

SA 260 Communication with TCWG

Q Who are TCWG?

what products/services
whom to serve. → garni

- kyon? #
- Person(s) or org. which is resp. for overseeing strategic direction of entity & accountable for actions of entity.
 - This includes overseeing Financial Reporting Process (FRP).

kaun?

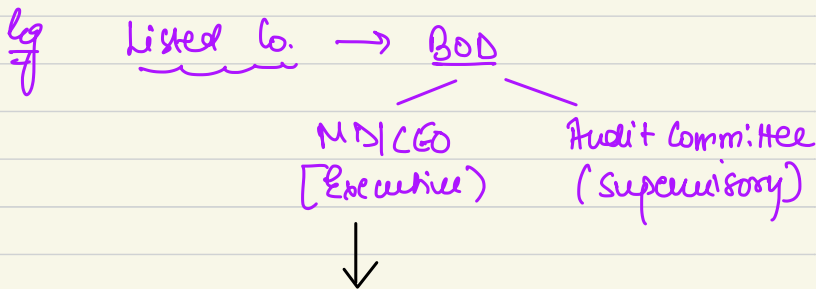
- For some entities, TCWG may include mgt. persons.

for eg. CEO/MD Executive members of Board [Pvt/public sector entity]
or
owner/mgr

- Governance Structures vary by entities.

eg In some cases, :

Supervisory Board is separate from Executive Board or Both supervisory & executive performed by single board.



eg Sole Prop. | firm | OPC etc.

- Some or all of TCWG will be managing entity.

- TCWG & mgt comprise of different persons.

Conclusion: Due to this diversity, not possible to specify for all auditing with whom auditor should communicate.

- If not identifiable, then discuss with engaging party. client

- Appr. persons with whom to communicate, sometimes depend on matter to communicate.

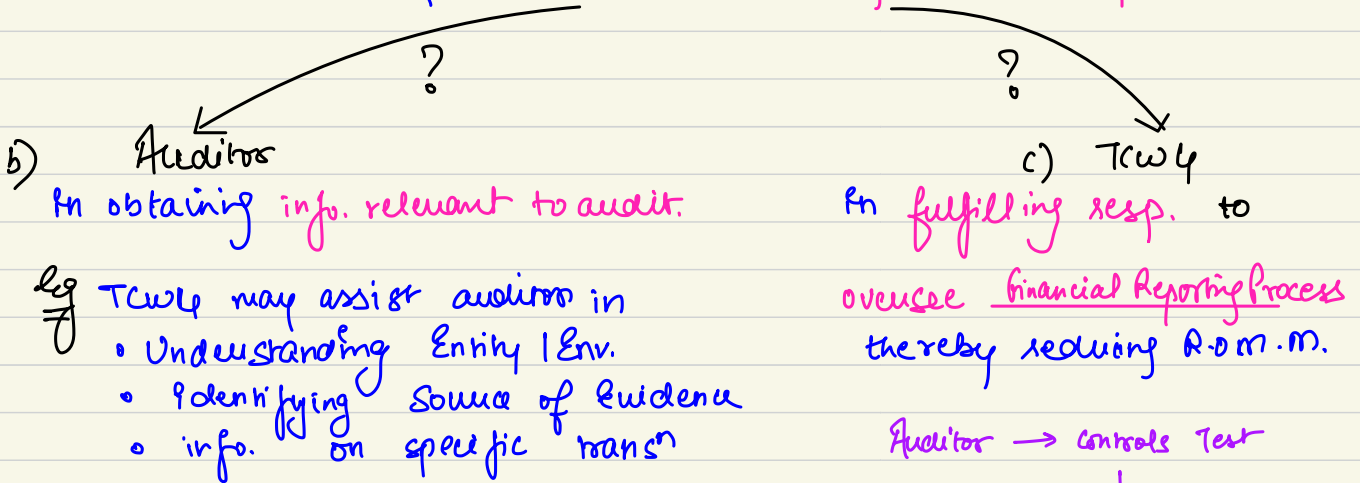
eg CTO → fraud → communicate { Audit team, Chairman.

in
BOD

* Role of 2 way communication *

Effective 2 way communication is important in assisting:

a) Auditor & TCWY in understanding matters relevant to audit & develop constructive working relationship.



