SA 510

Initial Audit Engagement - op. bal.

Audit procedure for

Opening Balance

→ Read most recent F/S (if available)
→ Read predecessor Auditors Report
→ obtain S & A Audit evidence to,
- Determine whether PY closing bal. correctly brought forward to CY.
- Check Accounting policy
- Perform specific Audit Procedure

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If auditor found any material misstatement in PY, determine its impact in CY financial statement

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→ If not able to obtain S&A audit evidence → Modify
→ If op. bal. contain misstatement & effect current period F/S → Qulify/Adverse

Consistence of Accounting policy

→ obtain S & A audit evidence
- → Accounting policy consistantly applied
- → Changes & reason of change adequately presented & disclosed

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If accounting policy not consistantly applied or changes NOT disclosed / presented

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Qualified / Adverse

* Other points → If PY Audit report modify ⇒ Evaluate its impact on CY Audit