

SA 265 → Communicate Deficiencies In Internal Control To TCMG.

1 → Communicate Deficiencies In I.C that the Auditor Has Identified

LINK WITH SA 315 → <sup>INT</sup> TOC → Why → To Design Nature, Time & Extent of Audit Procedure, According to SA 330

2 → Requirement.

- Auditor should determine whether deficiencies is significant or not.
- Communicate in writing on timely basis.
- Also communicate other deficiencies identified during the audit

3. Auditor should cover the following,

- Description of deficiencies
- Effect

4. General Concepts (Imp. for Exam)

4.1 → Draft Letter of Weakness.

→ Points to be included in written letter for communication,

- Description of deficiency, Area of weakness
- Effect
- Sufficient information to understand the deficiency.

Important points →

- ONLY weakness in I.C and suggestion
- Mention that Auditor tested controls to decide NTE of Audit Procedure Not for opinion.
- Mention Reference of Relevant Document
- This Letter Also Help in Reducing legal Liability.

4.2 Indicators of Significant Deficiencies

