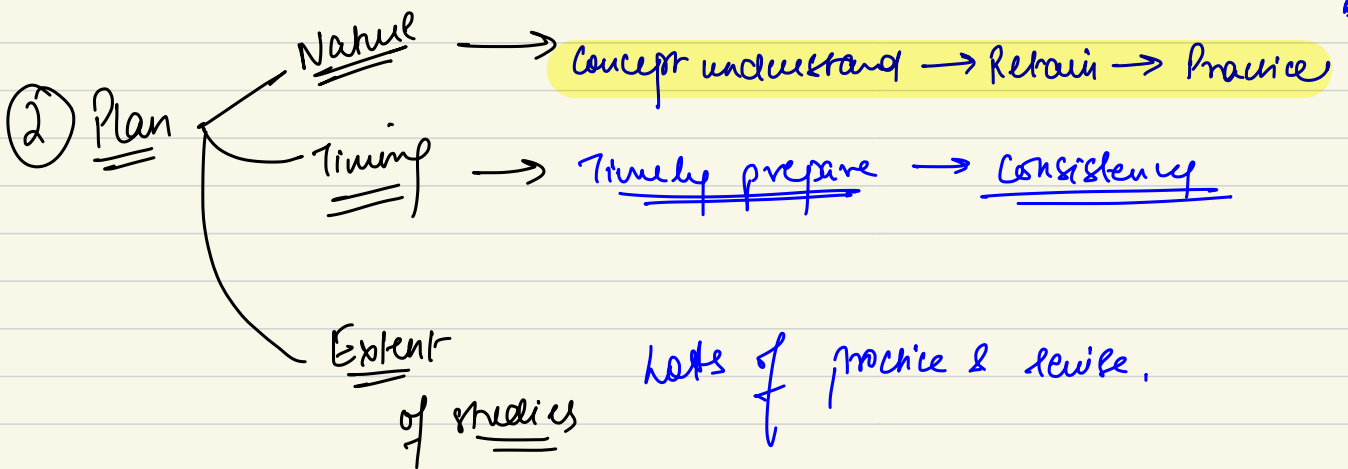
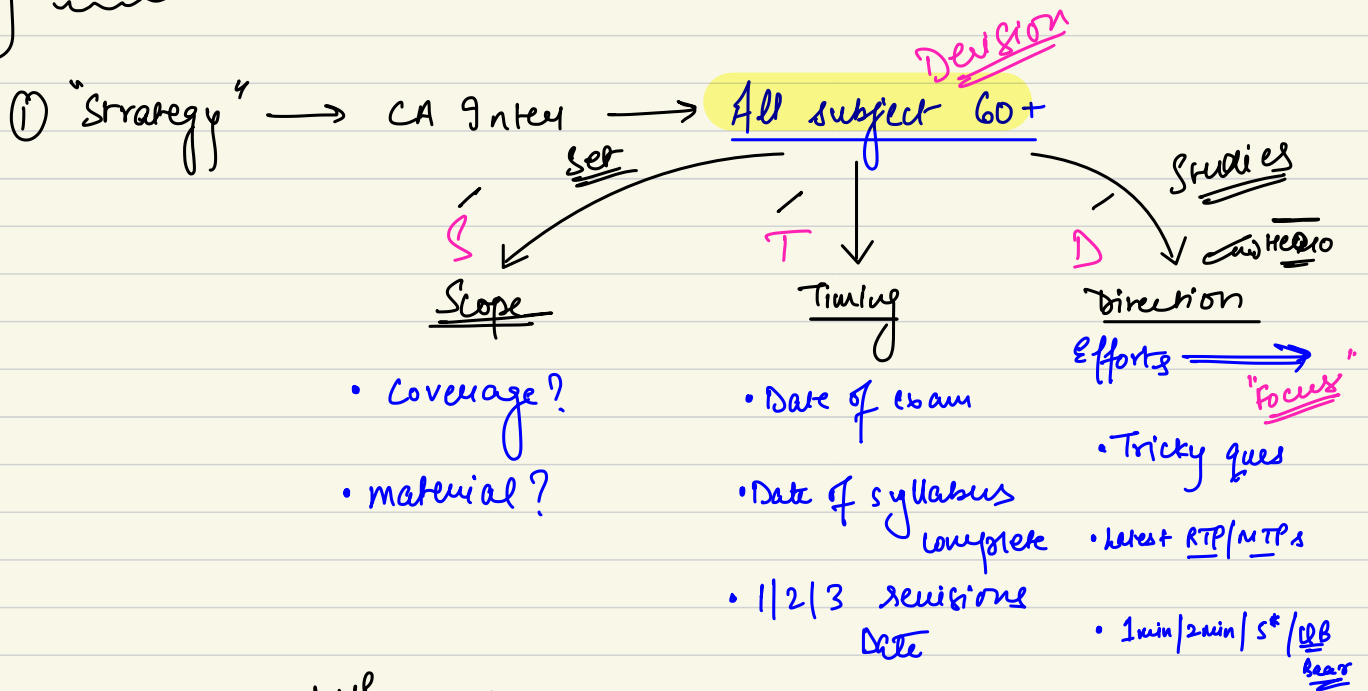


