

① Audit Materiality in Planning and Performing the Audit.

Materiality  $\left\{ \begin{array}{l} \rightarrow \text{Mis-Statement, if they can influence the Economic decisions of users} \\ \rightarrow \text{It's affected by the size or Nature of Mis-Statement.} \\ \rightarrow \text{Judgement it's based on Common financial information} \\ \quad \text{Needs of users as a group.} \end{array} \right.$

② In Determination of Materiality Auditor Assume that users,

$\left\{ \begin{array}{l} \rightarrow \text{Have Knowledge of Business \& willing to Study F.Stat.} \\ \rightarrow \text{Understand that F.S are prepared at Level of Materiality} \\ \rightarrow \text{Recognize Uncertainty Due to Judgement \& Estimated} \\ \rightarrow \text{He Can make Economic Decision.} \end{array} \right.$

③ Materiality Determination  $\left\{ \begin{array}{l} \rightarrow \text{At Financial Statement Level (Materiality)} \\ \rightarrow \text{At Assertion Level (Performance Materiality)} \end{array} \right.$

Important Note  $\Rightarrow$  If you want to understand the Real Application of SA 320  $\rightarrow$  Watch my Video on YouTube  
CA Kapil Goyal Audit Discussion.

④ Materiality  $\Rightarrow$  Benchmark  $\times$  % of Benchmark

Eg. Net profit  $\times$  8%  $\Rightarrow$  Watch video on YouTube for insight.

$\left\{ \begin{array}{l} \rightarrow \text{Elements of Financial Statement [Assets, Liab, Equity]} \\ \rightarrow \text{Users of Financial Attention Like Profit} \\ \rightarrow \text{Nature of the Entity} \rightarrow \text{Life cycle of Entity} \\ \rightarrow \text{Ownership Structure} \left\{ \begin{array}{l} \rightarrow \text{Debt} \rightarrow \text{High Risk} \\ \rightarrow \text{Equity} \rightarrow \text{Less Risk} \end{array} \right. \\ \rightarrow \text{Volatility of Benchmarks} \end{array} \right.$

④ Revision in Materiality as and when Audit Progress.

## 4) Revision on Materiality as and when Audit Progress.

- Revise Materiality in the event of becoming aware of information during the audit that have caused the Auditor to have determined a different amount initially.
- Determine whether performance materiality needs to be revised and whether NTE of further audit procedure is appropriate.

Message. ⇒ All Charts Available on Telegram "Audit with Kabil"

Pending/online	CA FINAL	CA Inter/IPCC	Course Coverage
⇒ Regular course	₹ 6000	₹ 6000	100%
⇒ Fast Track	₹ 4000	₹ 4000	90%
⇒ special Audit	₹ 1500	NA	50%
⇒ Marathod	YouTube	YouTube	NA
⇒ MCO video	YouTube	YouTube	NA

**DREAMS DON'T WORK  
UNLESS YOU DO.**

Enjoy Audit  
with  
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