

Nature, Objectives And Scope of Audit

1. Objectives, Scope, Benefits of audit (what is not included in scope)
2. Qualities of an auditor
3. How can auditor ensure that FS would not mislead anybody. Comment
4. Auditing v/s Investigation
5. Elements of an assurance engagement
6. Audit v/s Review
7. Reasonable v/s limited assurance engagement
8. Short note on SREs, SAEs, SRS with examples

Audit Strategy, Audit Planning & Audit Programme

1. Benefits of planning in the audit of a financial statement
2. Preliminary Engagement Activities
3. Establishment of an overall audit strategy (meaning & factors). Focus more on examples of scope, timing & direction
4. Ascertain the reporting objectives of the engagement to plan the timing of audit & nature of communications required
5. Advantages & disadvantages of audit programme
6. Assistants should be encouraged to keep an open mind & periodic review of audit programme
7. Changes in planning decision during the course of audit

Chapter - 6 (Refer SA 230 from SA module)

Audit documentation

1. Form, Content & Extent of audit documentation
2. Purpose of documentation
3. Factors affecting Form, Content & Extent
4. Assembly of final audit file (Examples & SQC Retention Period)
5. Completion memorandum or Summary
6. Documentation of Significant matters

Ethics And Terms of Audit Engagement

1. Principle based approach v/s Rule Based approach
2. Fundamental Principles of professional Ethics
3. Threats & Safeguards to independence with updated examples
4. Concept of Professional Skepticism (SA-200)
5. Independence of mind & in appearance
6. Requirement of Revised Eng letter in case of Recurring Audit (SA-210)
7. Pre-conditions for an audit (SA-210)
8. What happens if preconditions are not present (SA-210)
9. What should auditor consider before agreeing to change the audit Engagement to Engagement providing "lower level of assurance" (SA-210)
10. Objectives of Auditor as per (SA-220)
11. Elements of a System of Quality Control (or) Responsibility of engagement Partner regarding certain matters (SA-220)
12. Information required during acceptance & continuance analysis (SA-220)
13. Engagement performance (SA-220)
14. Ethical Requirements as per SQC-1
15. Engagement performance (SQC-1)
16. Relevant HR issues that should be considered during Quality Control (SQC-1)
17. What matters firms should consider with regard to the integrity of a Client (SQC-1)

Audit of Banks

1. Important Functions of RBI
2. Types of Bank audit reports to be issued (Any-5)
3. Appointment of Auditor
4. Engagement team discussion & its advantages
5. Reporting to RBI in case of banking frauds
6. Understanding the risk mgmt process (Similar to components of IC's)
7. Mode of creation of Security
8. Computation of drawing Power
9. Audit of advances & evaluation of internal controls over advances
10. Audit approach to examine interest expenses
11. Audit of revenue items
12. For advances auditor should take into a/c certain reports for adverse comments
13. Prudential norms on income recognition, assets classification & provisioning pertaining to advances

Special Features of Audit of Different Types of Entities

A - Audit of different types of entities

1. Types of Revenue grants for a local body.
2. Audit Programme for local bodies
3. Audit of a Partnership firm & LLP
4. Audit of Educational institution
5. Audit of club & hotel

B - Govt Audit

6. Meaning of govt audit & its objectives
7. Steps involved in govt. expenditure audit
8. What note on audit against rules & orders (Regularity audit) propriety & Performance audit
9. Powers & duties of C & AG
10. Sec - 143(5, 6, 7)
11. Audit of commercial accounts & Receipts

C - Co-operative Societies

12. Restriction on Shareholding for a co-operative Society
13. Restrictions on investment of funds for a co-operative Society
14. Qualification & appointment of auditor for MSCOS
15. Power of CE to direct Special audit of co-operative Society
16. Inspection & Inquiry by Central registrar for MSCOS

D - Audit of trusts & Societies

17. Auditor's responsibility related to FSs of trusts
18. Auditor's consideration for audit of trusts
19. Auditor's consideration for audit of Societies

Audit Report [Refer SA 700 Series from SA module]

1. To form opinion - Auditor to obtain reasonable assurance
2. Specific evaluations by the auditor
3. Fair Presentation framework & Compliance framework
4. Types of audit opinion
5. Basic elements of an audit Report [Revised SA 700]
6. Specific question on content inside
 - Opinion Section
 - Basis for opinion Section
 - Responsibilities for FS
 - Auditor's Responsibilities [Few points]

7. Circumstances when modification to opinion is required (SA-705)
8. Types of modification opinion (SA-705) (Proper definition)
9. Which types of opinion is appropriate under what circumstances
10. Definition of Reserve
11. Consequence of inability to obtain SARE due to mgt imposed limitation after auditor has accepted engagement
12. Short note on EOM with examples
13. Determining Key audit matters
14. Definition & Purpose of KAM
15. Communicating KAM - not a substitute for disclosure in the FS
16. Audit procedures & reporting regarding comparative information (SA-710)
17. CARO 2020 applicability question
18. Concept of UDIN
19. 143 (1), (3), (11) & (12)
20. Case study 1, 2, 3, 5, 8, 9, 11, 13, 14, 16, 17, 18, 19, 20, 21

Completion And Review

[Refer SA-260, 265, 450, 560, 570 & 580 from SA module]

SA-260 [Communication to mgt & TCWG]

1. Objectives of the auditor as per SA
2. Matters to be communicated by the auditor
3. Communication of Auditor's independence to listed entities

SA-265 [Communicating deficiencies to TCWG & mgt]

4. Examples of matters that auditor may consider while determining whether a deficiency is a significant deficiency or not
5. Examples of indicators of significant deficiencies in internal controls
6. Communication of significant deficiency to TCWG

SA-450 [Evaluating of misstatements identified during the audit]

7. Objectives of the auditor
8. Evaluating the effect of uncorrected misstatements
9. Communication & correction of misstatements.

SA - 560 [Subsequent Events]

10. Objectives of the Auditor as per SA
11. Audit procedure relating to event occurring b/w date of FS & date of auditor's report
12. Auditor's responsibility regarding "facts which become known to auditor after the FS's have been issued"

SA - 570 [Going concern]

13. Objectives of the auditor as per SA
14. Risk assessment procedures & related activities
15. Responsibility of auditor
16. Examples of events (or) conditions that may cast significant doubt on the entity's ability to continue as a going concern
17. Additional procedures when events & conditions are identified
18. Implication for the auditor's Report

SA - 580 [Written Representations]

19. Objectives of auditor regarding WR
20. Doubt as to the reliability of WR
21. Requested WR not provided
22. Written representations about mgt responsibilities for eg:-
preparation of FS. To provide info to the auditor & such auditor & such other responsibilities as required by specific SAs