by studies



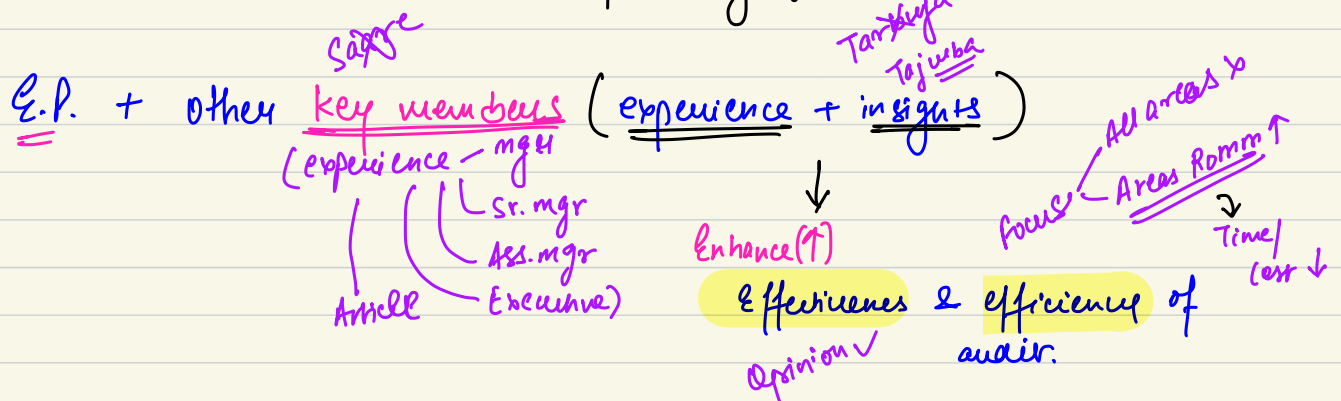
Now, let's link it with audit.

① Audit strategy: Sets STD of Audit
↳ Scope
↳ Timing
↳ Direction
↳ Detail after break

② Audit plan: Nature, Timing & Extent of Audit procedures

- NTE of RAP
- NTE of FAP
- ⊕ NTE of other procedures as per SAs.

