Analytical Procedure — AP — Help in identifying existence of
- unusual transaction
- Events / Amounts
- Ratios.

That Might indicate
Audit implications

Assist the Auditor in
identifying RoMM

AP using High-level Aggregated Data → Initial indication
of Potential MMS

AP Results + other info — Helps in evaluating & understanding
Initial finding.

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— Understanding an entity —   Continuous, dynamic Process

Helps In

Planning   Identifying Imp areas Requiring Special Attention

— Establish frame of Reference for Planning of Audit & Professional Judgement

for the following

- — ROMM

- — Materiality

- — Accounting Policies

- — Identifying Significant Risk

- — Developing expectations for using AP

- — Evaluating Sufficiency & Appropriatness of AE

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