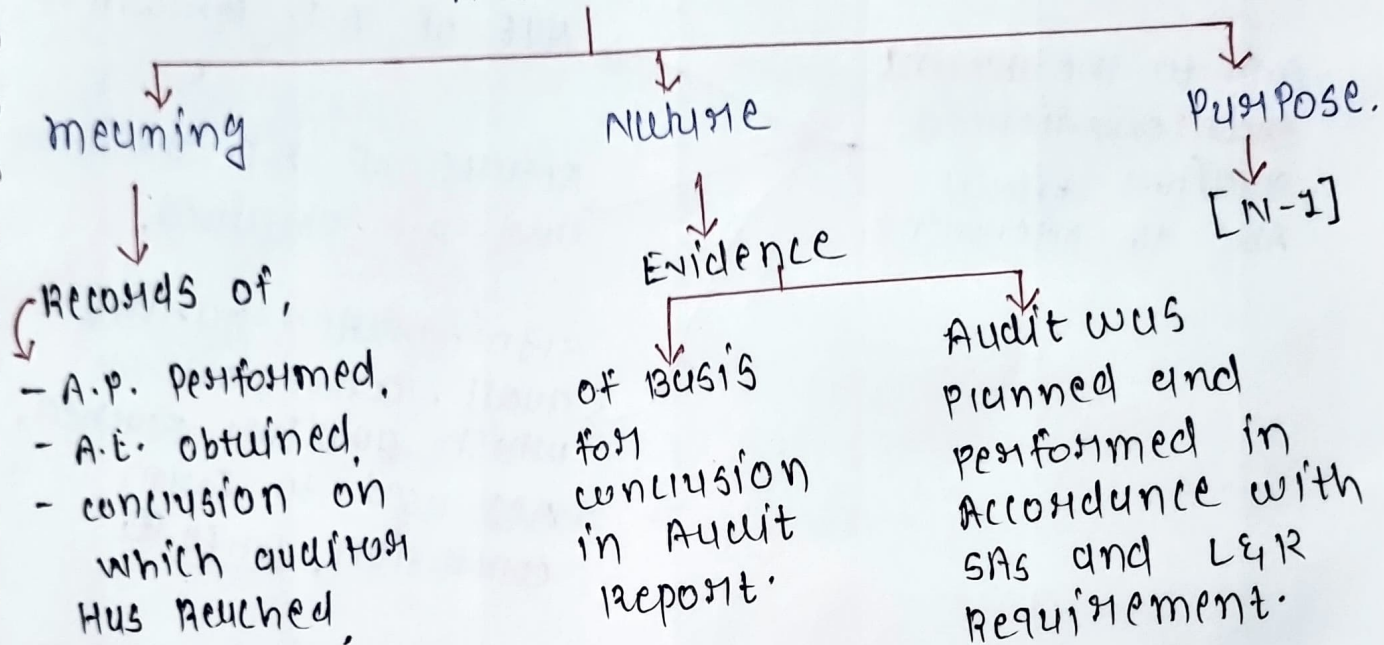


Chapter - 4

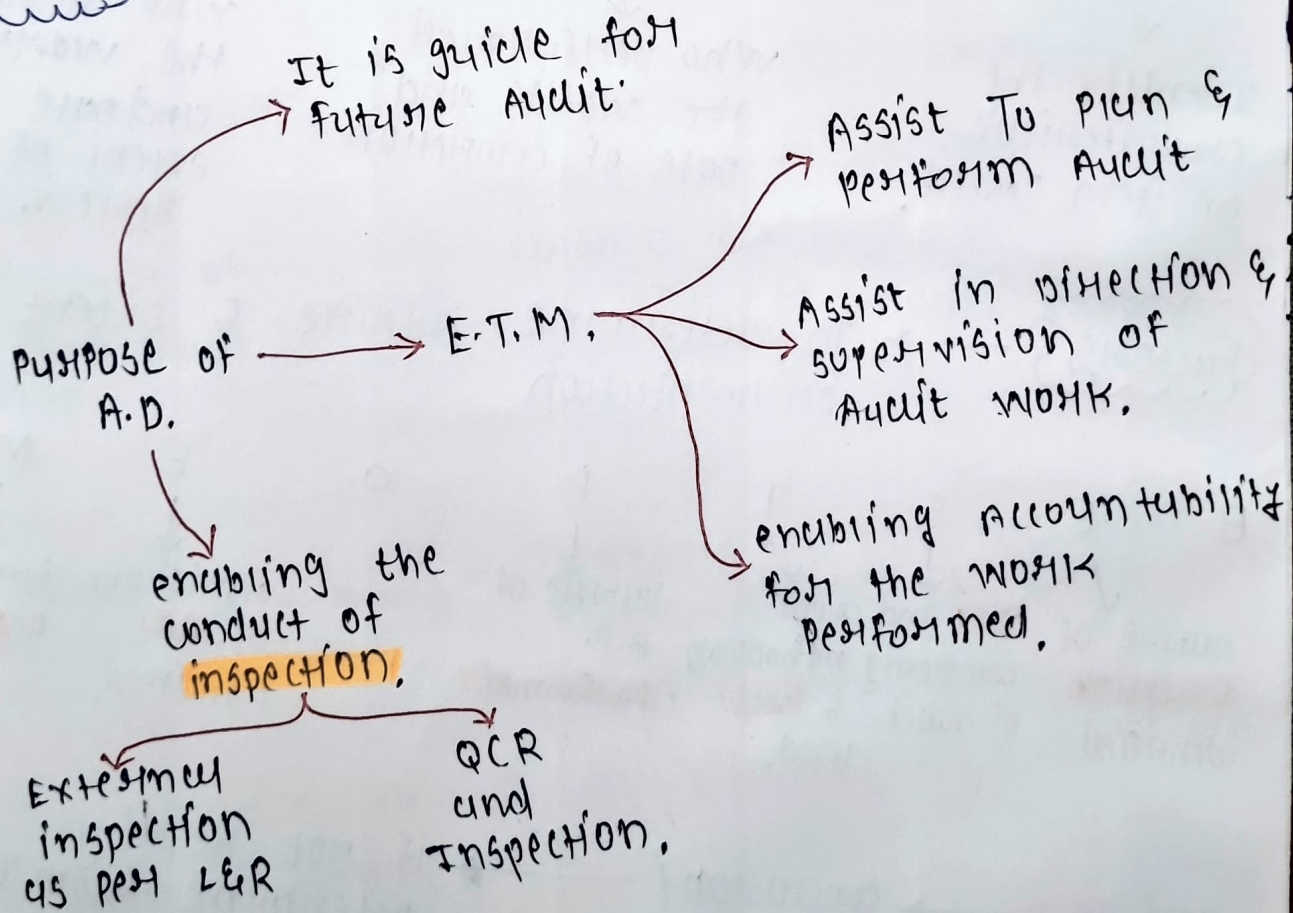
Audit Documentation

[SA 230]

Audit documentation,



NOTE-1 :- PURPOSE OF A.D. :-



Nature / Extent of A.P. :-

A.P. to the extent that experienced auditor should be able to determine.

For E.g.

- issue arose related to treatment of interest

NTE of A.P. performed.

Results of A.P. performed and A.E. obtained.

signi. matter arising audit, conclusion on which auditor reached, A.P. used to form conclusion, for E.g. *

While documenting NTE of A.P., auditor shall

Identify the characteristic of item tested,

who performed the work and date of completion

who reviewed the work and date & extent of review.

Factors → To determine Nature & Extent of documentation

B	E	S	T	P	O	E	M
↓	↓	↓	↓	↓		↓	↓