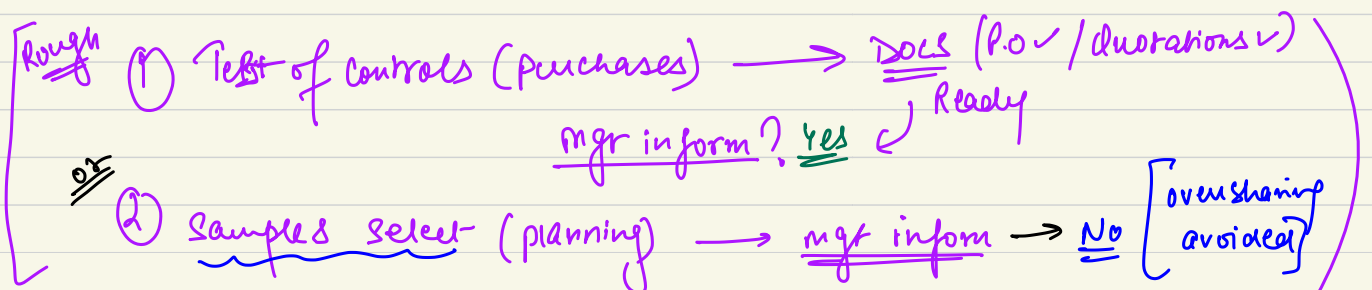
③ Who is involved in audit planning?



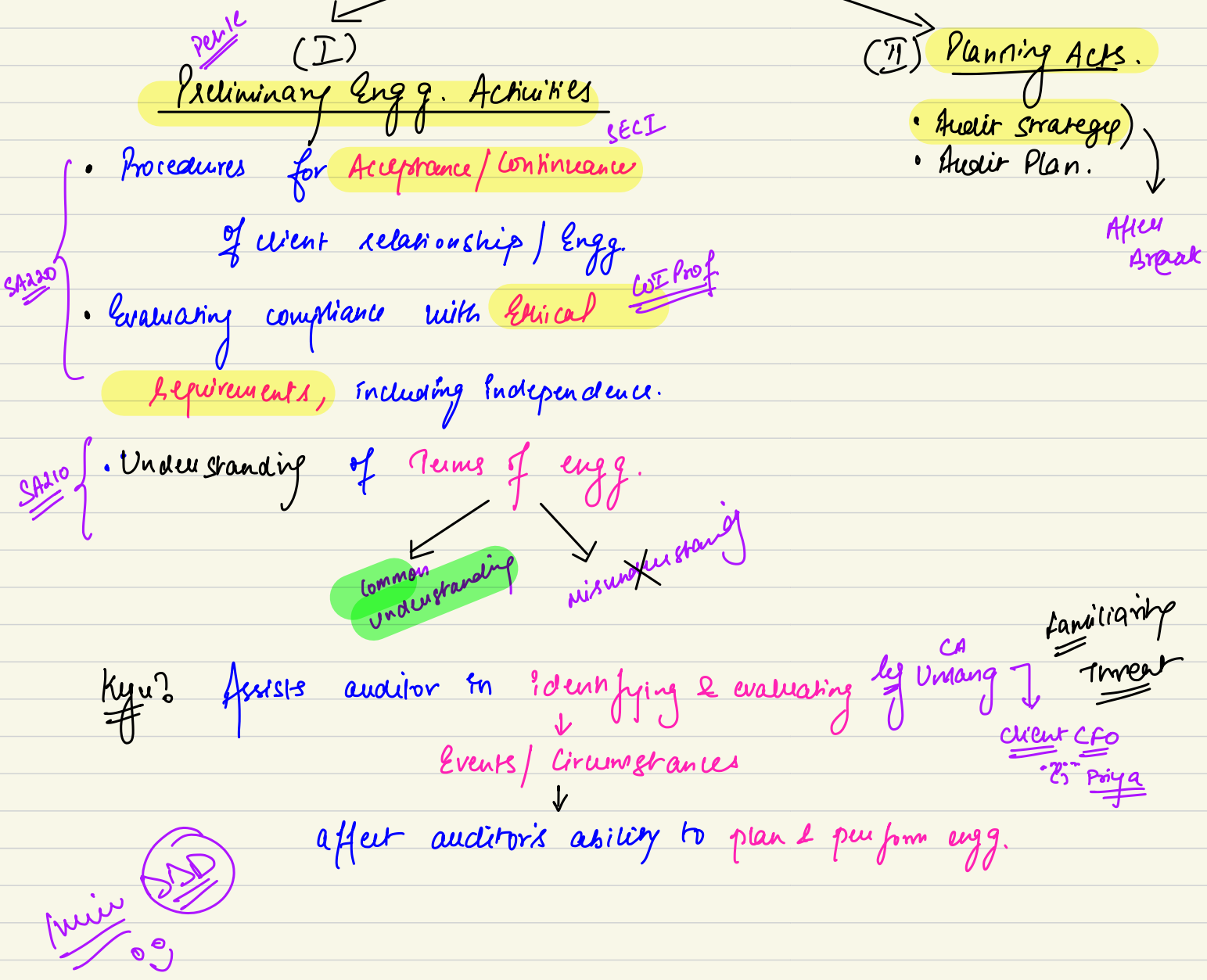
④ Can we discuss "Elements of Planning" with mgt?

