

AUDIT DOCUMENTATION AND AUDIT EVIDENCESA 230AUDIT DOCUMENTATIONS

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|--------------------------------------|--|
| 1) Audit Documentation
Meaning | Record of Audit Procedure performed
Relevant Audit Evidence obtained
conclusion Reached.
- Evidence that audit was
planned and performed with SAs.
- Applicable legal and regulatory
requirements. |
| 2) Audit Documentation
Include | Audit Programmes, Analysis
Emails, Summary of Significant
Matters, Checklist, Memoranda |
| 3) Purpose of Audit
Documentation | It helps in -
- Planning → Quality Control Review
- Deciding Responsibility for work
- For future Reference
- legal Requirements
- External Inspection |
| 4) Basic Requirement | - We should be designed & Organised
- Kept in Standardised form.
- Nature of Audit Procedure performed
- Significant Matters & How they Resolved
- Dated, Signed and conclusion Reached
- As per ICAI, should maintain
atleast for 7 years from the
date of Audit Report / Group Audit
Report. |

AUDIT DOCUMENTATION AND AUDIT EVIDENCE / /SA 230AUDIT DOCUMENTATIONS

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5) Form, content and extent of Audit Docum.

- Maintain Confidentiality unless required by law & Regulations.

- Size and complexity of the entity
- ROMM
- Materiality
- Complexity (Audit Evidence).
- Audit Method
- Audit Procedure
- Nature/Extent of Misstatement
- Conclusion
- Base.

6)

- Audit Procedure
- Audit Evidence
- Conclusions.

7) NTE of Audit Procedure

- Purpose of Audit Procedure.
- Assertion / matter.
- Purpose.
- Reviewed.

9) Assembly of Audit File Final

- Assembly of Final Audit File in 60 Days AFTER the Date of Audit Report.
- No new Audit Procedure can be performed Except Admin Process.

Matters Arising after the Date of Audit Report Refer 560 SA

- Perform Additional Audit Procedure
- Document circumstances encountered
- Who Reviewed and how documented

Documentation of Significant matters and Related Significant Professional Judgment.

Significant matter - / / /
Includes objectives analysis of Facts & circumstances.
Example:

- Significant risks
- AP → Ratio → variance confirmation → detail Difference
- Significant difficulty in applying Audit Procedures
- Wrong Revenue Recognition.

Significant Professional Judgement
- Provide certain info. & conclusion in context of particular engagement
- Authenticity of a document for further investigation.

Completion Memorandum or Audit Documentation Summary.

It describes -
1) Significant matters identified during audit
2) How they were addressed.
It is effective & efficient review & inspection for large & complex audit.

Refer Book *
Pg. 4.3

Ownership of Audit Doc.

SQC-1 (Standard on Quality Control) provide specified by law or regulation.
→ Auditors Property } Refer Book
Rule of Confidentiality }

Refer Book *
Pg. 4.4

Working paper files

- Permanent ^{audit} file
- Current audit file.

Refer Book *
Pg no. 4.4

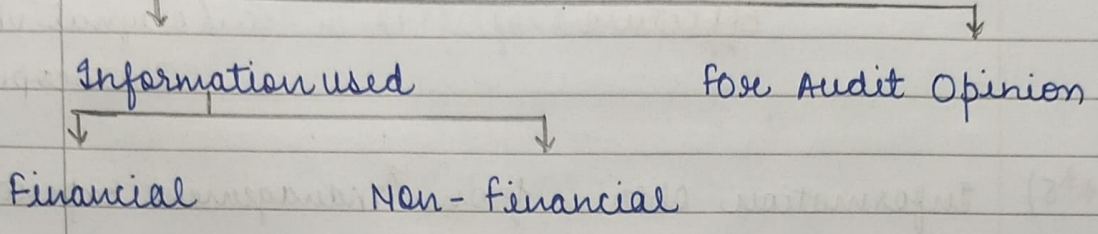
Audit Note Book.

large variety of matters.
- Examples / Features) Refer Book.

