's activities. / Refer to **Appendix B** for Full List of Principal Activities.

Columns AO/AP and AR/AS (Industry Codes):

- For each principal activity, use the "Search for Principal Activities" worksheet to find the closest matching industry.
- If no exact match exists, select the closest resembling industry.

Columns AU to AZ (Key Accounting Estimates):

- Select up to 6 key accounting estimates using the dropdown menus.
- Use the "Search for Acct. Est." worksheet for guidance.
- If fewer than 6 estimates, input "0. N/A" in the remaining columns.

Refer to **Appendix C** for List of Accounting Estimates.

Column BA (Number of Double Entries):

- Enter an estimate of the total number of double entries during the financial period.
- A rough estimate, rounded to the nearest hundred or thousand, is acceptable.

Columns CU to CW (Inventory Details):

- Complete these columns only if Column CT indicates that inventory is present.
- Otherwise, select "N/A" from the dropdown menu.

Columns BC to FD (Financial Statement Line Items / Disclosures):

- Use "Yes" or "No" to indicate whether the audited financial statements include specific account balances or transactions.

Note: If this is not the first year that you are using the Audit Program for the same client, you may rollover and the program would automatically help to pre-complete these columns based on prior year's data.

Column FE (Name of Directors):

- Enter the names of all directors.
- If there is more than one director, use Alt + Enter within the cell to separate their names.
- For corporate directors, enter the name of the individual attending planning meetings.

Final Notes

- Ensure data is entered accurately, as errors may cause issues during the generation of audit programs.
- Save the completed worksheet and proceed to the next steps for mapping the trial balance.

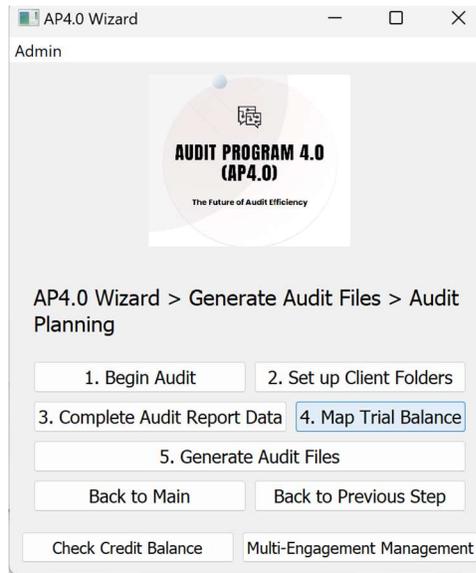
5 Importing Data for Deliverables



THIS SECTION PROVIDES INSTRUCTIONS FOR IMPORTING TWO ESSENTIAL TYPES OF DATA: THE TRIAL BALANCE AND THE LEDGERS, WHICH ARE CRUCIAL FOR GENERATING AUDIT FILES. THE TRIAL BALANCE IS MAPPED TO THE FINANCIAL STATEMENT LINE ITEMS (FSLT) SPECIFIED IN THE "MAIN" WORKSHEET USING THE COA MAPPING FORM, WHERE COA STANDS FOR THE CHART OF ACCOUNTS AND FSLT REPRESENTS FINANCIAL STATEMENT LINE ITEMS. ADDITIONALLY, LEDGERS ARE IMPORTED BY MAPPING THE LEDGER FILES TO EACH ACCOUNT. THE EXPECTED OUTPUT ("EO") IS GENERATED GIVING A PREVIEW OF THE WORKING PAPERS THAT WOULD BE GENERATED IF THE USER PROCEEDS TO GENERATING AUDIT FILES, ALLOWING MODIFICATIONS TO

5.1 Locating the Chart of Accounts (COA) Mapping Form

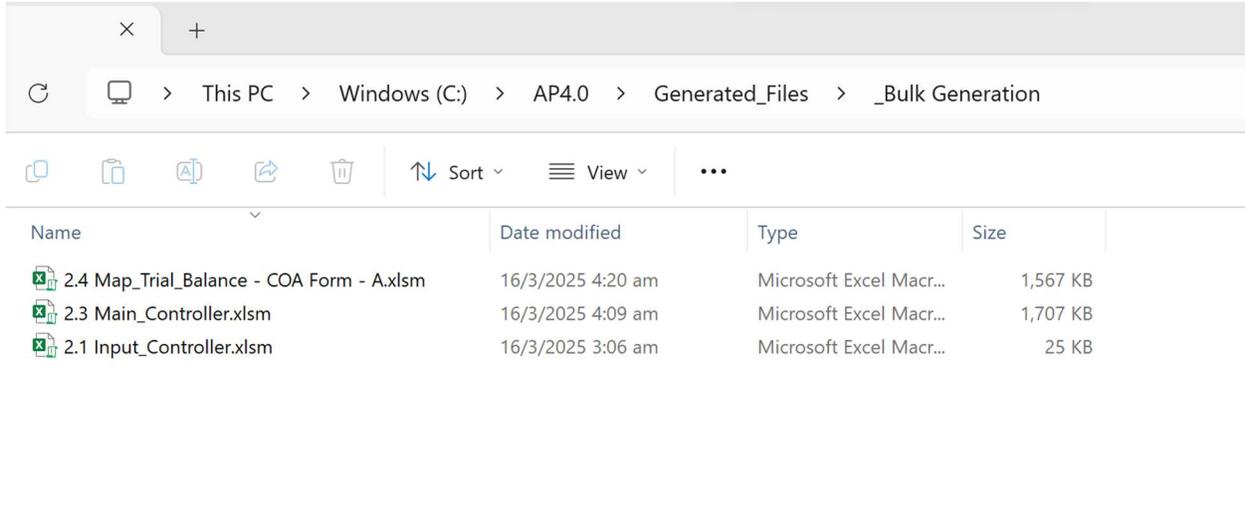
Click the “4. Map Trial Balance” button to generate the Chart of Accounts (COA) Mapping Form and the Expected Outputs (EO) preview. COA Mapping Form is used to complete financials from the trial balance, to map the trial balance to the financial statements’ face, i.e. the statement of financial position and the income statement, and to map key tests of details’ data to the ledger files.



After clicking the “4. Map Trial Balance” button:

Wait for the Message box that reads "Generated Successfully". Then browse to the following folder to locate the COA Mapping Form.

Based on the first letter of the Client Name, you will find the COA Form used for Trial Balance Mapping, in this example ABC Company Limited starts with A, therefore, you will find the COA Form in “2.4 Map_Trial_Balance – COA Form – A”. Open this excel file.



5.2 Preview the Expected Outputs (EO)

After Opening the COA Form, go to the Expected Output (EO) Preview Worksheet:

In the “2.4 Map_Trial_Balance” workbook, you will find a **EO worksheet**. This is a quick preview of all the audit files that would be generated based on the selections on the “Main” worksheet from "3. Complete Audit Report Date".

The screenshot shows an Excel spreadsheet with the following data:

Worksheet Names	Ref #	Name of Worksheet	Generator	FSLT
C0	22	Section C Audit Planning Index	APM	
C1	23	Planning Memorandum	APM	
C2	24	Preliminary Engagement Activities	APM	
C2.0	25	Consideration of Prior Year's Qualification	APM	
C2.1	26	Independence Questionnaire	APM	
C2.3	28	Risk Tolerance Worksheet	APM	
C2.4	29	Checklist for Reporting Exemption	APM	
C3.1	31	Strategy: General	APM	
C4	32	Understanding the Entity	APM	
C4.1	33	Review of Accounting Estimates	APM	
C5	34	Internal Controls	APM	
C5.1Q01	59	Review of Design and Implementation of Internal Controls - Cost of Sales for Trading of Goods (Shipping Overseas)	APM	Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)
C5.1R01	63	Review of Design and Implementation of Internal Controls - Revenue for Trading of Goods (Shipping Overseas)	APM	Revenue - Trading of Goods (Shipping Overseas)

A red arrow points to the row for 'C5.1R01'.

5.3 Mapping the Trial Balance & Ledgers

Complete the COA Mapping Form:

To successfully complete the **COA** form, the user shall obtain the audit client’s trial balance for the financial period. This section outlines the step-by-step process in mapping the trial balance to the respective financial statement line items (FSLT) within the COA Mapping Form.

A. Map the Trial Balance Accounts to Financial Statement Line Items:

1. Copy the Account Codes and Account Names from the Trial Balance

In the COA Mapping Form, complete Column B with the account code and Column C with the account name for each balance sheet account.

The screenshot displays an Excel spreadsheet with the following content:

	A	B	C	D	E
1	Chart of Accounts Mapping to Financial Statement Line Item				
2	Please map Accounts and Sub-Accounts down to the most detailed level in the Chart of Accounts				
3	Client Name				
4	Year-End Date				
5	Client to Complete				
6				Each account should only be mapped to 1 FSLT, either in BS or PL. Please leave the other one blank. There is a blank option.	
8		Account Code	Account Name	BS FSLT	PL FSLT
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					

2. Select the Corresponding B/S Financial Statement Line Item:

In Column D, use the drop-down menu to select the applicable Balance Sheet Item to map the account.

Multiple accounts can be mapped to the same balance sheet item.

The drop-down menu only displays the Balance Sheet Items marked as "Yes" in the "Main" worksheet from "3. Complete Audit Report Data".

