

Auditing & Ethics

Important Topics

Chapter-1

Nature, Objectives and Scope of Audit

1. Origin of Auditing
2. How auditing originated in India?
3. Scope of Audit- What is Included
4. What is included in the scope of auditing?
5. Scope of Audit- What is NOT Included
6. What is not included in the scope of auditing?
7. Inherent Limitations of Audit
8. What are the factors which led to fundamental Limitations of Audit?
9. Meaning of Assurance Engagement
10. What do you understand by Assurance Engagement?
11. Elements of an Assurance Engagement
12. What are the elements of an Assurance Engagement?
13. Audit vs. Review
14. What differentiates an Audit engagement from a Review engagement?
15. R.A. Engagement vs. L.A. Engagement
16. Audit & Review vs. Prospective Financial Info
17. What are Prospective Financial Information?
18. Audit & Review vs. Prospective Financial Info
19. Engagement and Quality Control Standards
20. Why are Standards needed?

Chapter-2

Audit Strategy, Audit Planning and Audit Programme

1. Planning Process -Elements of Planning
2. What are the elements of a planning process?
3. Evolving ONE audit Programme
4. Is it possible to have one audit programme for all the businesses?
5. Advantages & Disadvantages of Audit Programme
6. How to eliminate the disadvantages of an Audit Programme?

Chapter-3

Risk Assessment & Internal Control

1. Audit Risk
2. What is Audit Risk and its implication on the Auditor?
3. Audit Risk - What is Not Included?
4. What is not an Audit Risk?
5. Inherent Risk
6. Control Risk
7. Give examples of Inherent Risk and Control Risk.
8. What an auditor will do for the purpose of identifying and assessing the risk of material misstatement as per SA 315?
9. Determination of Materiality - Matter of Professional Judgement
10. What all assumptions about the user an auditor makes while determining materiality as per his professional judgement?
11. Benchmarks in DM for FS as a Whole
12. What are the factors that affect the identification of an appropriate benchmark?

13. Limitations of I.C.
14. What are the inherent limitations of internal controls?
15. Evaluation of IC- Methods
16. Manual Element vs. Automated Element
17. In which circumstances manual elements are more suitable than automated elements?
18. Documenting the Risk
19. Which all risks an auditor should document?
20. Assess and Report Audit Findings
21. What are the points to be considered while assessing and reporting the audit findings?
22. Specific Inquiries when deviation from controls are detected
23. When deviations from controls are detected by an auditor, what audit procedures are to be performed?

Chapter-4 **Audit Evidence**

1. Obtaining Sufficient and Appropriate Audit Evidence by the Auditor
2. Explain the procedure for obtaining audit evidence.
3. Audit Trail / Audit Logs
4. How the features of audit trail helps in enhancing the quality of audit?
5. What are the benefits of having systems with audit trail feature?
6. Information to Be Used as Audit Evidence
7. When information to be used as audit evidence has been prepared using the work of a management's expert, on what matters the nature, timing and extent of audit procedures may be affected?
8. Selecting Items for Testing to Obtain Audit Evidence
9. What are the means to select items for testing to obtain audit evidence?
10. Management Expert
11. Relying on the Work of a Management's Expert
12. Definition of Internal Audit Function
13. External Auditor's Responsibility for the audit
14. Sampling: An Audit Procedure
15. Sampling Vs Traditional method of Auditing
16. Sample Selection Methods
17. Audit Evidence-Specific Considerations for Selected Items (SA 501)
18. Litigation and Claims
19. External Confirmation (SA 505)
20. Considerations Specific to Smaller Entities by the Auditor
21. Substantive Analytical Procedure
22. The reliability of DATA

Chapter-5 **Audit of Items of Financial Statements**

1. Share Capital
2. Shares Issued @ Premium
3. Issue of Sweat Equity Shares
4. Borrowings
5. Trade Receivables
6. PPE
7. Provisions and Contingent Liabilities
8. Other Expenses like Power and Fuel, Rent, Repair to Building, Plant and Machinery, Insurance, Travelling, Legal and Professional, Miscellaneous Expenses
9. Depreciation and Amortisation



Chapter-6

Audit Documentation

1. Audit Documentation
2. Assembly of the Final Audit File

Chapter-7

Completion & Review

1. Subsequent Events
2. Evaluating management's assessment
3. Adequacy of disclosures when events or conditions have been identified and a material uncertainty exists
4. Implications for the auditor's report
5. Other Written representations
6. Significance of communication with TCWG
7. Objectives of auditor in accordance with SA 260
8. Matters to be communicated by auditor
9. Communication of auditor's independence in case of listed entities

Chapter-8

Audit Report

1. Qualitative Aspects of the Entity's Accounting Practices
2. Auditor's report
3. The CARO, 2020

Chapter-9

Special Features of Different Types of Entities

1. Government Audit
2. Comptroller and Auditor General's– Duties and Powers
3. Objective of Audit of Local Bodies
4. Audit of Firm
5. Basics of Limited Liability Partnerships (LLP) Audit
6. Audit of Cinema
7. Audit of Hotels
8. MSCoS
9. Audit of Trust & Societies

Chapter-10

Audit of Banks

1. Bank Audit Approach
2. Reporting to RBI

Chapter-11

Ethics & Terms of Audit Engagement

1. Meaning of Ethics– A State of Mind
2. Need for Professional Ethics
3. Principles based approach vs Rules based approach to ethics (ethical or legal)