Nature of Exception identified	Size and complexity of audit	Audit methodology & Tools used.	Nature of A.P. performed			Significance of AE obtained.	Identified ROMMS.

Need To document → conclusion / Basis for conclusion → if not readily determine from the A.D. & A.E. obtained.

• Nature / extent of A.D. :-

A.D. to the extent that experienced auditor effort able to determine.

For E.g.

- issue arose related to treatment of interest cost of company on its restructured loan taken from Bank.
- issue discussed with CFO and resolved
- it should document!

NTE of A.P. performed.

Results of A.P. performed and A.E. obtained.

signi. matter during audit, conclusion on which auditor reached, APJ used to form conclusion, for eg. *

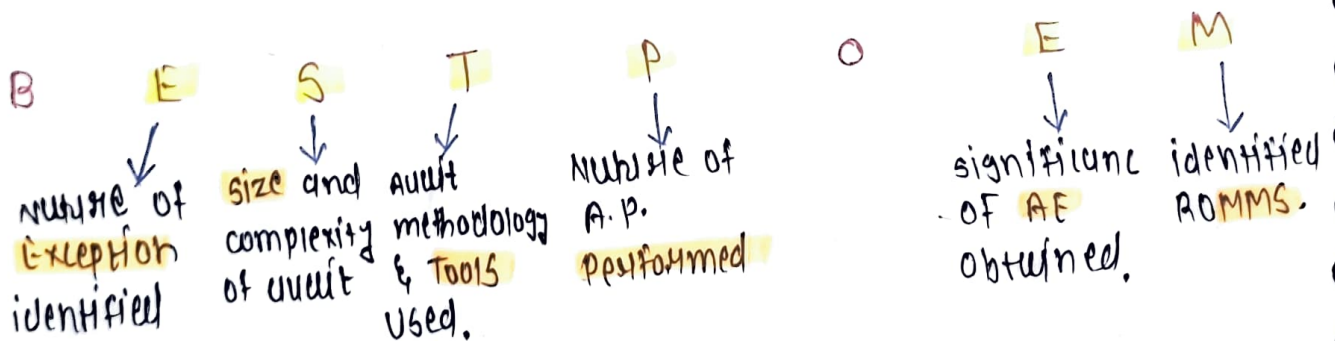
NTE of A.P., auditor shall

Identify the characteristic of item tested.