Account Code	Account Name	BS FSLT	PL FSLT	Opening Balance	Dr. (All Positives)	Cr. (All Positives)
	PPE - Cost - Buildings	Property, Plant and Equipment		2,632	-	-
	PPE - Cost - Leasehold Improvement	Property, Plant and Equipment		7,395	165	-
	PPE - Cost - Computer Equipment	Property, Plant and Equipment		1,187	20	18
	PPE - Cost - Furniture & Fixture	Property, Plant and Equipment		509	13	8
	PPE - Cost - Motor Vehicles	Property, Plant and Equipment		2,631	830	15
	PPE - Accumulated Depreciation-Buildings	Property, Plant and Equipment		667	-	83
	PPE - Accumulated Depreciation-Leasehold Improvements	Property, Plant and Equipment		6,746	-	284
	PPE - Accumulated Depreciation-Computer Equipment	Property, Plant and Equipment		1,187	18	3
	PPE - Accumulated Depreciation-Furniture and Fixture	Property, Plant and Equipment		509	8	2
	PPE - Accumulated Depreciation-Motor Vehicles	Property, Plant and Equipment		2,268	5	206
	HSBC Bank	Bank Balances		29,553	106,354	109,996
	Deferred Tax Assets Attributable to Financial Assets	Deferred Tax Assets			348	-
	Tax Recoverable	Other Receivables		4,929	78	548

3. Select the Corresponding P/L Financial Statement Line Item:

In column E, use the drop-down menu to select the applicable Profit or Loss item to map the account.

Account Code	Account Name	BS FSLT	PL FSLT	Opening Balance	Dr. (All Positives)	Cr. (All Positives)
	Revenue		Revenue - Freight Forwarding Services			825,726
	Cost of Service		Cost of Sales / Direct Costs - Freight Forwarding Services		773,603	
	Interest income		Other Revenues			234
	Sundry Income		Other Revenues			153
	Impairment loss on trade receivables		Impairment losses on trade and other receivables		2,842	
	Interest on Bank Loans		Finance Costs		2,307	
	Interest on lease liabilities		Finance Costs		169	
	Salaries		Operating expenses		20,140	
	MPF		Operating expenses		963	
	Audit Fee		Operating expenses		750	
	Depreciation		Operating expenses		2,064	
	Other Admin Expenses		Operating expenses		23,599	
	Exchange loss		Operating expenses		1,529	
	Income Tax Credit		Income tax expense			348

4. Copy the Opening Balance and Movement During the Period from the Trial Balance:

Column F (Opening Balance):

- Enter the opening balance for the account.
- Use a positive number for debit balances and a negative number for credit balances.

Column G (Total Debits):

- Enter the total debits during the financial period as a positive number.

Column H (Total Credits):

- Enter the total credits during the financial period as a positive number.

A	B	C	D	E	F	G	H	
1	Chart of Accounts Mapping to Financial Statement Line Item							
2	Please map Accounts and Sub-Accounts down to the most detailed level in the Chart of Accounts							
3	Client to Complete							
			Each account should only be mapped to 1 FSLT, either in BS or PL. Please leave the other one blank. There is a blank option.			Movement During the Period	Movement During the Period	
4	Account Code	Account Name	BS FSLT	PL FSLT	Opening Balance	Dr. (All Positives)	Cr. (All Positives)	Closing
6	100010	Property, Plant and Equipment	Property, Plant and Equipment		500,000	19,587,668	18,973,575	
7	200003	Amounts due from director	Amounts due from director		900,000	19,354,678	15,183,575	
8	200006	Bank Balances	Bank Balances		600,000	15,727,782	14,489,689	
9	200012	Other Receivables	Other Receivables		50,000	18,021,798	17,900,939	
10	200017	Trade receivables	Trade receivables		100,000	26,935,248	17,484,451	
11	300001	Accrued expenses	Accrued expenses		-	16,717,702	17,825,594	-
12	300019	Tax payable	Tax payable		-	17,962,189	19,093,951	-
13	300020	Trade payables	Trade payables		-	17,137,155	17,922,446	-
14	400011	Share Capital	Share Capital		-	14,759,365	14,769,365	-
15		Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)		Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)	15,000,000	17,351,508	1,192,700	
16	500001	Operating expenses		Operating expenses	8,000,000	12,063,131	968,009	
17	500004	Salaries		Salaries	7,500,000	7,800,000	-	
18	500021	Income tax expense		Income tax expense	60,000	124,710	-	
19	600001	Revenue - Trading of Goods (Shipping Overseas)		Revenue - Trading of Goods (Shipping Overseas)	-	18,000,000	989,777	23,603,786
20	400012	Retained Earnings / Accumulated Losses	Retained Earnings / Accumulated Losses		-	13,640,000	12,564,631	-
21								
22								
23								
24								
25								

B. Obtain the Ledgers in Excel File Formats from the Client

Obtain the Financial Ledgers in Excel file formats from the Audit Client. This may come in the form of a combined workbook with multiple worksheets, each worksheet representing the ledger of one account, or may be separate excel files. If the ledgers are in one combined excel workbook, you would have to separate the worksheets into separate excel files. Use our "Extraction Tool.xlsm" File to help to separate the worksheets into separate files.

5.4 Separating the Ledger Worksheets into Excel Files

C. Open the "Extraction Tool.xlsm" Excel File from Desktop

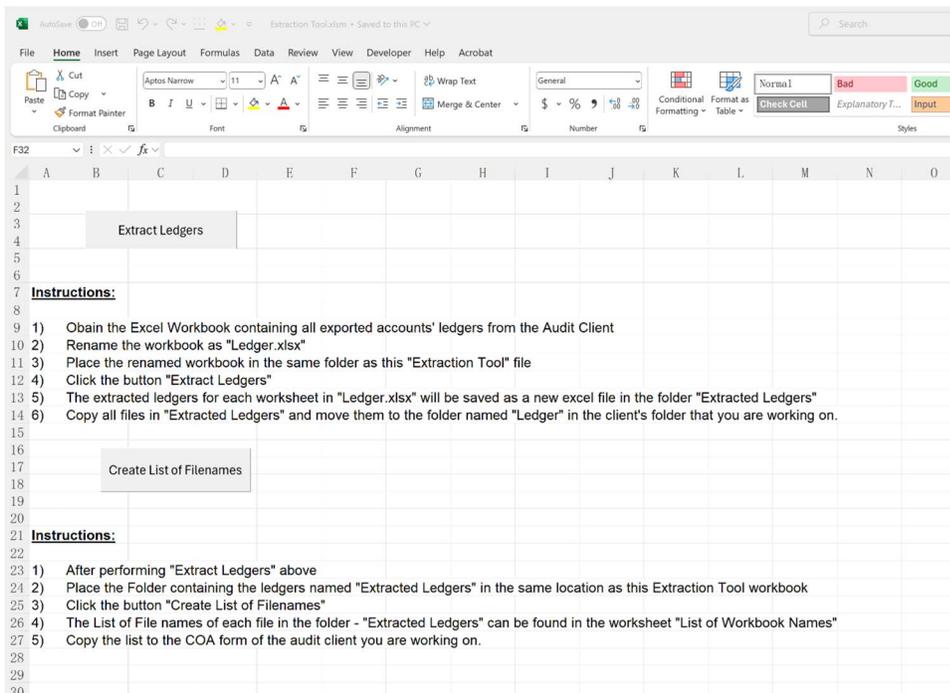
There are two functions within the "Extraction tool.xlsm" workbook.

1) Extract Ledgers

This first button, or tool, serves to extract the ledger excel worksheets from a combined excel file into separate files. Each extracted worksheet will be saved as a new standalone file, and renamed to the name of the worksheet from the combined workbook. Follow the instructions in the Extraction Tool workbook.

2) Create List of Filenames

The second button, or tool, serves to create a list of all extracted worksheets, so that you may copy this list of file names to the COA Mapping Form in the next step. Follow the instructions in the Extraction Tool workbook.



The screenshot shows the Microsoft Excel interface for the "Extraction Tool.xlsm" workbook. The ribbon is set to "Home", and the "Styles" group is visible, showing "Normal", "Bad", "Good", "Check Cell", "Explanatory T...", and "Input" styles. The worksheet contains two buttons: "Extract Ledgers" and "Create List of Filenames". Below each button are instructions for its use.

Extract Ledgers

Instructions:

- 1) Obtain the Excel Workbook containing all exported accounts' ledgers from the Audit Client
- 2) Rename the workbook as "Ledger.xlsx"
- 3) Place the renamed workbook in the same folder as this "Extraction Tool" file
- 4) Click the button "Extract Ledgers"
- 5) The extracted ledgers for each worksheet in "Ledger.xlsx" will be saved as a new excel file in the folder "Extracted Ledgers"
- 6) Copy all files in "Extracted Ledgers" and move them to the folder named "Ledger" in the client's folder that you are working on.

Create List of Filenames

Instructions:

- 1) After performing "Extract Ledgers" above
- 2) Place the Folder containing the ledgers named "Extracted Ledgers" in the same location as this Extraction Tool workbook
- 3) Click the button "Create List of Filenames"
- 4) The List of File names of each file in the folder - "Extracted Ledgers" can be found in the worksheet "List of Workbook Names"
- 5) Copy the list to the COA form of the audit client you are working on.