"Yes", to facilitate enqg. (Don't overshare) ↓ (why?)

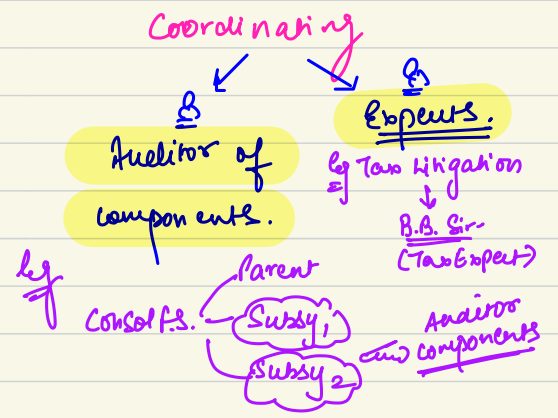
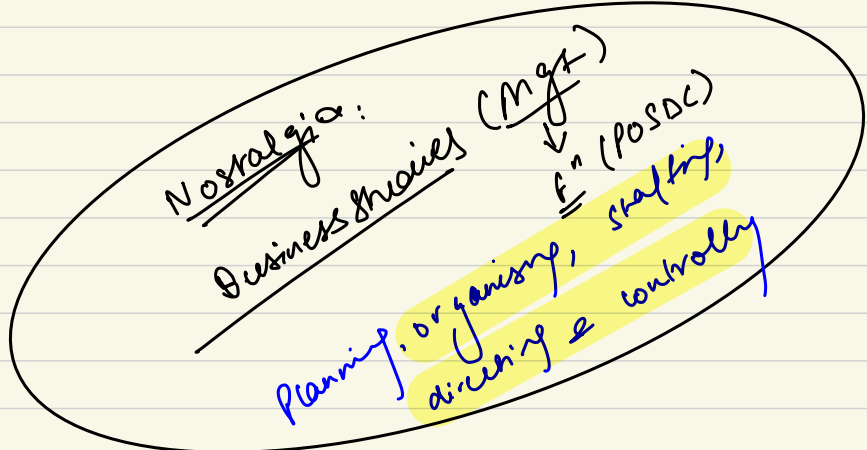
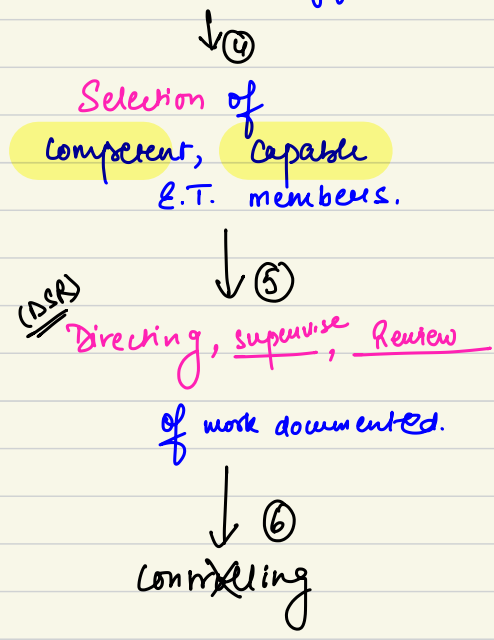
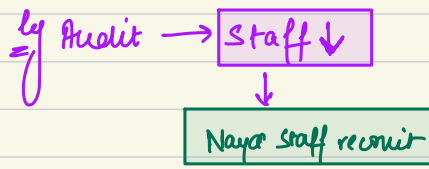
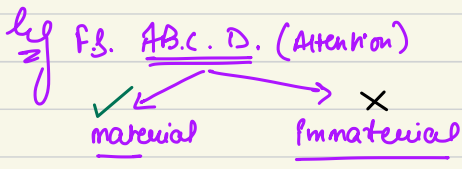
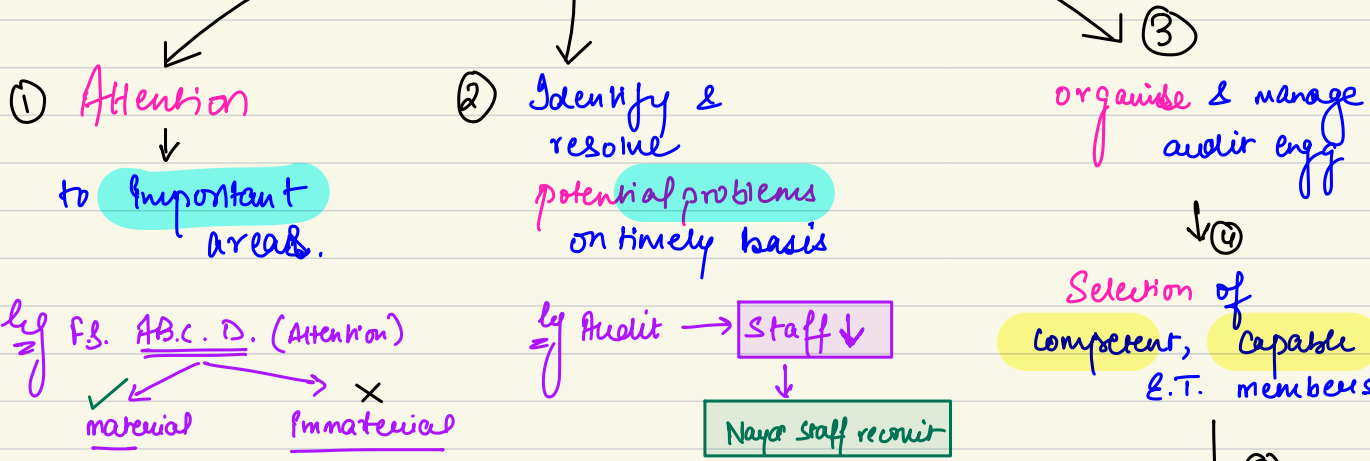
that can compromise effectiveness of audit



Elements of Planning



Benefits of audit Planning



Planning is a Continuous Process

• Planning is not a "discrete" phase

BUT separate

It is a continual & iterative process

• that begins at completion of previous audit

• continues till completion of current audit.

Prior to Identifying & Assessing Romm, planning considers ^{gain charit'} following matters:

1) Analytical procedures to be applied as R.A.P.

SA 20

(5 lines for 2020-21 Corona lockdown)
 Co. FL 19-20 20-21 Romm
 Travel 1000 2000 100% increase (404)
100%

2) Obtaining understanding of "legal & regulatory framework" applicable to the engg.

