

Inter Audit – Important Topics for Last Day Revision (May 2025 Exam)

Chapter 3

(Refer SA 315, 320 & 330 from SA Module)

- a) Risk Assessment Procedure (What is included in RAP)
- b) Objective of Auditor as per SA 315
- c) Examples of Inquiries and Analytical Procedures while performing RAP as per SA 315 (Page No. 1B.20 & 21)
- d) Understanding of the Entity and its Environment. Focus on examples of specific points (Examples of matters under every sub-heading) mentioned in our SA Module (Page no. 1B.21 to 1B.24)
- e) Concept of Audit Risk including IR, CR & DR
- f) What is not included in Audit Risk.
- g) Components of ROMM
- h) Detection risk comprises – Sampling and Non-Sampling Risks. Explain
- i) Materiality examples of Statutory Requirement of Disclosures (Page no. 1B.35)
- j) Definition of Performance Materiality
- k) Materiality and Audit Risk
- l) Benchmarks in Materiality – Examples and Factors affecting the Identification of Benchmark
- m) Revision in Materiality level as audit progresses and its Documentation.
- n) Objective of SA 330.
- o) Using audit evidence obtained in previous audits.

Unit 1 (As per our Module 2)

- a) Limitations of Internal Control
- b) Components of Internal Control (COSO Framework)
- c) Elements of Control Environment.
- d) Examples of Control activities relevant for audit.
- e) Benefits of Evaluation of Internal Control to the Auditor
- f) Risks that require special audit consideration.
- g) Specific tools to review Internal Control System for auditor (ICQ and Flow chart is more Important)
- h) Testing of Controls or Compliance Procedure
- i) Nature and extent of test of controls (SA 330)

Unit 2 (Automated Environment)

- a) Key features of an automated environment
- b) Risks which should be considered in IT, these may arise due to use of IT Systems.

- c) Understanding and documenting the automated environment.
- d) Impact of IT related risks on substantive audit, controls and reporting.
- e) Types of Controls in an Automated Environment and GIT vs Application Controls
- f) Testing Methods in an Automated Environment.
- g) Use of Data Analytics in performing the Audit
- h) Assessing and Reporting Audit Findings.
- i) Manual elements vs Automated Elements

Chapter 5

- a) **Introduction** - BS and IS Assertions (Special Focus on examples for specific Question as discussed from RTP and Last attempt paper).

Balance Sheet Captions (Share Capital & Liabilities)

- a) **Share Capital** - Shares issued at discount, Sweat Equity Shares and Reduction of Capital. (Read the provisions and audit procedure)
- b) **Borrowings** - Valuation, Other Procedure and Also focus on important notes given after borrowings such as Security, Wilful defaulter etc)
- c) **Trade Payable** - Cut-off, Valuation and Disclosure of Ageing Schedule (MSME and Others Table)
- d) **Provisions and Contingent Liability** - Mgt Expert Concept and AS 29 Disclosure Requirement)

Balance Sheet Captions (Assets)

- a) **Trade Receivables** - All assertions including Presentation and Disclosure in detail.
- b) **Cash and Bank** - Direct Confirmation Procedure
- c) **Inventories** - Valuation, Analytical Procedure Examples, Few points on Existence along with SA 501.
- d) **PPE** - Examples of What is included in cost and what is not included, How to check additions during the year, Rights and Obligations including CARO 2020 Clause 1. Also refer important notes at the back of PPE.
- e) **Intangible Assets** - Read examples of CD cost and Computer Software cost, How to check additions and Deletions, Ageing schedule for assets under development.
- f) **Loans and Advances** - Valuation and Presentation and Disclosure along with a table as an Important note given in the end.

Income Statement Captions

- a) **Sale** - How to ensure revenue is not overstated, Completeness and Cut-Off
- b) **Other Income** - Examples, Audit procedure for interest income.
- c) **Purchases** - IC points for purchases, Occurrence and Measurement (Diff. types of Analytical Procedures).
- d) **Employee Benefit Expenses** - IC Points, Occurrence and Measurement.
- e) **Depreciation and Amortization** - Attributes to Verify, Measurement.
- f) **Other Expenses** - Attributes to Vouch Other expenses, Legal and Professional fees, Important notes at the end like, CSR, Benami Property, Crypto, Ratios etc.

Chapter 9

Unit 9A (Audit of Different types of Entities)

- a) Types of Revenue grants for a Local Body.
- b) Audit Programme for Local Bodies including of Objectives of Audit
- c) Audit of NGO
- d) Audit of a Partnership Firm & LLP (Refer specific questions given during regular and FastTrack lectures)
- e) Audit of Educational Institution
- f) Audit of Club and Hotel
- g) Diff. between Operating and Financial Lease. Audit Points for leasing Company.
- h) Read Dayal singh college question from regular book.

Unit 9B (Govt Audit)

- a) Meaning of Govt audit and its objectives.
- b) Steps involved in Govt. expenditure audit.
- c) Short note on Audit against Rules and Orders (Regularity Audit), Propriety and Performance audit
- d) Powers and Duties of C&AG
- e) Section 143 (5, 6 & 7)
- f) Audit of Commercial Accounts and Receipts

Unit 9C (Cooperative Societies)

- a) Restriction on shareholding for a Cooperative Society
- b) Restrictions on Investment of Funds for a Cooperative Society
- c) Contribution to Charitable Purposes.
- d) Special features of Cooperative society audit
- e) Special report to Registrar.
- f) Qualification and Appointment of Auditor for MSCOS
- g) Contents of Audit Report for MSCOS (same as section 143 of companies act 2013)
- h) Power of CG to direct special audit of Cooperative Society
- i) Inspection and Inquiry by Central Registrar for MSCOS

Unit 9D (Audit of Trusts and Societies)

- a) Auditor's responsibility related to FS's of trusts.
- b) Auditors' consideration for audit of trusts
- c) Auditors' consideration for audit of societies

Chapter 10

- a) Important Functions of RBI
- b) Peculiarities involved in Banking Operations
- c) Types of Bank Audit Reports to be issued (Any 5)
- d) Appointment of Auditor

- e) Engagement team discussion and its advantages
- f) Auditors Report content in case of Nationalized Bank
- g) Reporting to RBI in case of Banking frauds
- h) Understanding the risk management process (Similar to Components of IC's)
- i) For advances auditor should take into account certain reports for Adverse Comments.
- j) Mode of creation of Security
- k) Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.
- l) Meaning of Out of Order
- m) Provision for different categories of NPA's (Table)
- n) Computation of drawing power.
- o) Audit of advances and evaluation of internal controls over advances.
- p) Reversal of Income
- q) Partial Recovery of NPA's
- r) Audit approach to examine Interest income and expenses.
- s) Audit for Provisions and Contingencies.