5.5 Creating a List of Ledger Excel File Names

E. Complete the Excel File Names for each Account in the COA Mapping Form

For each account, complete the File Name of the Ledger excel file for that account, and include the file format extensions, such as, .xls, .xlsx, etc.

The user may also copy the list of file names generates using the Extraction Tool.xlsm as explained in section 5.4, and paste into Column P of the COA Mapping Form.

	A	B	C	D	P
1	Chart of Accounts Mapping to Financial Statement Line Item				
2	Please map Accounts and Sub-Accounts down to the most detailed level in the				
3	Client to Complete				
4					Vouc and i in le Refe
5				For example (Sales_ledger_005.xlsx)	
6		Account Code	Account Name	File Name	Vouc
7		100010	Property, Plant and Equipment	100010.xlsx	A6
8		200003	Amounts due from director	200003.xlsx	A6
9		200006	Bank Balances	200006.xlsx	A6
0		200012	Other Receivables	200012.xlsx	A6
1		200017	Trade receivables	200017.xlsx	A6
2		300001	Accrued expenses	300001.xlsx	A6
3		300019	Tax payable	300019.xlsx	A6
4		300020	Trade payables	300020.xlsx	A6
5		400011	Share Capital	400011.xlsx	A6
6		500001	Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)	500001.xlsx	A6
7		500003	Operating expenses	500003.xlsx	A6
8		500004	Salaries	500004.xlsx	A6
9		500021	Income tax expense	500021.xlsx	A6
0		600001	Revenue - Trading of Goods (Shipping Overseas)	600001.xlsx	A6
1		400012	Retained Earnings / Accumulated Losses	400012.xlsx	A6
2					
3					

F. Complete the Cell References where the Ledger Data Starts:

Open any one of the Excel ledger files, and locate the Cell References where the data starts for each of Voucher Number, Voucher Date, Description, Debit and Credit.

Sample Ledger File:

In the following opened sample ledger excel file, you will be able to identify the following cell references are where the data for each data type starts in the excel file:

- Voucher Number: Cell A6
- Voucher Date: Cell B6
- Description: Cell C6
- Debit Entries: Cell D6
- Credit Entries: Cell E6

For Credit entries, although there is no data in this cell, the data would have been here if the first row of data is a credit entry. Therefore, we would still identify that Cell E6 would be the first cell with data.

100010.xlsx					
A	B	C	D	E	F
1	Account Code	100010			
2	Account Name	Property, Plant and Equipment			
3					
4			19,587,668	18,973,575	
5	Voucher Number	Voucher Date	Description	Dr. (All Positives)	Cr. (All Positives)
6	JV008001	15 May 2024	Transaction on 15 May 2024	28,650	
7	JV008002	03 May 2024	Transaction on 03 May 2024	24,132	
8	JV008003	11 Jan 2024	Transaction on 11 Jan 2024	19,295	
9	JV008004	01 Aug 2024	Transaction on 01 Aug 2024	39,692	
10	JV008005	31 May 2024	Transaction on 31 May 2024	31,953	
11	JV008006	23 Aug 2024	Transaction on 23 Aug 2024	7,964	
12	JV008007	27 Jul 2024	Transaction on 27 Jul 2024	46,505	
13	JV008008	01 Apr 2024	Transaction on 01 Apr 2024	34,619	
14	JV008009	16 Dec 2024	Transaction on 16 Dec 2024	23,807	
15	JV008010	22 Jan 2024	Transaction on 22 Jan 2024	36,053	
16	JV008011	30 Apr 2024	Transaction on 30 Apr 2024	18,052	
17	JV008012	28 Mar 2024	Transaction on 28 Mar 2024	32,581	
18	JV008013	23 Oct 2024	Transaction on 23 Oct 2024	29,458	
19	JV008014	06 Dec 2024	Transaction on 06 Dec 2024	8,809	
20	JV008015	28 Dec 2024	Transaction on 28 Dec 2024	29,470	
21	JV008016	16 Nov 2024	Transaction on 16 Nov 2024	19,173	
22	JV008017	25 Nov 2024	Transaction on 25 Nov 2024	20,638	
23	JV008018	25 Mar 2024	Transaction on 25 Mar 2024	3,447	
24	JV008019	26 Jun 2024	Transaction on 26 Jun 2024	21,654	
25	JV008020	08 Aug 2024	Transaction on 08 Aug 2024	21,904	
26	JV008021	01 Dec 2024	Transaction on 01 Dec 2024	21,471	
27	JV008022	04 Aug 2024	Transaction on 04 Aug 2024	16,430	
28	JV008023	27 Sep 2024	Transaction on 27 Sep 2024	41,959	

G. Complete the Cell References for Each Account in Columns Q to U in COA Form:

Based on the identified cell references from any sample ledger excel file, you may safely assume that all ledger excel files will have the same presentation format of data. The user may then copy and paste these cell references in each row in the COA Mapping Form, between columns Q to U. The screenshot below shows the completed cell references for this sample ledger file.

Please apply this concept accordingly based on the cell references in your client's ledger excel file.

Account Code	Account Name	Voucher Number's column and row starting point point in ledger: Input the cell Reference Number	Voucher Date's column and cell starting point in ledger: Input the cell Reference Number	Description's column and cell starting point in ledger file: Input the cell Reference Number	Movement During the Period column and cell starting point in ledger file: Input the cell Reference Number	Movement During the Period column and cell starting point in ledger file: Input the cell Reference Number
		Dr. (All Positives)			Cr. (All Positives)	
100010	Property, Plant and Equipment	A6	B6	C6	D6	E6
200003	Amounts due from director	A6	B6	C6	D6	E6
200006	Bank Balances	A6	B6	C6	D6	E6
200012	Other Receivables	A6	B6	C6	D6	E6
200017	Trade receivables	A6	B6	C6	D6	E6
300001	Accrued expenses	A6	B6	C6	D6	E6
300019	Tax payable	A6	B6	C6	D6	E6
300020	Trade payables	A6	B6	C6	D6	E6
400011	Share Capital	A6	B6	C6	D6	E6
500001	Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)	A6	B6	C6	D6	E6
500003	Operating expenses	A6	B6	C6	D6	E6
500004	Salaries	A6	B6	C6	D6	E6
500021	Income tax expense	A6	B6	C6	D6	E6
600001	Revenue - Trading of Goods (Shipping Overseas)	A6	B6	C6	D6	E6
400012	Retained Earnings / Accumulated Losses	A6	B6	C6	D6	E6

Please refer to **Appendices F series** for instructions on using our Plug-In Extraction tools to analyze and extract data from specific accounting software, such as:

- MYOB
- PeachTree
- Manager.io
- MasterSoft
- KingDee
- 浪潮
- 财务云



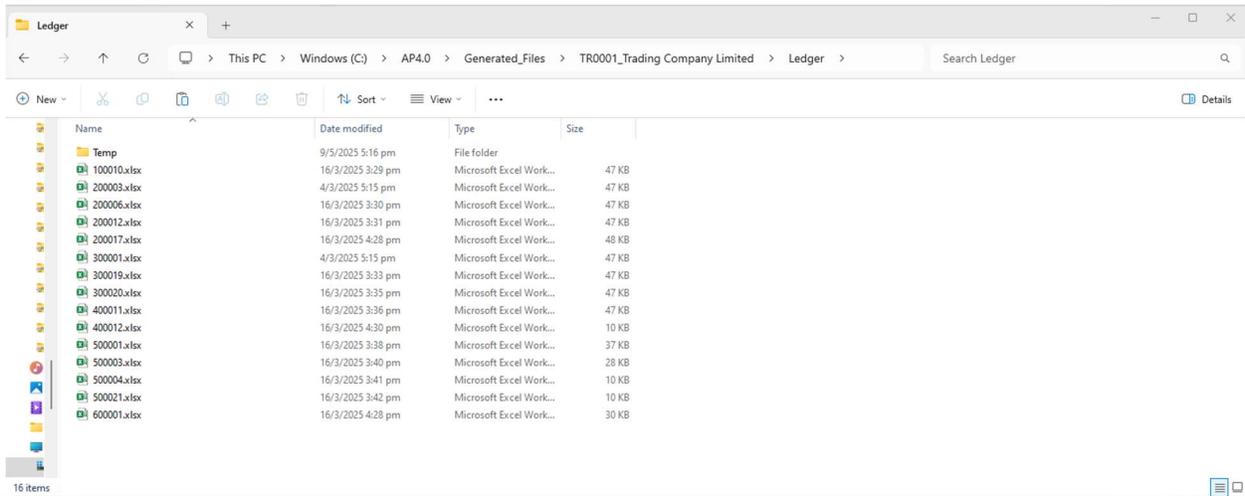
5.6 Moving the Ledger Excel Files

F. Copy the Financial Ledger Excel Files to the Client Folder

Copy the Ledger Excel files obtained from the client, or extracted using the Extraction Tool into the "Ledger" folder within the Client folder.

Navigate to the folder in this path:

C Drive > AP4.0 > Generated_Files > [Client Folder] > Ledger



Paste the copied Ledger excel files into the folder in the path provided above.

