

Responsibility of Joint Auditors

1. When two or more auditors are appointed to audit the FC of any entity, they can be termed as joint auditors.
2. Audit Planning & risk assessment in case of joint audit
 - (a) In case of a joint audit the engagement partners & other key members from each of the joint audit firm should be involved in planning the audit.
 - (b) Joint auditors shall jointly established an overall audit strategy for the engagement.
 - (c) While developing the joint plan the joint auditors shall consider the following [Same as Factors of Overall Audit Strategy]
 - (i) Identify the division of audit area & common audit area.
 - (ii) ascertain the reporting objective of the engagement
 - (iii) Consider & communicate among all joint auditors the factors that are significant.
 - (iv) Consider the result of preliminary engagement activity or similar engagement performed earlier.
 - (v) Ascertain the NTE of resources necessary to accomplish the engagement.
 - (d) Joint Auditor should perform RAP separately for the areas allocated to them & they should communicate the results of these procedures to other joint auditors.

Rfco
(Statutory Auditor)Rfco
(Statutory Auditor)

Auditor

RK Ltd

Joint Auditor

SA-299

Division of work

1. Geographical area
2. Component of FC
3. Period

must be documented

SA 210

SA 200

SAC 1

SA 300

Companies
Sec 143

3. Documentation of work allocated

- (a) The joint auditors shall obtain a common engagement letter (SA 210) & a common mgmt representation letter (SA 580).
- (b) Joint auditors shall discuss & document common audit areas & separate audit areas in a work allocation document which should be signed by all the joint auditors.
- (c) Such documentation of allocation of work will help in avoiding any dispute or confusion which may arise in the future.

4. Audit Reporting & conclusion

- (a) Joint auditors are required to issue common audit report.
However, in case of any disagreement among the joint auditors regarding their opinion, they shall express their opinion in separate audit reports.
ie Common opinion
- (b) A joint auditors is not bound by the views of majority of joint auditors regarding the audit plan.
- (c) In case of separate reports the audit reports issued by joint auditors shall include an EOM paragraph (as per SA 706) which should include a clear reference of separate audit reports issued by other joint auditors.

- 5. (note): Each Joint auditor is entitled to assume that the other joint auditors have carried out their part of audit work in accordance with applicable SAs.

706

SA-450

707

SA 299

707

SA 210

SA 200

10. High level of assurance
 9. Healthy competition betwⁿ auditors

Page No.: PANKAJ
 Date: / /

6. (a) Advantages of Joint Audit Engagement

- 1) Sharing of Expertise
- 2) Advantage of mutual consultation
- 3) Lower workload on auditors
- 4) Better quality of performance
- 5) Improved service to the client & timely completion
- 6) Lower cost to carry out the work
- 7) Lower staff development cost
- 8) All important areas will be covered.

(b) Disadvantages of Joint Audit Engagement

- 1) Fees being shared
- 2) Problems in coordination of work
- 3) General superiority complex of some auditors
- 4) Uncertainty about the work done of auditors
- 5) Areas of work of common concern being neglected
- 6) Psychological barrier where firms are diffⁿ standing are associated in the joint audit.
- 7) Costly on the part of entity.

7. Responsibility of Joint Audit

★★★★★★★★

(2)

(1) Joint auditors shall be jointly & severally responsible for the following :-

a) Joint auditors are jointly responsible for ensuring that the audit report complies with the requirements of applicable SA's, legal requirement (if applicable) & regulatory

(b) Joint auditors are jointly responsible for examining that whether entity complies with Presentation & disclosure requirement as per AFRF (Sch III)

NOV 22

SA 210

SA 200

Sec 1

SA 300

Companies
Sec 143

(c) Joint auditors are jointly responsible for the audit work which is not divided among the joint auditors if it is carried out by the all joint auditors.

(d) Joint responsibility for matters which are brought to the notice of all the joint auditors by anyone of them if all the joint auditors are in agreement on such matters.

(e) Decision taken by all joint auditors under audit planning in respect of common audit areas regarding the NTE of AP to be performed by each joint auditor.

(note): however, proper execution of above planned AP is the separate & specific responsibility of the joint auditors.

(2) Separate Responsibility :-

Joint auditors are separately responsible for determining the NTE of AP to be performed, performing such procedure, maintaining appropriate AD for the areas allocated to respective joint auditors.