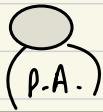


SAGOD: Using the Work of Another Auditor

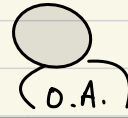


Principal Auditor

eg Auditor of Consol. F.S.

- Who uses work of other auditor
- Reports on financial info. of entity that includes financial info. of one/more components.

- Division
- Branch
- Subsy
- Associate
- J.V.
- Others



Other Auditor

eg Auditor of Subsy

- Reports on financial info. of component included in financial info. audited by P.A. Consol. F.S.

NOTE: SAGOD → N.A to Joint Audit / Relation with Predecessor auditor (SA 299)

① Acceptance as P.A. → Consider?

(Apna Area)

(Dusre)

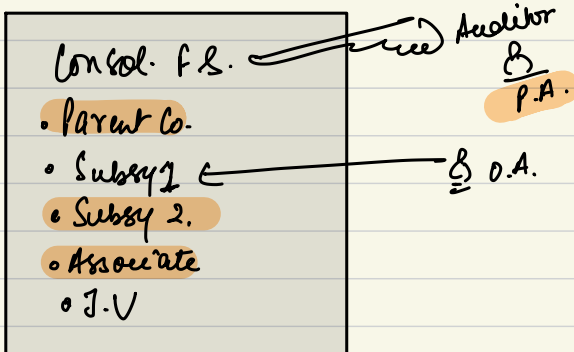
a) Materiality of portion of financial info. which P.A. audits.

b) Degree of knowledge regarding business of components.

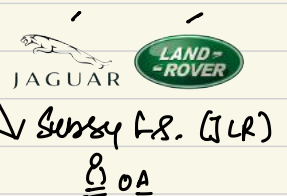
c) Risk in financial info. of components.

d) Performance of addⁿ audit pro. for components audited by O.A. to have sig. participation in such audit.

Mean



C.F.S. P.A.



② P.A.'s Audit Procedures?

P.A.

1) Right to visit & examine the books if necessary in **sp. Circumstances**.

• O.A. unqualified/Qualified component Report

2) If **planning to use O.A.'s work**, evaluate competence if O.A. is not CA.

O.A.

3) Perform "Procedures" → to obtain "SAAE" → that O.A.'s work is **Adequate** for P.A.

Advise O.A. of use of his work $\hat{=}$ Coordinate at planning stage

I PAA

Procedures for identifying **inter-component trans.** that may require **disclosure**

Areas requiring **sp. audit consideration** { by sig. risk → complex FROUD }

Advise about sig. **Ac, audit & reporting requirements.**



Time Table for completion

obtain representation for compliance.

II

Work check?

• **discuss** audit procedures applied

obtain **written summary** of O.A.'s pro. in form of:

Questionnaire or **checklist**

• May also wish to visit O.A.

Kitni checkup?

N.T.E of A. pro. depends on **circumstances of enge.**

knowledge about **competence** of O.A.

Can be obtained from **review of previous audit work.**

Report format

3) Role of P.A. & O.A.

P.A.

O.A.

i) Necessary to issue written communication to O.A.

ii) Should coordinate with P.A.
 eg. bringing sig. findings to P.A.'s attention.
 • Adhering to time table.

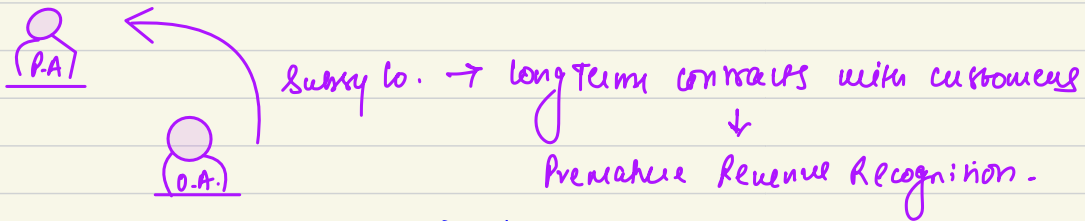
ii) Advise O.A. if any matter RPT that has imp. bearing on O.A.'s work.
 (Subst. involved) or control (ALP?)

iii) Ensure compliance with statutory requirements.
 P.S. → Cos. Act 2013
 Audit → Cos. Act 2013

iii) May require O.A. to answer detailed questionnaire

iii) Should respond to questionnaire.

4) P.A. → consider sig. findings of O.A.



SLA? • Discuss with O.A. mgt of subst. Co.

• Decide supplementary procedures [• Read contracts. • Confirmation from customers]

Depends on circumstances, performed by P.A. or O.A.

5) Documentation

Component whose F.L. audited by O.A.

Procedures performed & conclⁿ reached

eg. • Results of discussions with O.A.
 • written summary of O.A.'s pro.

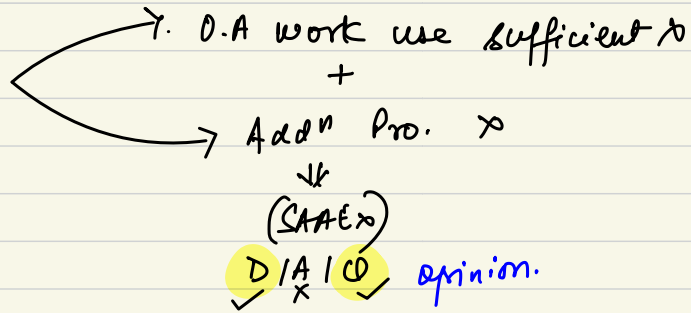
O.A.'s Report is modified (M.A.O.)

How P.A. dealt with ignore to qualification / Adverse Remarks.

Q What if limited A pro. performed? (kanchori)
 Reasons not to be documented.

⑥ Reporting

• P.A. Conclude



• O.A issue modified Report →

consider nature & significance of matter.
↓
In relation to financial info. of entity
{ Consol. F.S. → matter material? }

Division of Responsibility

Work of O.A

↓
P.A. Responsible to

unless suspicious circumstances
about reliability of O.A's work.

Report should clearly state Division
of Resp.

↓
indicating extent to which financial
info. audited by O.A. eg No. of branches,
divisions etc.

if P.A notices \oplus material discrepancies

↓
Inform O.A \oplus Include in A.R.