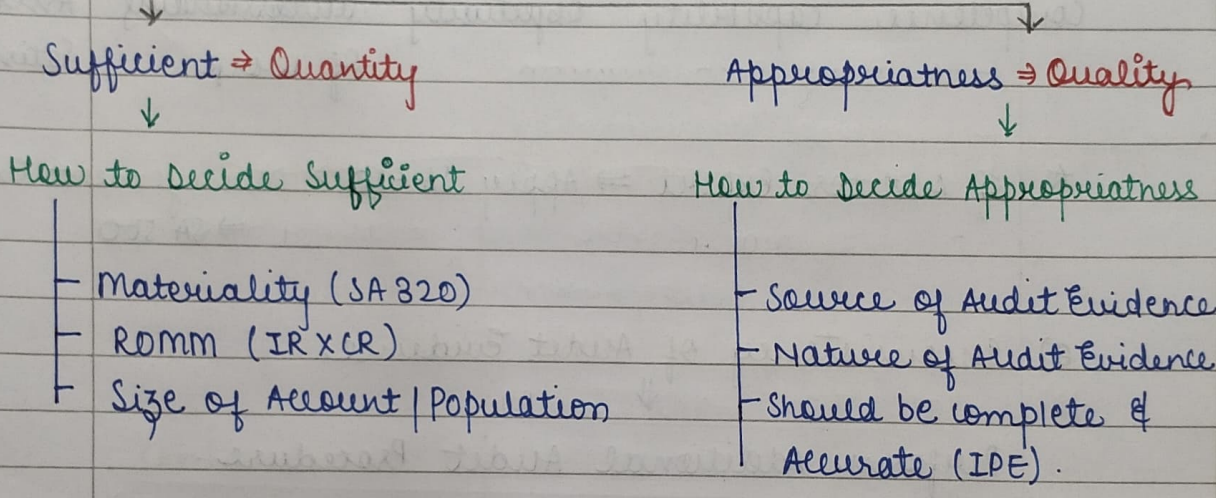
SA 500

AUDIT EVIDENCE

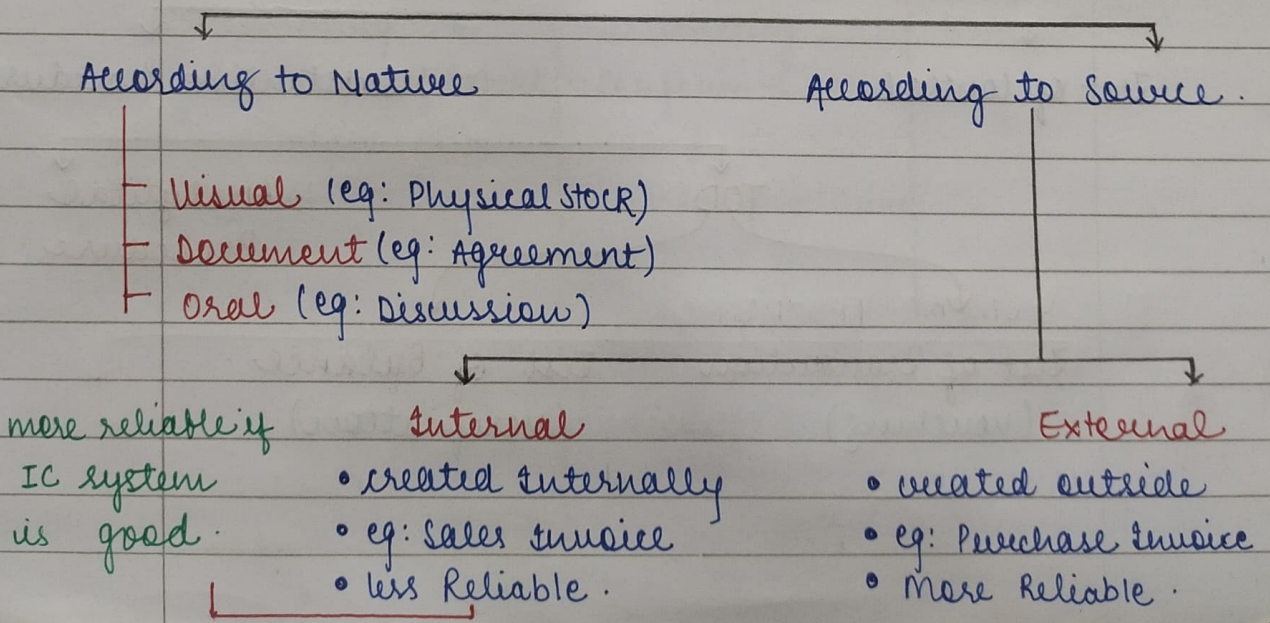
1) Meaning of Audit Evidence:



