

SA 520 → ANALYTICAL PROCEDURE

↳ Evaluation of Financial Information through Analysis of relationship
Both Among financial AND NON FINANCIAL DATA.

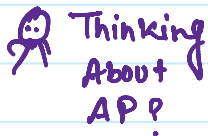
Objective of Auditor → obtain SSA Audit Evidence by Substantive Analytical Procedure.

When to Perform AP → Planning / Execution / Reporting.

Auditor should consider following factor when using SAP. (Imp.)

1. Suitability of SAP
2. Reliability of Data to be compared i.e Input
3. Development of Expectation
4. Difference Evaluation.

Suitability of SAP
Reliability of Data to be compared i.e Input
Development of Expectation
Difference Evaluation.



Relationship Exist? → Yes → Look for the Reliable source ⇒ Develop Expectation ⇒ Perform AP ⇒ Compare Result With Expectation ↓

Resolved
Discuss With Management. ⇐ Yes ⇐ Difference?
No → Perform Additional Audit Procedure to Resolve the Issue
Yes →