A	B	C	D	P
1	Chart of Accounts Mapping to Financial Statement Line Item			
2	Please map Accounts and Sub-Accounts down to the most detailed level in the			
3	Client to Complete			
4				Vouc and i in let Refe
4			For example (Sales_ledger_005.xlsx)	
5	Account Code	Account Name	File Name	Vouc
7	100010	Property, Plant and Equipment	100010.xlsx	A6
8	200003	Amounts due from director	200003.xlsx	A6
9	200006	Bank Balances	200006.xlsx	A6
0	200012	Other Receivables	200012.xlsx	A6
1	200017	Trade receivables	200017.xlsx	A6
2	300001	Accrued expenses	300001.xlsx	A6
3	300019	Tax payable	300019.xlsx	A6
4	300020	Trade payables	300020.xlsx	A6
5	400011	Share Capital	400011.xlsx	A6
6	500001	Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)	500001.xlsx	A6
7	500003	Operating expenses	500003.xlsx	A6
8	500004	Salaries	500004.xlsx	A6
9	500021	Income tax expense	500021.xlsx	A6
10	600001	Revenue - Trading of Goods (Shipping Overseas)	600001.xlsx	A6
11	400012	Retained Earnings / Accumulated Losses	400012.xlsx	A6
12				
13				

6 Generating Working Papers



THIS SECTION PROVIDES COMPREHENSIVE INSTRUCTIONS ON GENERATING KEY AUDIT WORKING PAPERS USING THE AP4.0 SYSTEM. THE WORKING PAPERS INCLUDE TESTS OF DETAILS WITH AUTOMATED SAMPLE SELECTION AND SAMPLE SELECTION PLANNING SHEETS. ADDITIONALLY, THE SYSTEM FACILITATES THE GENERATION OF ANALYTICAL REVIEWS TO SUPPORT TREND ANALYSIS AND RATIO ASSESSMENTS. THESE AUTOMATED PROCESSES STREAMLINE THE AUDIT WORKFLOW, ENSURING ACCURACY, EFFICIENCY, AND COMPLIANCE WITH AUDIT STANDARDS.

6.1 Generating and Locating the Generated Audit Files

A. Ensure Accuracy and Completeness of Data in "Main" and "COA" Worksheets

Ensure the accuracy of data inputted in the “Main” Worksheet and the COA Mapping Form from previous steps. As the generation of audit files will deduct credits from your purchased credit pool, it is important for the Engagement in Charge, or a senior auditor to double check the accuracy and completeness of data inputted in these two forms.

The two forms can be found in the following path:

C Drive > AP4.0 > Generated_Files > _Bulk Generation >

The “Main” Worksheet from “3. Complete Audit Report Data” is equivalent to the Excel file named:

2.3 Main_Controller.xlsx

The “COA” Mapping Form Worksheet from “4. Map Trial Balance” is equivalent to the Excel file named:

2.4 Map_Trial_Balance – COA Form – T.xlsx

The letter at the end of the file name depends on the first letter of your audit client’s entity name.

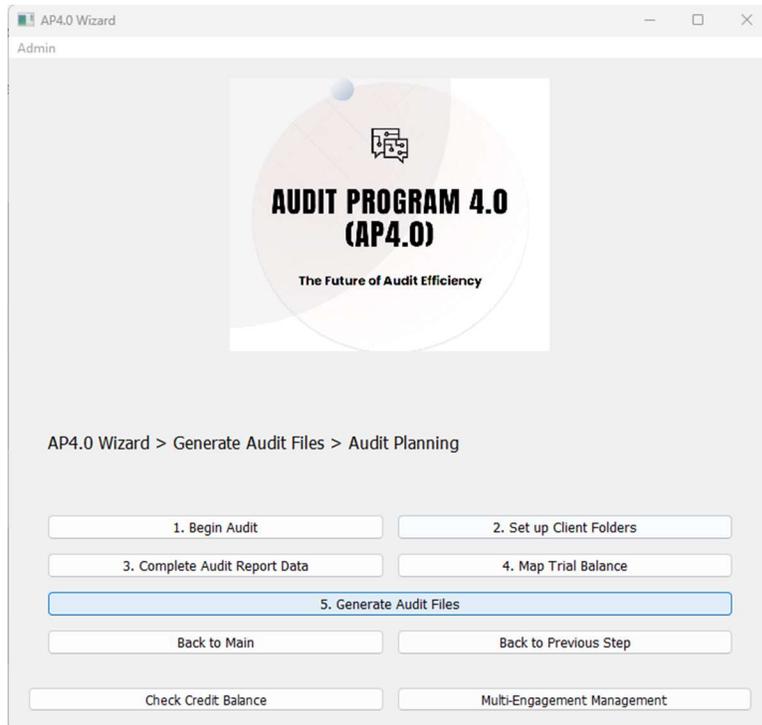
B. Save and Close All Opened Excel Workbooks

To ensure that the Generation of Audit Files is smooth and efficient, we suggest that the user saves and closes all opened Excel Workbooks, and ensure that there are no other programs running in the background.

C. Generate Audit Files

Click the “5. Generate Audit Files” button and patiently wait for the message box that reads “Successfully Generated”.

This process may take 3-10 minutes depending on the processing power and total available memory (RAM) available in your workstation. Please refrain from using other programs during this time. This is a good time for a washroom / water break!



D. Locating the Generated Audit File

Navigate to the folder in this path:

C Drive > AP4.0 > Generated_Files > [Client Folder] >

The Generated File will be saved in the file path above, and the Client Folder is based on the name of the Audit Clients, of which working papers are being generated.

6.2 Understanding the Working Paper References

A. Index Sections Used in the HKICPA APM Template:

The generated audit files use the HKICPA Index sections as follows. When “Audit Planning” is selected in Step 2. Generate Audit Files, the generated audit files will consist of Sections C to V. When “Revise Materiality” is selected, the generated audit files will consist of Sections B to V, and when “Finalize Materiality” is selected, the generated audit files will consist of all Sections from A to V.

B. SSP & WP: What Do They Stand For?

When you see SSP and / or WP in the Suffix in Working Paper References, SSP stands for Sample Selection Planning sheet, and WP stands for Working Paper / Test of Details. The generated file will automatically place each related SSP and WP next to each other.

C. How to Read the Tests of Details Working Paper References?

The user may deduce the contents of the tests of details by simply reading the working paper reference.

For example:

Working Paper Reference: J4.14.DR.A.SSP

Title: Sample Selection Sheet on Debits During the Period for the Assertion – Accuracy of Impairment losses on loans and receivables (other than AR & OR)

J4.14 is the Section Reference for Impairment Losses on Loans and Receivables

DR. is a test of details on Debit Side entries

A. is a test of details addressing the Accuracy assertion

SSP is the Sample Selection Planning Sheet for the above Test of Detail.

Working Paper Reference: O4.02.CR.PD.WP

Title: Testing on Credits During the Period for the Assertion – Presentation and Disclosure of Revaluation Reserve

O4.02 is the Section Reference for Revaluation Reserve

CR. is a test of details on Credit Side entries

PD is a test of details addressing the Presentation and Disclosure Assertion

WP is the Working Paper / Test of Details.

6.3 Customizing the Index References

A. Program Customization Services:

Your Practice may engage us for further Index Customization services. If your practice has purchased 400 or more AP4.0 credits in a single purchase / invoice, for an additional one-off fee of HK\$25,000, we may help to align all working paper references in generated audit files with your Practice's index references. Please contact us at services@eqcadvisory.com for details.

Other customizations may include the generation of your other standard working paper templates when specific Financial Statement line items are selected in the "Main" worksheet, saving you additional time in compiling the audit files.

7. Revising and Finalizing Materiality



THIS SECTION PROVIDES COMPREHENSIVE INSTRUCTIONS FOR PUTTING THROUGH AUDIT ADJUSTMENTS OR CLIENT LATE ADJUSTMENTS AND RE-GENERATING AUDIT FILES THAT WOULD RECALCULATE MATERIALITY AND PERFORMANCE MATERIALITY, RE-PERFORM FINAL ANALYTICAL REVIEWS, RE-CALCULATE SAMPLE SIZES AND RE-SELECT SAMPLES FROM THE LEDGERS FOR TESTS OF DETAILS, WHERE APPLICABLE.

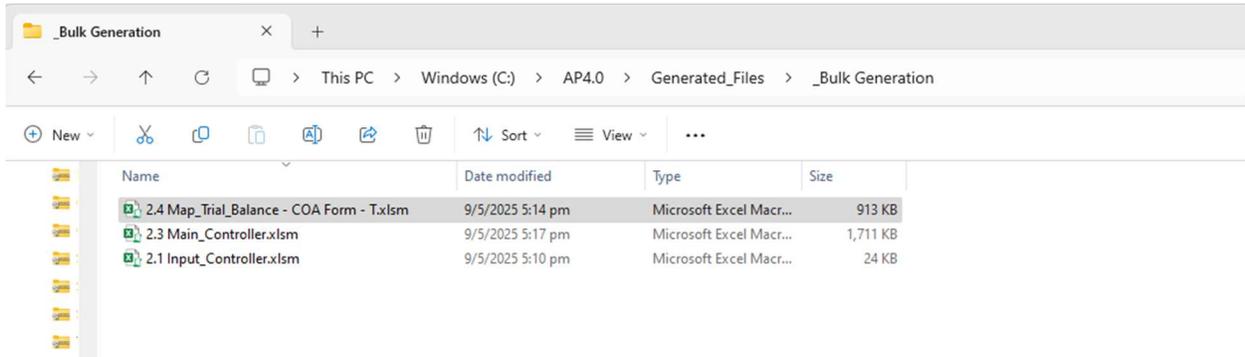
7.1 Adding Audit Adjustments

A. Re-Open the Audit Client's COA Mapping Form:

Navigate to the Client's Folder to locate the COA Mapping Worksheet:

C Drive > AP4.0 > Generated Files > _Bulk_Generation > 2.4 Map_Trial_Balance – COA Form – [X].xlsm

For example:



B. Open the Excel File Containing the COA Form and Put Through Audit Adjustments:

Go to the COA worksheet of the Engagement that you wish to add audit adjustments, or client late adjustment to, and navigate to Columns J to N.