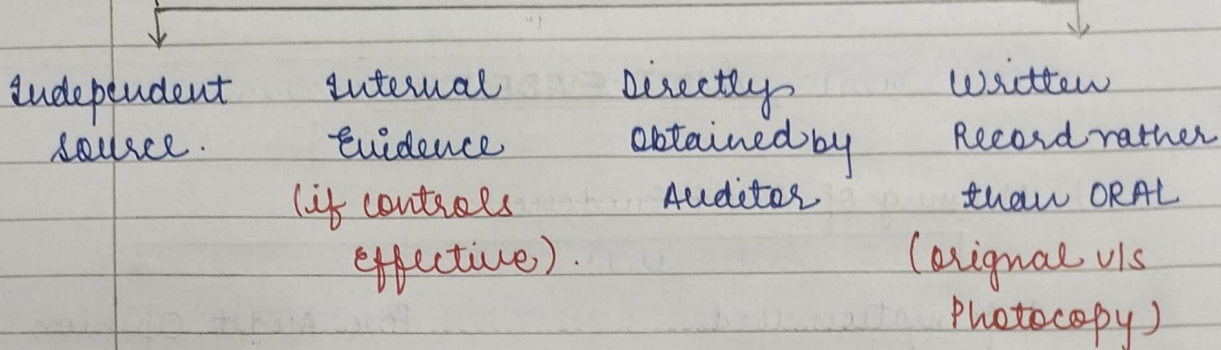
2) Sufficient and Appropriate Audit Evidence



