

SA 330 - The Auditor's Response to Assessed Risks

↳ The Auditor shall design and implement overall response to address the Assessed Risk of Material Mis-statement at the financial statement level.

Audit Procedure Response to the Assessed Risk of Material Mis-statement at the Assertion Level.

↳ Auditor shall design and perform further audit procedures whose N T E are extent are based on AND are Responsive to the Assessed Risk of Material Mis-statement.

↳ In design the further audit procedure to be performed,
↳ Consider material Mis-statement due to class of trans. and whether risk assessment takes consider the relevant controls.

Step 1 Test of Control

- ↳ Auditor shall design and perform TOC, when he expects that the controls are operating effectively.
 - ↳ Test control when auditor expects substantive procedure do not procedure SSA Audit Evidence.
 - ↳ If controls tested at interim stage, consider the change for the remaining period.
- TOC

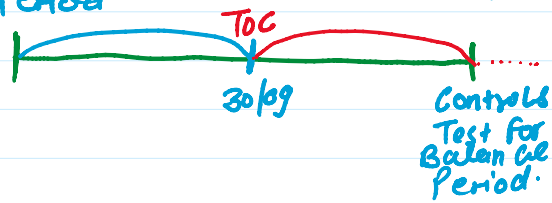
Step-2 Substantive Procedure

- ↳ Irrespective of ROMM, Auditor shall design and perform substantive procedure for each material class of Transaction, Account Bal. & Disclosure
- ↳ ① Substantive Procedure Related to F-S Closing Process.
 - ↳ Agreeing or Reconciling the F-S with the Accounting Record.
 - ↳ Examine JE
- ↳ ② SP Responsive to significant risk
 - ↳ Perform specific procedure

Step-3 Documentation

- ↳ Document
 - overall response
 - Linkage of procedure with Assessed Risk at Assertion Level.
 - Result

Change for the Remaining Period.



Using the Audit Evidence obtained in Previous Year

A → If Changes in Control Test in CY.

B → If No Changes, Test Controls in Every third year AND Test some Control each Audit.

Evaluate the operating Effectiveness of Controls and if Auditor identify Weakness in I.C, he should Communicate to TCW4 to SA265

SP Responsive to Significant Risk
↳ Perform specific Procedure Responsive to that Risk.

Time of Substantive Procedure

⇒ Evaluate the Sufficiency AND Appropriateness of Audit Evidence.

Chat discussion video will come on YouTube - CA Kapil Goyal.

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