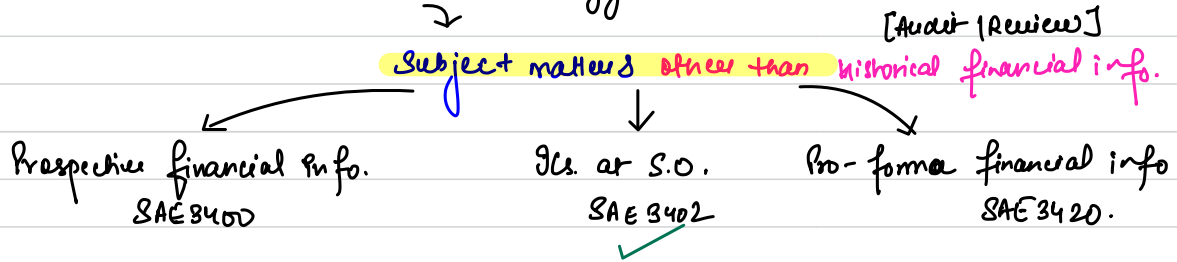


(Audit)
Assurance Engg. means engg: (opinion)

- practitioner expresses conclusion
- about evaluation of subject matter against criteria
P.S. AFRG.
- to enhance confidence of intended users.
Shareholders

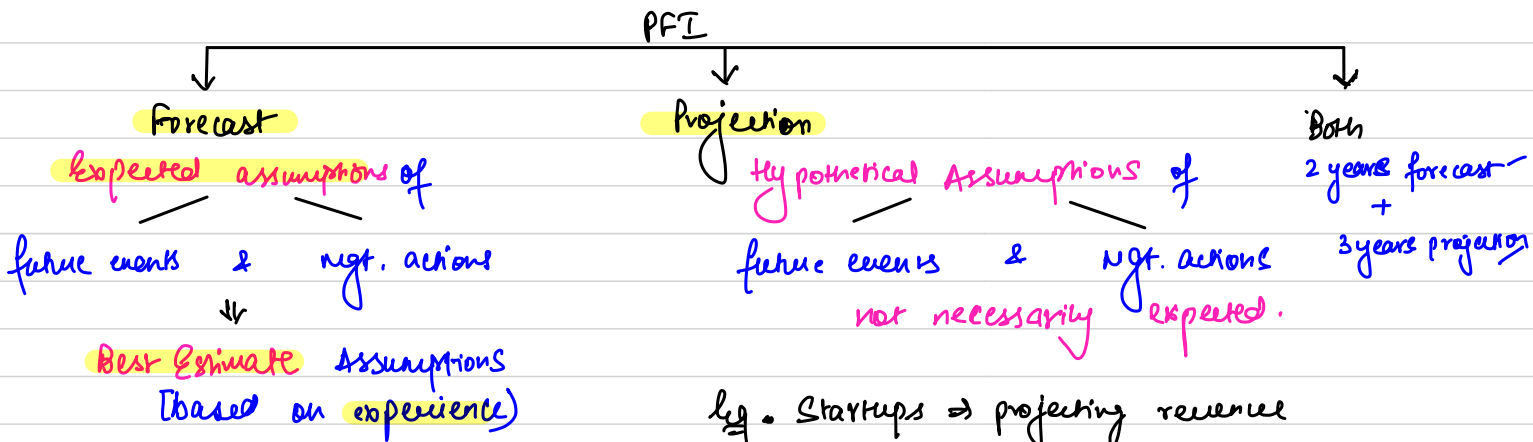
Standards on Assurance Engg.



SAE 3400: Examination of Prospective Financial Info. (PFI).

PFI? Financial info. based on:

Assumptions about future events & possible actions by entity.



eg. Expected ↑ sales 5%
in next Qtr.