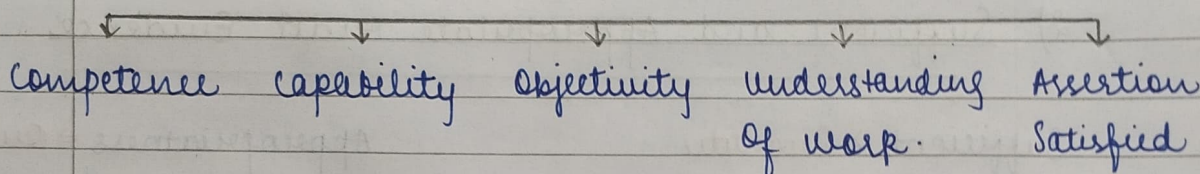
3) TYPES OF AUDIT EVIDENCE



4) RELIABILITY OF AUDIT EVIDENCE {factors?}



**5) Information obtain from *management Expert, Auditor evaluate

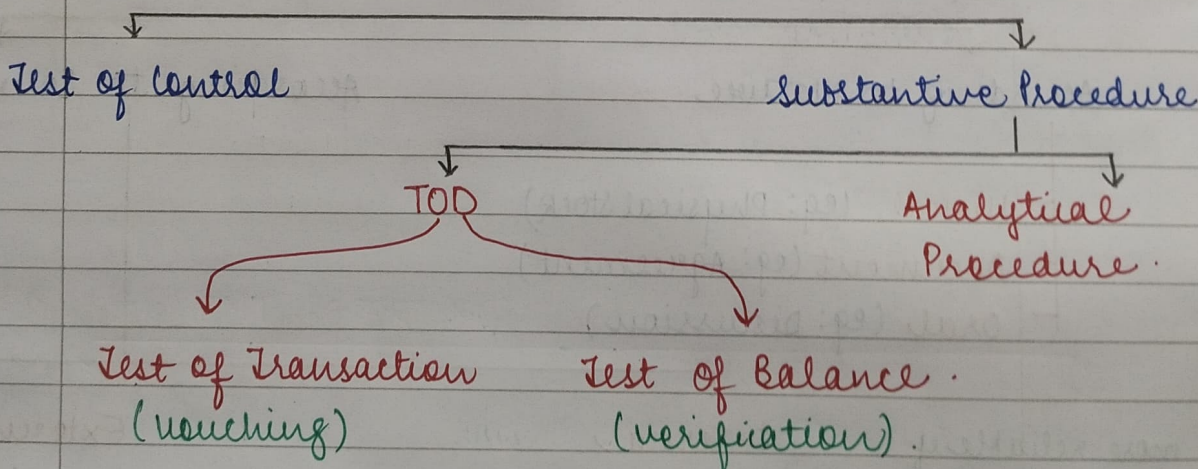


* If Auditor Expert ⇒ Apply SA 620 > management Expert ⇒ SA 500.

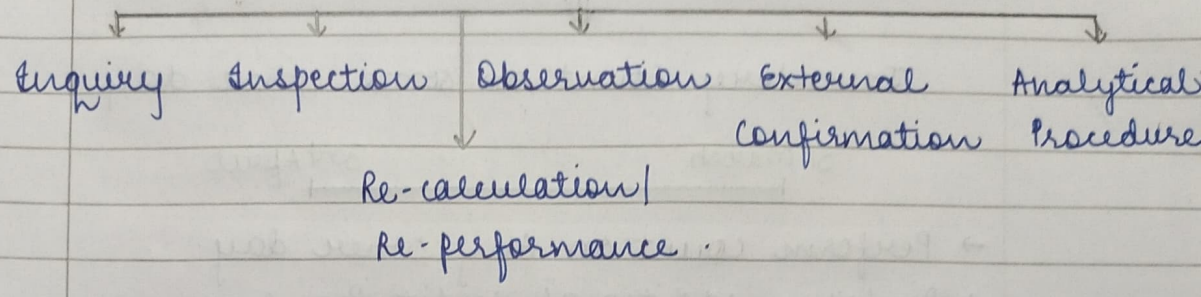
6) Inconsistency of Audit Evidence.

↓
Perform Additional Audit Procedure.

7) Procedures to obtain Audit Evidence.



8) Methods to Obtain Audit Evidence



SA 501

SPECIAL CONSIDERATION FOR SPECIFIC ITEMS.

1) INVENTORY

PLANNING	ATTENDANCE OF INVENTORY COUNTING	INVENTORY HOLD BY THIRD PARTY
<ul style="list-style-type: none"> - Nature of Inventory - Stage of Completion - Risk - Controls - Materiality - Location - Timing - Assistance of Expert 	<ul style="list-style-type: none"> - Management Instruction and Procedure. - Observe the performance - Inspect the Inventory - Perform the test count. - Perform procedure for final inventory count. - *Sheet to Floor Floor to Sheet. 	<ul style="list-style-type: none"> - Confirmation (SA 505) - Inspection - Service Auditor Report. - Inspect Documents.

- Unable to Attend Physical Inventory Count:

↓
Inventory Count on some other day.

31 March 3rd April

- Perform count on Any other day.
- Perform Additional Audit Procedure.
- Obtain Sufficient and Appropriate Audit Evidence.

- Not Possible to Attend.

↓
Perform Alternative Audit Procedure.

- eg. Bank Reconciliation
- Material Receiving

—
If not possible then modify the audit Report.

2) LITIGATION AND CLAIM.

- ↓
- Listing / Schedule
 - BOD Minutes
 - Inquiry

↓
Found significant Risk

→ Confirmation

→ Obtain M.R.L

→ If Restriction apply by mgt
↳ modify the Report.

3) SEGMENT REPORTING.

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Check Presentation
& Disclosure

Consistency of
FRF

Perform Analytical
Procedure if
required.

100% completed