The user may add the first adjustment in Columns K & L, and should there be more than one adjustment, then click the button in Column N, named “Insert Columns” at set out in the screenshot below. Insert as many columns as needed.

Take note that for Column L, you should input Credit Side entries using negative numbers, so that every two columns should have a Zero-Sum.

Account Code	Account Name	Total Adjustments Dr. (All Positives)	Adjustment 1 Dr. (All Positives)	Adjustment 1 Cr. (All Negative)
100010	Property, Plant and Equipment	-		
200003	Amounts due from director	-		
200006	Bank Balances	-		
200012	Other Receivables	-		
200017	Trade receivables	-		
300001	Accrued expenses	-		
300019	Tax payable	-		
300020	Trade payables	-		
400011	Share Capital	-		
500001	Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)	-		
500003	Operating expenses	-		
500004	Salaries	-		
500021	Income tax expense	-		
600001	Revenue - Trading of Goods (Shipping Overseas)	-		
400012	Retained Earnings / Accumulated Losses	-		

C. Inserting a New Financial Statement Line Item that was Previously Absent

Suppose that the audit adjustment, or the late adjustments creates a new financial statement line item that was previously not chosen as present when audit planning was performed (i.e. absent from the management accounts, but created after an audit / late adjustment), then the user would realize that the newly created account cannot be mapped to this new Financial Statement Line Item, as it is not available for selection in Column D or E.

The user may **copy Cell D4** (Statement of Financial Position) or **copy Cell E4** (Income Statement) and paste it to the new row added. Cells D4 and E4 provide a full list of all available financial statement line items, and these two drop down menus are purposefully added to the COA Mapping worksheet to allow users to select from a full list of FSLT options. By copying the cell to the newly added row, the dropdown menu is also copied down to the new row, enabling the user to select from any of the available 100 financial statement line items.

	A	B	C	D	E
1	Chart of Accounts Mapping to Financial Statement Line Item				
2	Please map Accounts and Sub-Accounts down to the most detailed level in the Chart of Accounts				
3		Client Name		BS FSLT For Adjustment	PL FSLT For Adjustment
4		Year-End Date			
5	Client to Complete				
6				Each account should only be mapped to 1 FSLT, either in BS or PL. Please leave the other one blank. There is a blank option.	
8		Account Code	Account Name	BS FSLT	PL FSLT
9		100010	Property, Plant and Equipment	Property, Plant and Equipment	
10		200003	Amounts due from director	Amounts due from director	
11		200006	Bank Balances	Bank Balances	
12		200012	Other Receivables	Other Receivables	
13		200017	Trade receivables	Trade receivables	
14		300001	Accrued expenses	Accrued expenses	
15		300019	Tax payable	Tax payable	-
16		300020	Trade payables	Trade payables	-
17		400011	Share Capital	Share Capital	-
18		500001	Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)		Cost of Sales / Direct Costs - Trading of Goods (Shipping Overseas)
19		500003	Operating expenses		Operating expenses
20		500004	Salaries		Salaries
21		500021	Income tax expense		Income tax expense
22		600001	Revenue - Trading of Goods (Shipping Overseas)		Revenue - Trading of Goods (Shipping Overseas)
23		400012	Retained Earnings / Accumulated Losses	Retained Earnings / Accumulated Losses	-
24					
25					
26					
27					

D. Ensure that after adding adjustments, Columns B to E are completed and Ledgers are mapped

After adding the audit adjustments, ensure that every row has been mapped to a financial statement line item in Columns D or E, and that the ledger file names and cell references for voucher date, voucher number, description, debits and credits have been added.

7.2 Updating Ledger Excel Files

Update Ledger Files if Necessary

Update the ledger files if necessary, including all those ledger files that have been affected by the adjustments.

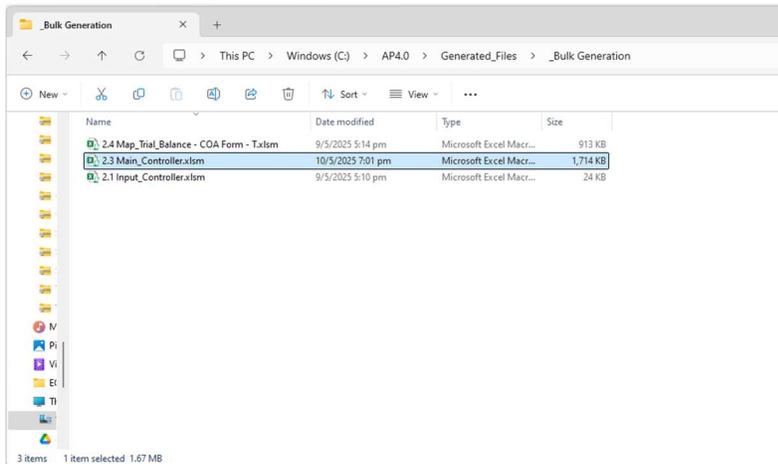
Save the COA form and close the workbook, and move on to the next Page

7.3 Updating the "Main" Worksheet

A. Locate the "Main" Worksheet:

Navigate to the following pathway to locate the “Main” worksheet that was previously completed during the “Audit Planning” Stage.

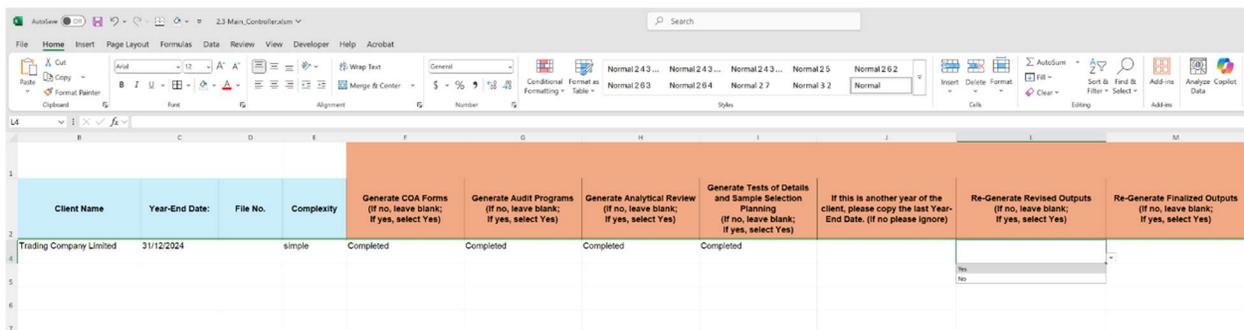
C Drive > AP4.0 > Generated Files > _Bulk_Generation > 2.3 Main_Controller.xlsm



B. Open the Main Controller File and Add "Yes" in Column L or Column M

Open the **2.3 Main Controller.xlsm Excel File**, and go to the “Main” worksheet. Then identify the row with the audit engagement that you are working on, and scroll to Column L or M.

The user will see that the answers in Columns F to I have been automatically updated from “Yes” to “Completed”. This indicates that the audit planning files have already been previously generated, and now the user should select “Yes” in Columns L or M for revising materiality, or finalizing materiality, respectively.



Client Name	Year-End Date	File No.	Complexity	Generate COA Forms (If no, leave blank; If yes, select Yes)	Generate Audit Programs (If no, leave blank; If yes, select Yes)	Generate Analytical Review (If no, leave blank; If yes, select Yes)	Generate Tests of Details and Sample Selection Planning (If no, leave blank; If yes, select Yes)	If this is another year of the client, please copy the last Year- End Date. (If no please ignore)	Re-Generate Revised Outputs (If no, leave blank; If yes, select Yes)	Re-Generate Finalized Outputs (If no, leave blank; If yes, select Yes)
Trading Company Limited	31/12/2024		simple	Completed	Completed	Completed	Completed		Yes No	

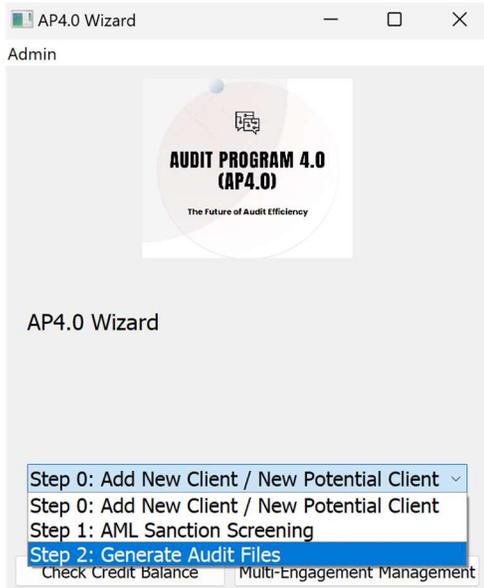
C. Update Any Other Changes, then Save and Close the Main Controller File

If there are any other changes to the options in this worksheet, such as new Accounting Estimates, Report and Archive Dates to be updated, or change in the current year’s audit opinion, etc. The user may make those changes now.