SA 250
(CA final)

4200
 • Airtel / Jio → Regulator → TRAI [Telecom Regulatory Authority of India]
 • MDFC / SBI → RBI → non-compliance → Penalty → FS? - provision X
 - Cont. Liab. X
Romm

SA 320

3) Determination of materiality Romm miss X

SA 620

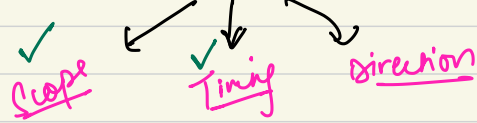
4) Involvement of experts. [eg PPE valuation (Romm)]
 → Regd. values

5) Other R.A.P.

Zinn

Overall audit strategy (5 factors)

Sets the STD of Audit



a) Characteristics of Engg that define its Scope.

- eg Reporting
 - AFRF (AIC std + sched III → Disclosure ↑ → scope ↑)
 - Industry specific reporting requirements (Telecom → TRAI → Report "users" ↓ scope ↑)
 - Name of Business segments including need for

specialised knowledge.

(Segments ↑ → scope ↑)

	2024			2023		
	External	Inter Segment	Total	External	Inter Segment	Total
Segment Revenue - Gross						
FMCG - Cigarettes	30596.59	-	30596.59	28206.83	-	28206.83
FMCG - Others	20922.47	44.36	20966.83	19081.48	41.02	19122.50
FMCG - Total	51519.06	44.36	51563.42	47288.31	41.02	47329.33
Hotels	2973.74	15.76	2989.50	2573.22	11.81	2585.03
Agri Business	8417.44	7374.39	15791.83	12314.86	5857.48	18172.34
Paperboards, Paper and Packaging	6535.96	1808.44	8344.40	7304.50	1776.85	9081.35
Segment Total	69446.20	9242.95	78689.15	69480.89	7687.16	77168.05
Eliminations			(9242.95)			(7687.16)
Gross Revenue from sale of products and services			69446.20			69480.89

↓ Expected use of evidence of previous audits.

eg client → Rent Expense → ^{5 years} Rent Agreement

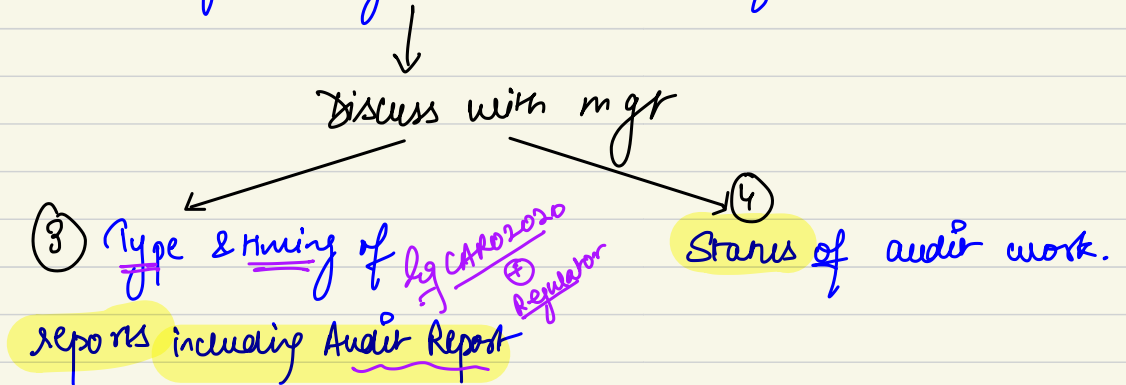
scope ↓ ← Yes ← use? ↓ valid

Min 0.0

(b) Reporting objectives of engg to plan timing of audit & nature of communications required

leg. ① Entity's timetable for reporting. [leg Co. ACM SAE → AR]

② Organisation of meetings to discuss NTE of audit work.



