



- ✓ Assess control risk
- ✓ Materiality
- ✓ Obtain engagement letter

- ✓ Check for fraud
- ✓ Test controls
- ✓ Review policies

Attend physical inventory inspection on January 24th at 55 Victoria Street

✓ confirm balance with RBC Royal Bank:
\$13.499M

- ✓ Compare prior-period financial data
- ✓ Tour Kaboose's facilities

Kaboose's Audit Risk Model

$$\text{AR} = \text{IR} \times \text{CR} \times \text{PDR}$$

Low High High Low



Publicly traded
on the TSX

Online industry

Several users

Foreign currency
risk

Credit risk

Interest rate risk

Affiliation with
sister web sites

Lack of hedging
to avoid currency
fluctuations

Low audit risk

High inherent risk

High control risk

Materiality: \$450,000

Presented by:

Mansi Arora

Ali Jaffer

Jeremy Lui

Palermo Penano

Arash Razaghi