7.4 Re-Generating Audit Files

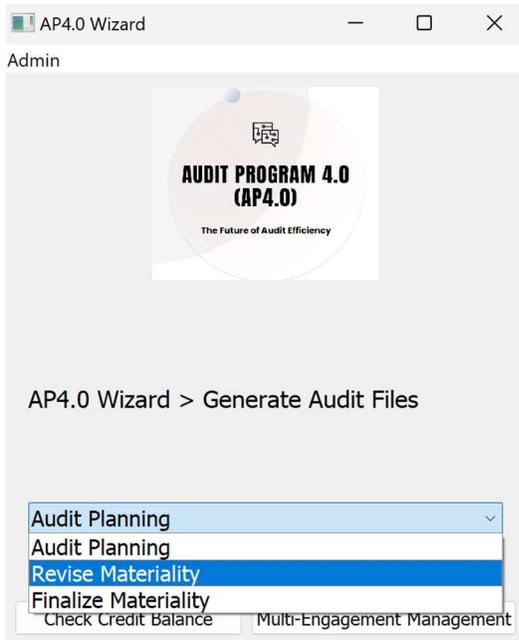
A. Go to Main Menu on AP4.0 and Select Step 2:

Go back to the Main Menu on AP4.0, and Select “Step 2: Generate Audit Files” from the Drop Down Menu and click “Next”



B. Select "Revise Materiality" or "Finalize Materiality" as needed:

Select either “Revise Materiality” or “Finalize Materiality” as needed and click “Next”.



C. Click "Re-Generate Audit Files" and Wait for Message Box for Completion

Ensure that all opened and unsaved Excel files have been saved and closed and that there are no other programs running in the background other than AP4.0, and click "Generate Revised File" or "Generate Finalized File", as applicable.

This process may take 3 – 10 minutes per audit engagement. Wait for the message box indicating that the file has been successfully generated before using the workstation for any other purposes.

7.5 Locating the Re-Generated Audit Files

A. Locate the Re-Generated Audit File(s):

Navigate to the Client's Folder for the Re-Generated Audit File. The Re-Generated file will not replace the previously generated file. The user may create a copy of the generated files in other file locations, e.g. on your Practice's server, or on Cloud, however, we do not suggest removing these files from this location.

C Drive > AP4.0 > Generated Files > [Client's Folder]

9. Credit Usage



THIS SECTION OUTLINES THE GENERAL RULES GOVERNING THE USAGE AND DEDUCTION OF CREDITS IN THE AP4.0 SYSTEM. IT EXPLAINS HOW CREDITS ARE DEDUCTED BASED ON SPECIFIC ACTIONS, SUCH AS GENERATING WORKING PAPERS OR IMPORTING FINANCIAL DATA, AND HIGHLIGHTS THE CONDITIONS UNDER WHICH CREDITS ARE CONSUMED. ADDITIONALLY, THIS SECTION PROVIDES DETAILS ON THE EXPIRY OF CREDITS, ENSURING USERS ARE AWARE OF THE TIME LIMITS ASSOCIATED WITH THEIR CREDIT BALANCE. UNDERSTANDING THESE RULES IS ESSENTIAL FOR EFFECTIVE CREDIT MANAGEMENT WITHIN THE SYSTEM.

9.1 Credit Deduction

This subsection explains how credits are deducted in the AP4.0 system for various actions performed during the audit process. Credits are consumed at different stages, from adding client names to generating working papers, depending on the complexity of the audit engagement and the system features utilized.

Credit Deduction Rules

A. Total Credit Usage Per Audit Engagement:

From adding a client name to generating working papers, approximately 1.8 to 2.4 credits are deducted per audit engagement, on average.

B. Credit Usage in AML Sanction Screening:

For each AML Sanction Search Report generated, 0.01 credit is deducted, regardless of the number of names being searched.

C. Checking Credit Balance

To check the credits used, credits available and expiry of available credits:

1. Go to the AP4.0 Wizard Home Screen.
2. Click the “Check Credit Balance” button.
3. A pop-up window will display:
 - Credits Used: The total credits deducted for all actions performed.
 - Credits Available: The remaining credits available for future use.

9.2 Credit Expiry

This subsection explains the rules governing the expiry of credits in the AP4.0 system. To ensure uninterrupted usage of the system, users must be aware of the expiration dates associated with their purchased credits.

Credit Expiry Policy

- All credits purchased on or before 30 June 2025 will expire on 30 June 2026.
- Any unused credits after this date will no longer be valid and can only be carried forward if there are additional purchases of 20 or more credits before the expiry date of existing unused credits.

1. Tracking Credit Expiry:

- Users are advised to monitor their credits and ensure they are utilized before their expiry date.
- You can check your credit balance and expiry information by clicking the “Check Credit Balance” button on the AP4.0 Wizard Home Screen.

2. Purchasing New Credits:

- New credits purchased after 30 June 2025, will have at least a 12-month credit validity period. For example a purchase of credits on 15 July 2025, will have credits expiring on 31 July 2026.

9.3 Extension of Credit Expiry Dates

A. Additional Purchase of 20+ Credits for Extension of Unused Credits

Purchase an additional 20 or more credits before the expiry date of your unused credits, then your unused credits' expiry date will be further extended by One (1) Year.

10. Support and Training



THIS SECTION PROVIDES INFORMATION ON AFTER-SALES SUPPORT IN THE USAGE OF AUDIT PROGRAM 4.0:

10.1 Pre-Recorded Instructional Videos

Pre-recorded instructional videos have been uploaded onto our website. These instructional videos are recorded in Cantonese. We will be uploading instructional videos in English and Putonghua by 30 June 2025, and these videos will be incorporated into various sections of this user manual to improve the user's experience in reading this user manual.

Link to Videos: <https://eqcadvisory.com/ap4-0-instructional-videos/>

10.2 User Manual

This User Manual is updated from time to time. We are in the process of preparing a Chinese version.

10.3 In-Person Tutorial Training Sessions

A. Register for AP4.0 Tutorial Sessions

We are arranging bi-weekly small class tutorial sessions for instructional purpose in the use of AP4.0. The first session begins on Thursday, May 15, 2025, and is held every 2 weeks. These tutorial sessions are free-of-charge, and will be held every 2 weeks. Registration in advance is required. As the number of Practices using AP4.0 grows, we have the capacity to increase these tutorial sessions to weekly or multiple sessions per week.

Confirmations will be sent by E-mail.

Registration Link for Tutorial Sessions:

<https://eqcadvisory.com/registration-form-for-ap4-0-tutorials-ap4-0-subscribers-only/>

10.4 New Standards and Legislations

A. Free Upgrades semi-annually

To help your Practice in staying compliant with the latest effective Standard and / or Ordinances, we will provide updates to the program every 6 months, with the first upgrade to take place on 1 October 2025. We will contact your practice to arrange the upgrades / updates by TeamViewer.

11. Legal and Licensing



THIS SECTION OUTLINES THE LEGAL AND LICENSING TERMS ASSOCIATED WITH THE USE OF THE **AP4.0** SYSTEM. IT INCLUDES THE **END-USER LICENSE AGREEMENT (EULA)**, WHICH DEFINES THE TERMS OF USE, AND CLARIFIES THE COPYRIGHT OWNERSHIP OF ALL WORKING PAPERS AND AUDIT PROGRAMS GENERATED BY **AP4.0**. ADDITIONALLY, IT PROVIDES A DISCLAIMER OF LIABILITY AND LOSSES, LIMITING RESPONSIBILITY FOR ANY DAMAGES RESULTING FROM THE USE OF THE SYSTEM, AND DETAILS THE PRIVACY POLICY, WHICH GOVERNS THE HANDING AND PROTECTION OF THE USER DATA WITHIN **AP4.0**. UNDERSTANDING THESE TERMS IS ESSENTIAL FOR COMPLIANCE AND PROPER SYSTEM USAGE.

11.1 End-User License Agreement

End-User License Agreement (EULA)

Audit Program 4.0 (AP4.0)

This End-User License Agreement (“Agreement”) is a legally binding contract between EQC Advisory Limited, trading as EQC Compliance Advisory (“we,” “us,” or “our”), and the purchaser or subscriber of Audit Program 4.0 (“you,” “your,” or “end-user”). By installing, accessing, or using Audit Program 4.0 (“the Program”), you agree to be bound by the terms and conditions set forth in this Agreement. If you do not agree to these terms, you must not install or use the Program.

1. Definitions

1.1 “Program”: Refers to the Audit Program 4.0 (AP4.0) software, including all components, updates, working paper templates, formulas, and codes embedded within the system.

1.2 “End-User”: Refers to the owners and employees of the purchasing party who are authorized to use the Program for internal audit services or sub-contracted audit services.

