

Information System

Auditor obtain understanding of Info System Related Business Processes
↓
Relevant for FR
↓
Including the following

1. Transactions

The classes of transactions that are significant to the financial statements

2. Procedures

The procedures through which transactions are initiated, recorded, processed and reported in the financial statements

3. Accounting Records

understand the accounting records that are used to initiate, record, process and report transactions

4. Capture

Determine how the system captures significant non-transactional events and conditions.

(Assets - Revaluation)

5. Financial Reporting Process

Review the process used to prepare financial statements, including important estimates and disclosures.

6. Journal Entry Controls

understand controls over journal entries, especially those for unusual or non-recurring transactions.

control activities include policies and procedures ensuring management's directives are implemented.

Control Activities

- Auditor $\xrightarrow{\text{obtain}}$ Understanding of CA Relevant to
Audit for IAROMM
- Control Activities that are relevant for audit Activities Related to
 - Significant Risk
 - Risk for which SP alone would not provide SAAE
 - Considered Relevant as per Professional Judgment of Auditor

Monitoring of Control

- o Auditor ——— understanding — How Entity Monitor
obtain Control over FR
- o Assess the effectiveness of IC Performance Over time
and taking Remedial Actions
- o Accomplished through
 - Ongoing Activities
 - Separate Evaluation
 - Combination of Both

management may use external feedback, such as customer complaints or regulator comments, for monitoring controls.

SEBI

In small entities, close management involvement in operations often helps in identifying and correcting control issues.