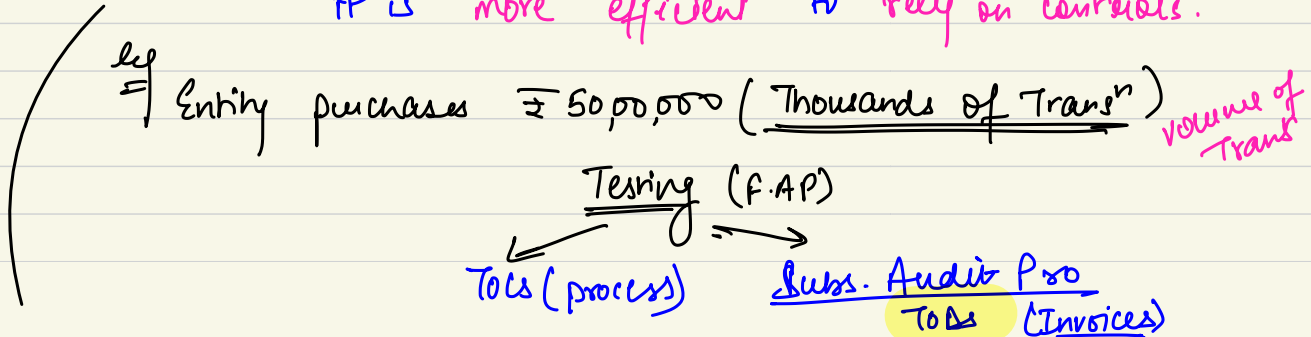
⑤ Nature & timing of communication among E.T. members.

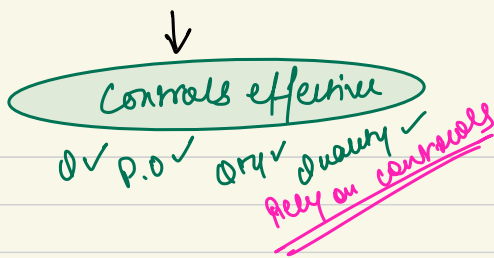


(c) factors that in Auditor's P.J. → significant in Directing E.T.'s efforts.

leg. ① Volume of transactions where auditor determines it is more efficient to rely on controls.