1.3 “Purchasing Party”: The entity, firm, or individual who has purchased or subscribed to the Program and its associated credits under this Agreement.

1.4 “Workstation”: The computer or device owned and controlled by the Purchasing Party, used for operating the Program.

1.5 “Principal Place of Business”: The primary office or location where the Purchasing Party conducts its business.

1.6 “Deliverables”: The working papers, audit reports, and other outputs generated by the Program during its use.

1.7 “Confidential Information”: Includes the Program’s know-how, methods, working paper templates, formulas, and coding embedded within the Program, as well as any proprietary information provided by EQC Advisory Limited.

2. Grant of License

2.1 License Scope: EQC Advisory Limited grants you a limited, non-exclusive, non-transferable, and revocable license to use the Program exclusively on the Purchasing Party's workstation(s) for internal use in rendering audit or sub-contracted audit services.

2.2 Restrictions:

- The Program may only be used by the owners and employees of the Purchasing Party.
- The Program must only be installed and used on workstations located at the Principal Place of Business of the Purchasing Party.
- You may not transfer, move, or use the Program on workstations outside the Principal Place of Business, nor allow external parties to access or use the Program.
- You may not copy, modify, reverse-engineer, decompile, disassemble, or attempt to replicate the Program or any of its components.
- You may not sell, distribute, or share the Program, its deliverables, or any part thereof for profits, gains, or purposes beyond internal audit services for your business or sub-contracted audit services.

2.3 Deliverables: The deliverables generated by the Program are for internal use only and may not be shared, distributed, or sold to third parties outside the Purchasing Party.

3. Acknowledgment and Acceptance of Related Policies

By using the Program, you confirm that you have read, understood, and agreed to the following documents, which form an integral part of this Agreement:

3.1 Privacy Policy: www.eqcadvisory.com/eqc-privacy-policy

3.2 Disclaimer of Liability and Losses: www.eqcadvisory.com/disclaimer-of-liability-and-losses

3.3 Data Processing Agreement: www.eqcadvisory.com/ap40-data-processing-agreement

4. Obligations of the End-User

4.1 Compliance with User Manual: You agree to use the Program strictly as per the instructions provided in the user manual issued by EQC Advisory Limited. Any unauthorized use of the Program beyond the scope of the user manual is strictly prohibited.

4.2 Confidentiality: You shall safeguard the Program’s know-how, methods, working paper templates, formulas, and coding as proprietary and confidential information of EQC Advisory Limited. You must not disclose, share, or replicate such information in any form.

4.3 Security Measures: You are responsible for implementing appropriate security measures for your workstations, including managing access to prevent unauthorized use and ensuring compliance with data protection laws.

4.4 Data Accuracy: You are responsible for ensuring that all data entered into the Program is accurate, complete, and up to date.

5. Prohibited Actions

The End-User shall not:

- Use the Program for purposes other than internal audit services or sub-contracted audit services.
- Attempt to replicate or develop a similar system using the Program’s design, methods, or functionality.
- Transfer the Program, its deliverables, or any part thereof to third parties.
- Move or use the Program on workstations located outside of the Principal Place of Business, except with prior written approval from EQC Advisory Limited.

6. Breach of Agreement

6.1 Legal Actions and Compensation: EQC Advisory Limited reserves the right to pursue legal actions against the End-User for any breach of this Agreement. In the event of a breach, you agree to:

- Compensate EQC Advisory Limited for all financial losses arising from the breach, including but not limited to:
 - Leakage of confidential information, including know-how, methods, working paper templates, and formulas or codes embedded in the Program.
 - Loss of profits, business opportunities, or damages caused by unauthorized use or distribution of the Program or its deliverables.

6.2 Termination of License: EQC Advisory Limited may terminate this Agreement immediately if the End-User breaches any of its terms. Upon termination, you must cease using the Program and delete all copies from your workstations.

7. Limitation of Liability

To the fullest extent permitted by law:

- EQC Advisory Limited disclaims all liability for any losses or damages arising from the use or reliance on the Program or its deliverables, as outlined in the Disclaimer of Liability and Losses.
- The End-User assumes all responsibility for compliance with applicable laws, regulations, and professional standards when using the Program.

8. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region. Any disputes arising from this Agreement shall be subject to the exclusive jurisdiction of the courts of Hong Kong.

9. Miscellaneous

9.1 Updates and Modifications: EQC Advisory Limited reserves the right to update this Agreement at its sole discretion. Continued use of the Program after such updates constitutes acceptance of the revised terms.

9.2 Severability: If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

9.3 Entire Agreement: This Agreement constitutes the entire understanding between the parties regarding the use of the Program and supersedes all prior agreements, whether written or oral.

10. Acceptance of Terms

By installing, accessing, or using Audit Program 4.0, you acknowledge that you have read, understood, and agree to be bound by the terms of this End-User License Agreement and the related policies referenced herein.

11.2 Data Processing Agreement

Data Processing Agreement (DPA)

Effective Date: 20 January, 2025

Last Updated: 19 January, 2025

This Data Processing Agreement (DPA) forms part of the User's Agreement on Terms and Conditions between EQC Compliance Advisory ("we", "us", or "our") and the CPA Practice Unit ("you", "your", or "user") for the use of Audit Program 4.0. *EQC Compliance Advisory has the sole discretion to update this Data Processing Agreement from time to time.*

This DPA outlines the respective responsibilities of EQC Compliance Advisory and the CPA Practice Unit under Hong Kong's Personal Data (Privacy) Ordinance (Cap. 486) (PDPO), ensuring compliance when personal data belonging to your audit clients is processed through Audit Program 4.0.

1. Definitions

For the purposes of this DPA:

- "Personal Data": Any data relating directly or indirectly to a living individual from which it is possible to ascertain the individual's identity, as defined under PDPO.
- "Sensitive Personal Data": Types of personal data requiring additional protection, such as financial information, though not expressly defined under PDPO.
- "Data User": The CPA Practice Unit that controls the collection, holding, processing, or use of personal data.
- "Data Processor": EQC Compliance Advisory, through Audit Program 4.0, which processes Personal Data and Sensitive Personal Data on behalf of the Data User.
- "Processing": Any operation performed on personal data, including collection, use, disclosure, storage, or destruction.

2. Scope and Applicability

This DPA applies to personal data processed by EQC Compliance Advisory through Audit Program 4.0 on behalf of CPA Practice Units registered with the Accounting and Financial Reporting Council (AFRC) in the HKSAR.

- CPA Practice Units act as Data Users and are responsible for ensuring compliance with the PDPO when collecting, using, or disclosing their clients' Personal Data and Sensitive Personal Data.
- Audit Program 4.0, acts as a Data Processor, processing Personal Data and Sensitive Personal Data solely in accordance with the instructions of CPA Practice Units and the requirements of the PDPO.

3. Our Role as a Data Processor

As a Data Processor, EQC Compliance Advisory agrees that Audit Program 4.0, installed on the workstations of the CPA Practice Units, to:

- 3.1. Process personal data solely for the purposes specified by the CPA Practice Unit and in accordance with their instructions.
- 3.2. Not collect, use, or disclose personal data for any purpose other than those instructed by the CPA Practice Unit or required by law.
- 3.3. Implement appropriate technical and organizational measures to ensure the security and confidentiality of personal data.

4. Responsibilities of the CPA Practice Unit (Data User)

As the Data User, the CPA Practice Unit agrees to:

- 4.1. Ensure compliance with the PDPO when collecting, using, and disclosing personal data belonging to their audit clients.
- 4.2. Obtain valid and informed consent from their audit clients for the collection, use, and disclosure of personal data.
- 4.3. Provide EQC with clear and lawful processing instructions that comply with the requirements of the PDPO.
- 4.4. Ensure that personal data provided in Audit Program 4.0 is accurate, complete, and up-to-date.

5. Data Processing Obligations of EQC

EQC Compliance Advisory agrees that:

- 5.1. Purpose Limitation: Audit Program 4.0 processes personal data only for the purposes specified by the CPA Practice Unit or as required by law.
- 5.2. Confidentiality: Ensure that all personnel authorized to process personal data are bound by confidentiality obligations.
- 5.3. Security Measures: Implement appropriate safeguards to protect personal data against unauthorized access, loss, or misuse, including:
 - Encryption of personal data during transmission and at rest.
 - Role-based access controls to limit access to authorized personnel only.
 - Conducting regular audits and monitoring to identify and mitigate vulnerabilities.
- 5.4. Retention and Deletion: Retain personal data only for as long as necessary to fulfill the purposes specified by the CPA Practice Unit or as required by law. Upon termination of services, EQC will securely delete or return all personal data to the CPA Practice Unit, as instructed.

5.5. Subprocessing: Engage subprocessors only with the CPA Practice Unit's prior written consent and ensure that they adhere to the same obligations set forth in this DPA.

5.6. Cross-Border Transfers: Ensure that personal data is not transferred outside Hong Kong without the CPA Practice Unit's explicit written instructions and that the recipient provides comparable levels of protection in compliance with the PDPO.