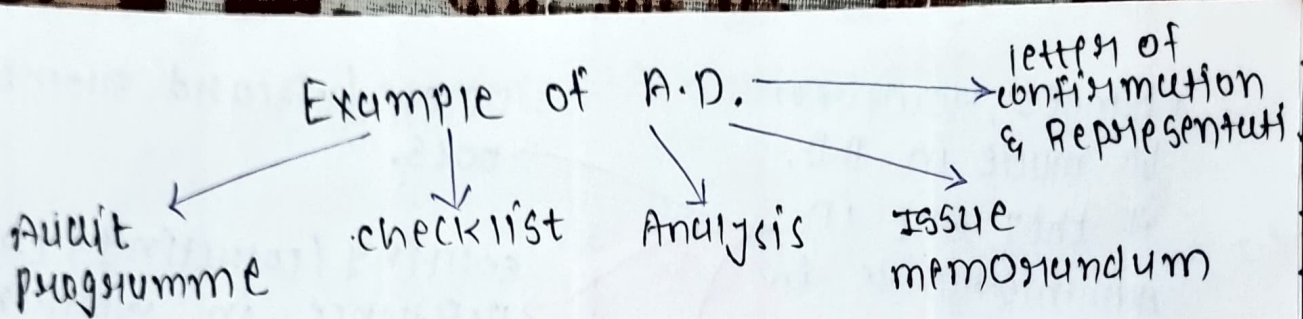
Who performed the work and date of completion

Who reviewed the work and date & extent of review.

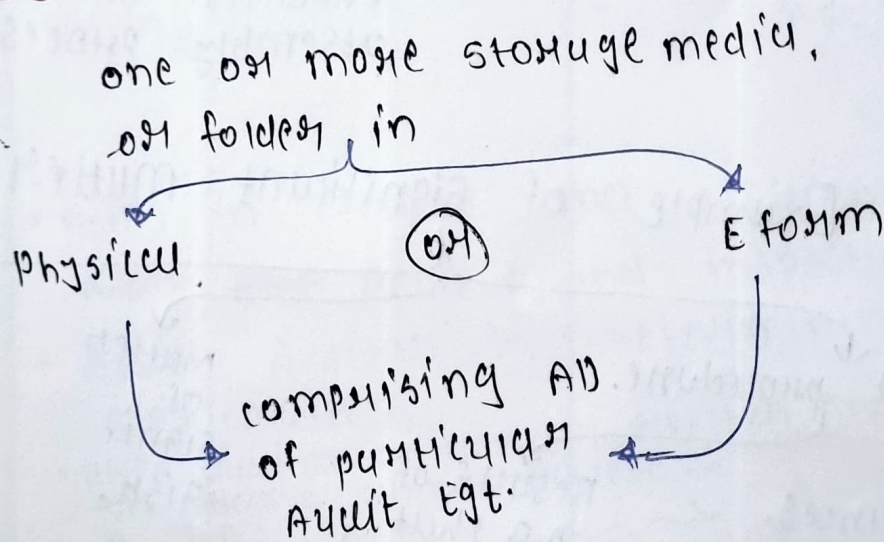
Factors → To determine Nature & extent of documentation



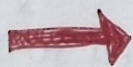
Need To document → conclusion / Basis for conclusion → if not readily determine from the A.D. & A.E. obtained.



Audit File :-

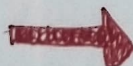


Assembly of
final Audit
file



within 60 days from date
of issue of audit Report.
[As per SQC-1]

Retention
period,



7 years from the date
of auditor's Report
[As per SQC-1]

{ Preparation of Audit file is an }
{ Administrative process. }

changes, however
be made in A.D.
if they are in
administrative in
nature.

delete / discuss superseded
pols.

sorting / collating / cross
reference in working
papers.

signing off completion
checklist during final
assembly process.

Example of significant matters

Audit procedure.

circumstances
causing
difficulties in
applying A.P.

Results of
A.P. that
indicates

MMS in
FS

Need to revise
the previous
AROMM and
response to
risk.

Matter
of
signi.
risk.

finding
that
results in
modification
of opinion
of auditor.

Completion Memorandum

Summary of A.D.

Summary of
signif. matters
arise during
audit

③

How they
were
addressed,

Benefits

- Helps in effective and efficient ~~audit~~ ~~and~~ review and inspection of AD
- Assist Auditor in determining signif. matters,
- Helps auditor in consider whether any individual SA's objective cannot achieve.

* Ownership of A.D. ~~~~~> Auditor *

Example of
circumstances
where Auditor
need to docs
his P.J.

Basis for
conclusion,
about

that mgmt. judgement
are reasonable,

Rational for conclusion
that consideration of
certain fact and info,
is significant.

Authenticity of docs.
and further
investigation is
necessary as
auditor believe
that docs. are not
authentic.

- The documentation of Audit plan is Record of Planned NTE of in response to the Assesed Risk.
RAP FAP
(C) Assesment level

Following things form part of A.D. at planning phase