Commit



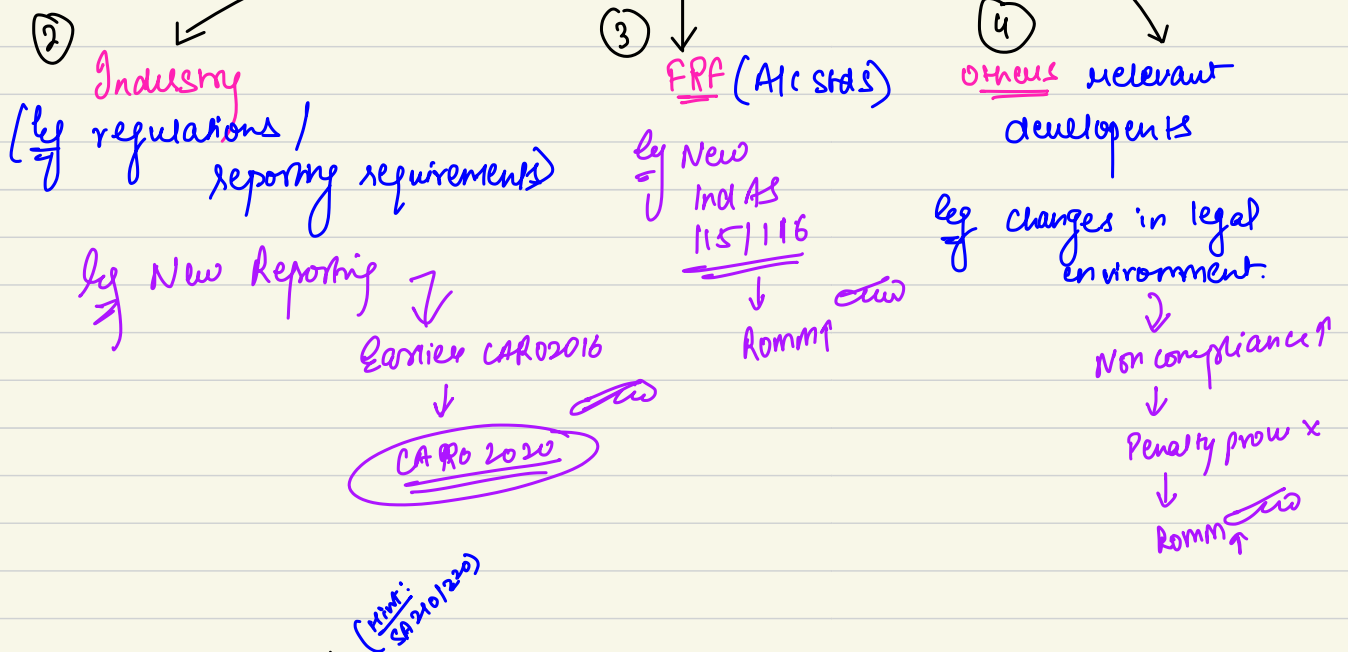


↓

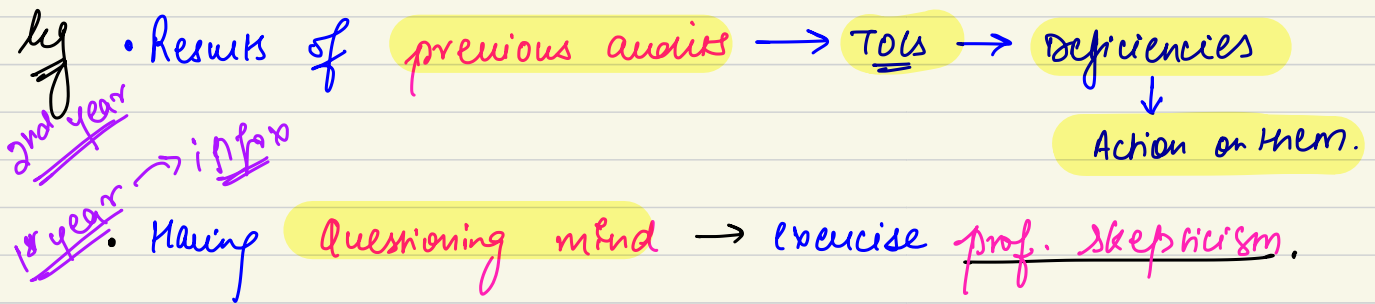
More / Less

efficiency

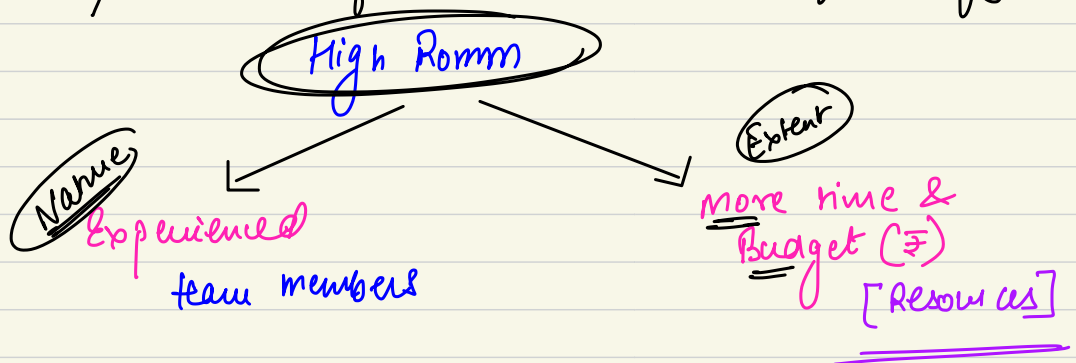
Significant Changes / Developments



d) Results of "PEA" & "knowledge" gained on other engg.



e) Ascertaining "NTE" of resources to perform engg.



Factors | Consideration
Establishing Audit Strategy