6. Data Breach Notification

6.1 Notification Obligations

In the event of a data breach involving personal data, EQC will:

1. Notify the CPA Practice Unit without undue delay upon becoming aware of the breach.
2. Provide details of the breach, including:
 - The nature and scope of the breach.
 - The categories and approximate number of affected individuals.
 - The potential consequences and risks to affected individuals.
 - The measures taken or proposed to address the breach.
3. Assist the CPA Practice Unit in fulfilling its obligations under the PDPO, including notifying affected individuals and, where applicable, the Privacy Commissioner for Personal Data (PCPD).

6.2 Mitigation Measures

EQC will:

- Take immediate steps to contain and mitigate the effects of the breach.
- Investigate the root cause of the breach.
- Implement measures to prevent recurrence.

7. Individual Rights and Requests

7.1 Assistance with Data Access and Correction Requests

EQC will assist CPA Practice Units in responding to requests from individuals to exercise their rights under the PDPO, including:

- Accessing their personal data.
- Correcting inaccurate or incomplete information.

7.2 Notification of Requests

If EQC receives a request from an individual, it will notify the CPA Practice Unit promptly and will not respond to such requests without the CPA Practice Unit's prior written instructions.

8. Audit and Compliance

EQC will:

1. Make available to the CPA Practice Unit all necessary information to demonstrate compliance with this DPA.
2. Allow for and contribute to audits or inspections conducted by the CPA Practice Unit or an independent auditor authorized by the CPA Practice Unit, provided such audits are limited to EQC's data processing activities under this DPA.

9. Termination and Return of Data

Upon termination of the services provided under the User's Agreement:

1. EQC will, at the CPA Practice Unit's choice, securely return or delete all personal data processed on behalf of the CPA Practice Unit.
2. EQC will delete any remaining copies of personal data unless retention is mandated by applicable laws or regulations.

10. Cross-Border Transfers

EQC will:

1. Ensure that personal data is not transferred outside Hong Kong without the CPA Practice Unit's explicit written consent.
2. Ensure that any cross-border transfers comply with the PDPO, including ensuring that the recipient provides comparable protections for personal data.

11. Liability and Indemnity

EQC's liability under this DPA is limited to the extent permitted under the User's Agreement.

The CPA Practice Unit agrees to indemnify EQC for any claims, damages, or expenses arising from non-compliance with the PDPO due to the CPA Practice Unit's actions or instructions.

12. Acceptance of Terms

By installing and using Audit Program 4.0, the CPA Practice Unit confirms that it has read, understood, and agreed to the terms of this Data Processing Agreement (DPA).

11.3 Disclaimer of Liability

Disclaimer of Liability and Losses

The audit programs, working papers and deliverables generated by Audit Program 4.0 (AP4.0) are designed to assist CPA Practice Units in rendering their audit or sub-contracted audit services. While EQC Advisory Limited has made every effort to ensure that AP4.0 operates effectively and generates accurate deliverables, we expressly disclaim all liability and losses that may arise from the use, reliance, or application of AP4.0 and its outputs.

It is the responsibility of the CPA Practice Units using AP4.0 to ensure that all audit services, working papers, and reports comply with the applicable regulations, ordinances, professional auditing standards, and financial reporting frameworks relevant to their jurisdiction and engagement. Users must exercise their own professional judgment and due diligence when utilizing AP4.0 or its deliverables in any audit process.

EQC Advisory Limited does not accept any responsibility or liability for any errors, omissions, inaccuracies, or non-compliance resulting from the use of AP4.0. By using AP4.0, users acknowledge and agree that the ultimate responsibility for compliance with all relevant legal, regulatory, and professional requirements remains entirely with the user.

This disclaimer applies to the fullest extent permitted by law and forms part of the terms and conditions of using Audit Program 4.0. EQC Advisory Limited has the sole discretion to update this Disclaimer from time to time and will make revised statements of Disclaimer publicly available on its website.

11.4 EQC Privacy Policy

Privacy Policy of EQC Advisory Limited

Last Updated: 19 January, 2025

Welcome to EQC Compliance Advisory (“we,” “us,” or “our”), a trade name of EQC Advisory Limited. We are committed to safeguarding your privacy and ensuring compliance with the Personal Data (Privacy) Ordinance (Cap. 486) (“PDPO”) of the Hong Kong Special Administrative Region (HKSAR). This Privacy Policy explains how we handle any data entered through our program Audit Program 4.0 (“the Program”) by users, which are CPA Practice Units registered in Hong Kong under the Accounting and Financial Reporting Council (AFRC).

By installing, accessing, or using the Program, you acknowledge and agree to the terms of this Privacy Policy. Please read this carefully. If you do not agree, do not install or use the Program.

1. Data Handling Policy

1.1 No Data Retention

We, EQC Advisory Limited, do not collect, store, or retain any data entered into the Program by its users. The data typically consists of information or data belonging to the audit clients of the users (CPA Practice Units). Such data is processed exclusively within the Program on your local systems and is not transmitted to, accessed by, or retained on EQC’s servers or any third-party servers.

1.2 Local Processing of Data

The Program is designed to operate entirely on your local device or network. All data entered into the Program remains under your direct control and is not accessible to EQC Advisory Limited.

1.3 No Data Sharing or Disclosure

Since we do not collect or retain any data, we do not share, sell, or disclose your data to any third party, except as required by law or under the express instruction of the user.

2. Compliance with the Personal Data (Privacy) Ordinance

2.1 Data Protection Principles (DPPs)

Although we do not collect personal data, we are committed to complying with the Data Protection Principles (DPPs) outlined in the PDPO. Specifically:

- DPP1 – Purpose and Manner of Collection: We do not collect or retain any personal or sensitive information through the Program.

– DPP2 – Accuracy and Retention: As no data is collected or stored, there is no requirement for retention management.

– DPP3 – Use of Data: Data entered into the Program is managed entirely by the user and is not used by EQC Advisory Limited.

– DPP4 – Data Security: The Program is designed to meet industry standards for software security to ensure data processed locally remains secure.

– DPP5 – Transparency: This Privacy Policy provides clear information about our data handling practices.

2.2 User Responsibility

Users of the Program are responsible for ensuring that their use of the Program complies with the PDPO and any other applicable data protection laws relevant to their jurisdiction or client base.

3. User Consent

3.1 Explicit Consent

By installing and using the Program, you expressly confirm that you have read, understood, and agreed to this Privacy Policy. During the installation process, you will be required to check a box indicating your acceptance of this Privacy Policy and the Terms and Conditions.

4. Security and Program Design

4.1 Data Security

The Program is designed with robust security measures to protect data processed within your local environment. However, as the user, you are responsible for implementing appropriate security measures for your systems, including network security, user access management, and data backups.

4.2 No Internet Transmission

The Program does not transmit any data to external servers, including EQC Advisory Limited's servers. All operations are performed locally on your device or designated network.

5. Display of Privacy Policy

5.1 Accessibility

This Privacy Policy will be:

- Displayed prominently on our official website.
- Made available as part of the installation process for the Program.
- Accessible within the Program's settings menu or help section.

5.2 Updates to the Policy

We reserve the right to modify or update this Privacy Policy from time to time, and we will notify users of any material changes by updating the “Last Updated” date at the top of this policy. Continued use of the Program after such changes constitutes your acceptance of the updated Privacy Policy.

6. Contact Information

If you have any questions or concerns about this Privacy Policy or our data handling practices, please contact us at:

EQC Advisory Limited

22/F., 9 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong

Email: services@eqcadvisory.com

Phone: +852 6015-7080

7. Governing Law

This Privacy Policy shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

8. Acknowledgment

By installing or using Audit Program 4.0, you acknowledge that you have read and understood this Privacy Policy and agree to its terms.

Upon installation of Audit Program 4.0, the CPA Practice Unit has read, understood, and agreed to the Privacy Policy and Terms and Conditions of EQC Advisory Limited.

This Privacy Policy ensures compliance with the PDPO in Hong Kong while addressing the specific nature of your product and its usage by CPA Practice Units. It also ensures that your data handling practices are transparent and enforceable under HKSAR laws.

Appendices



LIST OF WORKING PAPERS THAT CAN BE GENERATED USING AP4.0. THIS LIST MAY BE UPDATED FROM TIME TO TIME BASED ON ACTUAL NEEDS OF THE USERS OF AUDIT PROGRAM 4.0. THESE WORKING PAPERS INCLUDE SAMPLE SELECTION PLANNING SHEETS AND TESTS OF DETAILS LISTED IN THE TABLE SHOWN IN APPENDIX A. APPENDIX B SHOWS THE LIST OF PRINCIPAL ACTIVITIES, APPENDIX C SHOWS THE LIST OF ACCOUNTING ESTIMATES, APPENDIX D SHOWS THE LIST OF AUDIT OPINIONS, AND APPENDIX E SHOWS THE LIST OF FINANCIAL STATEMENT LINE ITEMS. APPENDIX F SERIES ARE INSTRUCTIONS ON USING LEDGER EXTRACTION TOOLS FOR SPECIFIC ACCOUNTING SOFTWARE:

FOR APPENDIX A TO F, PLEASE REFER TO:

[HTTPS://EQCADVISORY.COM/AP4-0-USER-MANUAL-TABLE-OF-CONTENTS/AP4-0-USER-MANUAL-12-APPENDICES/](https://eqcadvisory.com/ap4-0-user-manual-table-of-contents/ap4-0-user-manual-12-appendices/)