- TCWY may assist auditor in
- Understanding Entity Env.
 - Identifying Source of Evidence
 - info. on specific transⁿ

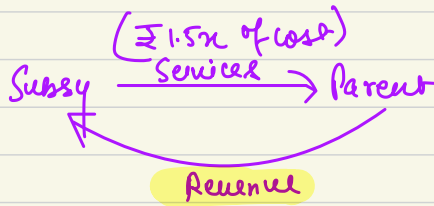
Auditor → controls Test

- ↓
- Info.
- Transⁿ approved
 - B.R.S.
 - Atc Est/policy

↓

TCWY (mgr eudharaga) Romt

by Auditor



- Agreement
- Email → Services → calculation
- working

main [DSD]

Objectives of Auditor

- To communicate with TCWY
 - Responsibilities of Auditor
 - planned scope & Timing of Audit
- [R.A. → opinion → Report & communicate]
- Ch-1/2 Ch-2 (Revenue)

↓ (Senge)

To obtain from TCWY info. relevant to Audit.

↓ (Senge)

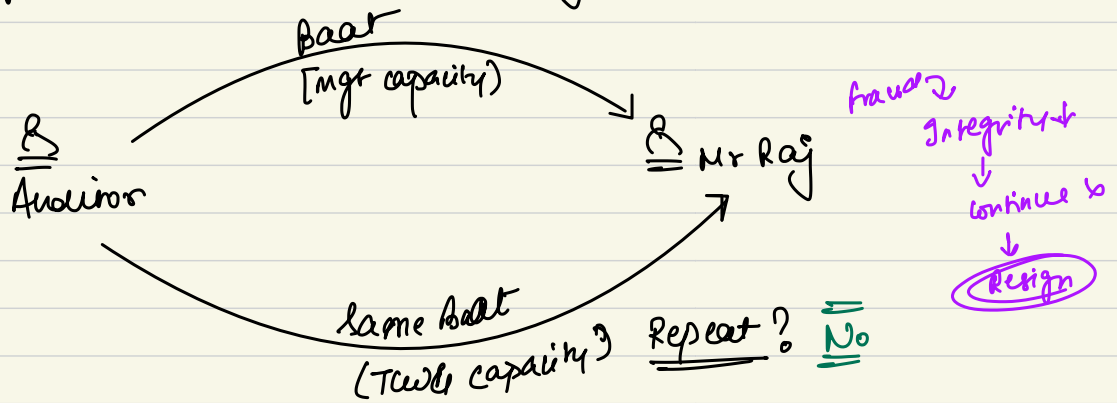
To provide TCWY

- timely observations
- to oversee FR.P.

- To promote 2 way communication b/w Auditor & TCWY.

main 03

Q If all TCWG are managing entity.



Significant findings from Audit

(TCWG kemahala)
F.R.P

a) Significant Qualitative aspects of entities A/c practices

- A/c Estimates
- A/c policies
- Disclosures

(Apne Dukt)

b) Significant Difficulties felt during audit.

(Tisoo)

c) Unless all TCWG are managing entity,

- Sig. matters discussed with mgt. [Ch-3 A.A. Sig. DARR]
- W-R(s) auditor is requesting.

(Kaan)

d) Circumstances that affect form & content of AIA.
eg MURQ (SA70), KAM (SA701), Modified opinion (SA705) etc.

(favourite)

e) Any other sig. matter in auditor's P.J. sig. to F.R.P.

Auditor's Independence
For listed Entities, auditor shall communicate with TCWG:

Audit Comm. Mee

Statement that auditor [Engg. Teams & others in firm]

Complied with ethical requirements

by COI Professionals C.D.C.

{Threats? All relationships & other matters [blw firm or network firm & entity] that Bear on Independence.

Related Safeguards to → Eliminate threats or → Reduce them to acceptable level.