eg. Startups ⇒ projecting revenue

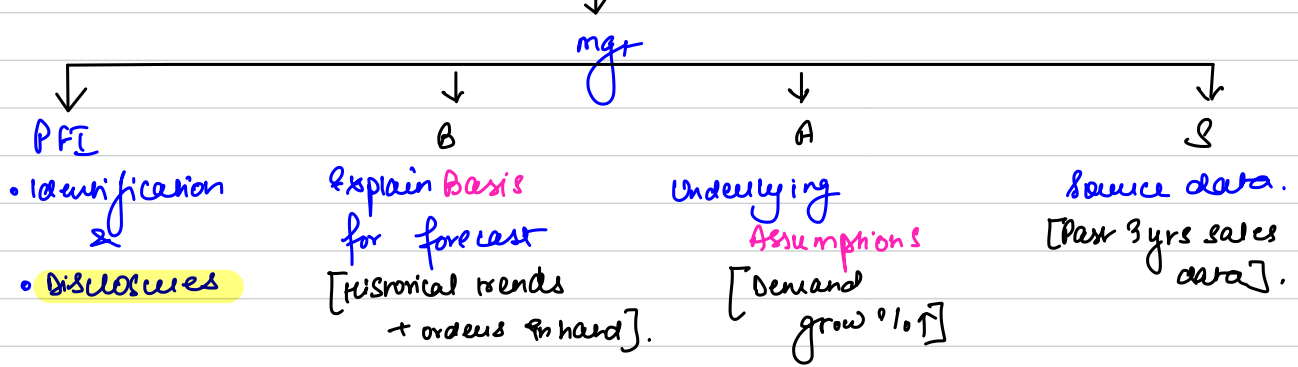
• Launch of new product ⇒ growth 10% ↑

• New plant ⇒ 7 years projected cash flows.

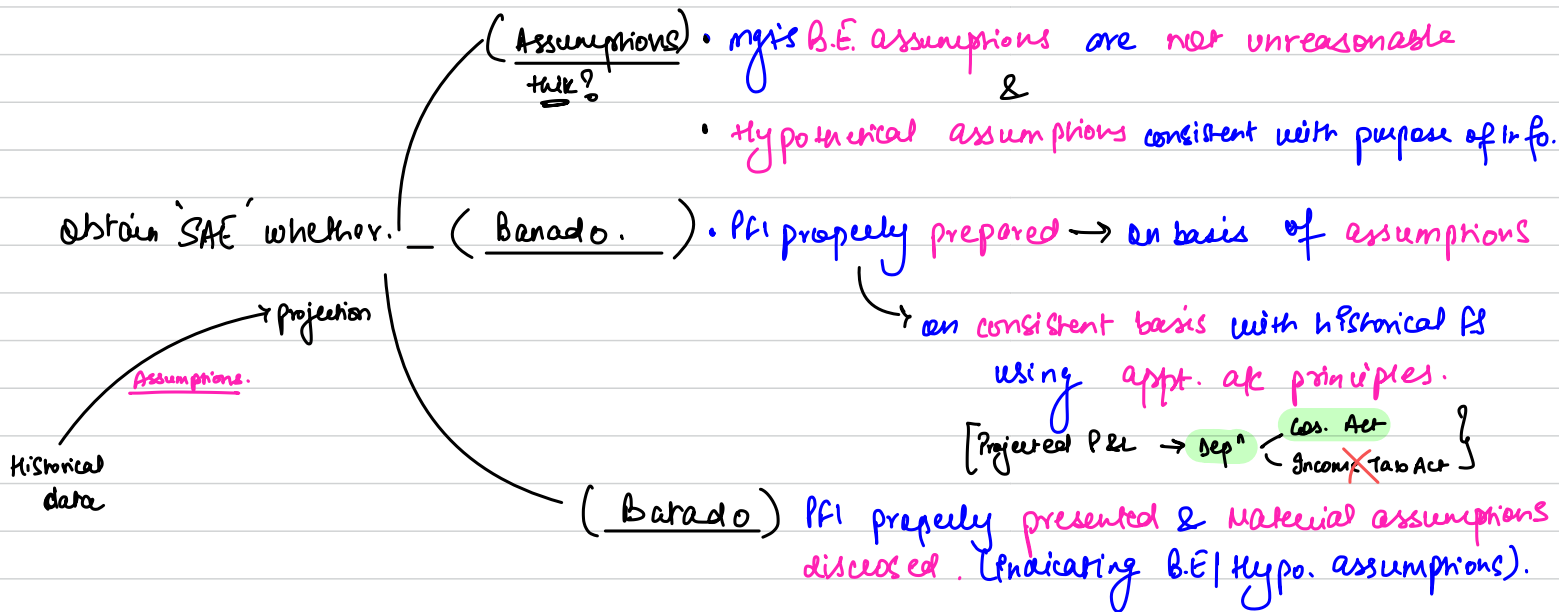
- Clause [3] report on
Part I
Second Sched.
Est. of Earnings → contingent → future transⁿ

unless Basis Assumption + framework
Source info. + Accum of . . .

Responsibility for preparation & presentation of PFI



Duty of members examining PFI



① Opinion [PFI Results → achieve?] No, °° events/actions have not occurred.

⇒ Evidence to support assumptions is future oriented & speculative. [Ho skta hai].

Precautions before Accepting such Engg. [5m]

- consider?
1. Intended use of info.
 - Bank loan?
 - Equity raise?
 2. Info. for general / limited distribution
 3. Period covered. [Next 5/10 yrs].
 4. Elements to be included in info. [Basis]
 5. Nature of Assumptions [B.E./Hypo.].



Incin

NTE of Examination Procedures

