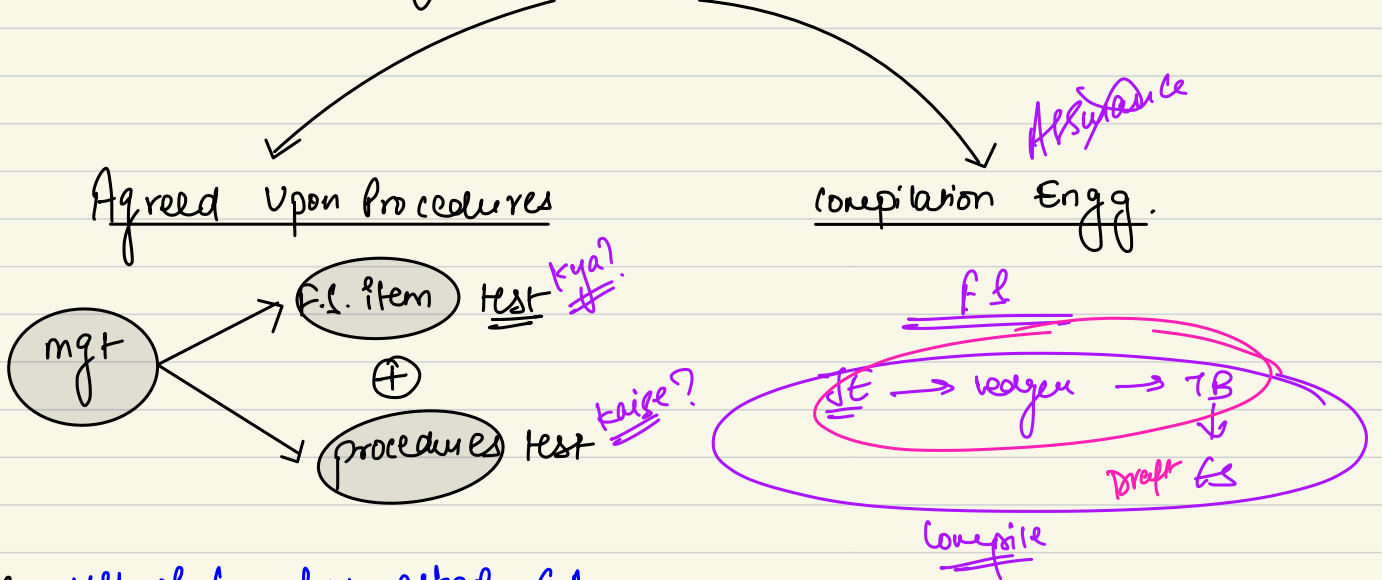


• Related Services [Standards on Related SRS Services]



eg mgt of Co. has asked CA to check Debtors

by taking "External Confirmation" from debtors.

↓
Reports

"Procedures" *Auditor Review*

SRS 4400 Engg to perform A.U.P

eg mgt takes help of a CA to prepare FS.

SRS 4410
Compilation Engg.

Trinia: CA / FS compile / Auditor? (No)

Detail ↓
After 2 classes

∞

Standard on Quality Control (SQC)

• Firm → Responsibility for System of Quality Control (policies) *SAS* *detail (within 2 classes)*

↓ (kya?)
Firm & its personnel comply with

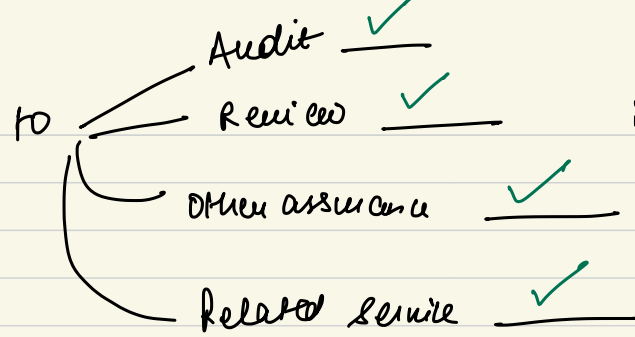
Professional Standards & Regulatory & Legal requirements *PRL*
Reports issued are appropriate *Opinion (ahi)*

SAS/SRE/SAS
ISS: ACC 2003

India *ISS*

SOC

applicable to



i.e. for All Engagements

Why are standards needed?

1. Standards ensure audit done against established benchmarks ^{criteria} at par with global practices.

2. Equips ^(Gives) accountant with professional knowledge & skill.

Quality

Uniformity

Reliance, ITC, HDFC Bank, Zomato, TATA

FS ↑

Audit ↑

③ Improves quality of financial reporting helping users to make diligent decisions.

④ Ensures Audit Quality.

⑤ Promotes uniformity as audit carried out using these standards.

India 65 DDP

Case Scenario

SA 501 Auditor has to attend physical inventory count at client location.

Issue: Govt imposes lockdown, restricting travel.

[Rough Audit → give up? No]

Alternative Procedures [options]

① use video call/
Drones

② Reconciliation
last count xxx ✓
⊕ purchases xxx ✓
⊖ sales xxx ✓
period end xxx

③ If inventory is with 3rd party
↓
Confirmation

Documentation

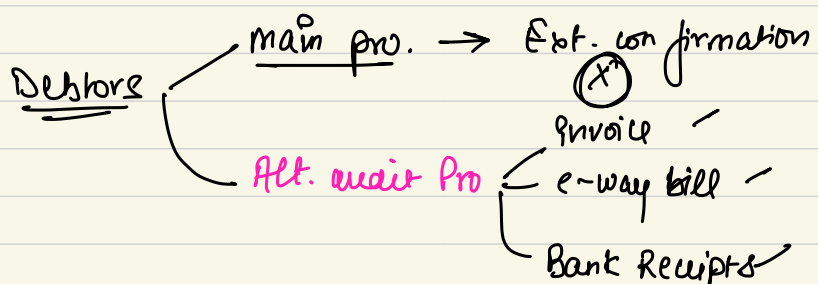
Exam
POV
↓
Relevant

- Alternative procedures performed.
- Reason for departure [main Audit Pro. to] ^{leg.} lockdown restrictions.
- Report should draw attention to such departure.

disclosure DDP

Note: Disclosure is not enough, standards should be followed.

T4U Ans 5 CAP Babu



Scope of Audit

Inclusions

All aspects of entity **relevant** to fs.

Example

Internal controls (process)

Cleaning agency bill

checked by mgt & paid

In scope

Washrooms

daily clean

Out of scope

Reliability & sufficiency of info.

• Ensure info. in **AK records** or other source

data (bills, vouchers etc)

Reliable & sufficient **only**
[More detail 54500]

Proper **disclosure** of financial info.

• Decide whether relevant info. disclosed in fs.

MTP May 24

Exclusions

Not investigation

PPFS
↓
mgt

Authentication of docs

Debts outside expertise

eg condition/ life of PPE Engineer ✓

[Sched III & AS] keep in mind applicable statutory requirements.

(KY check?)

Evaluate fs. **properly summarise** transactions & events

considering judgment by mgt.

mgt makes many judgments in **PPFS**

(preparation & presentation of fs.)

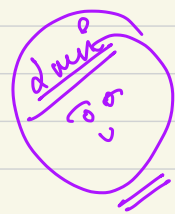
for eg choosing appropriate **AK policy**

(Sahi) method of valuation of inventory

(galar) method of charging depreciation on **fixed assets.**

(Auditor)

Evaluate **selection & consistent application** of AK policies.



- whether selection is proper
- whether policy applied consistently