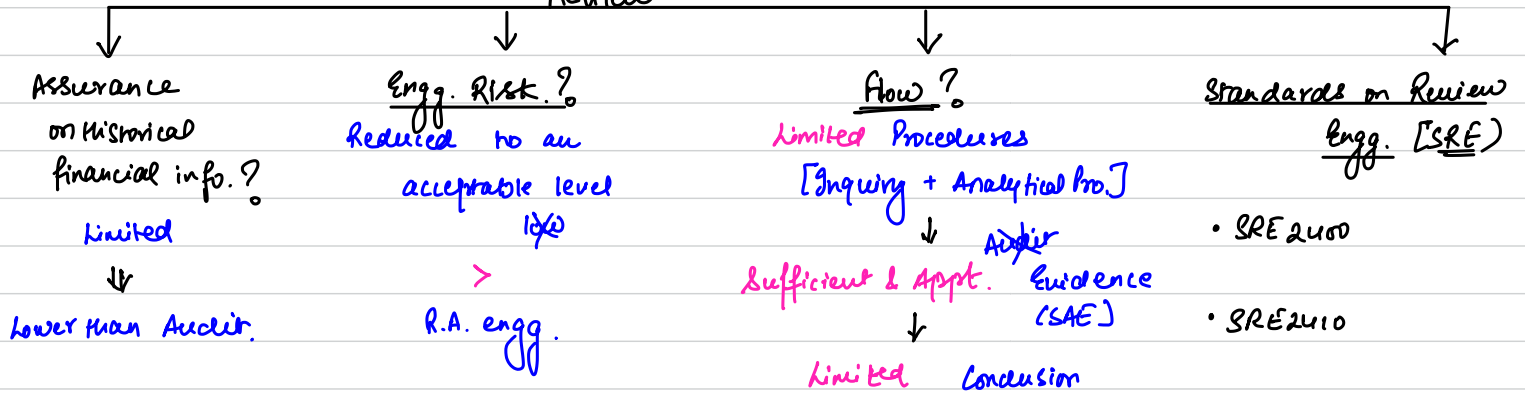


[5m]

Review



SRE 2400: Engg to Review historical FS.

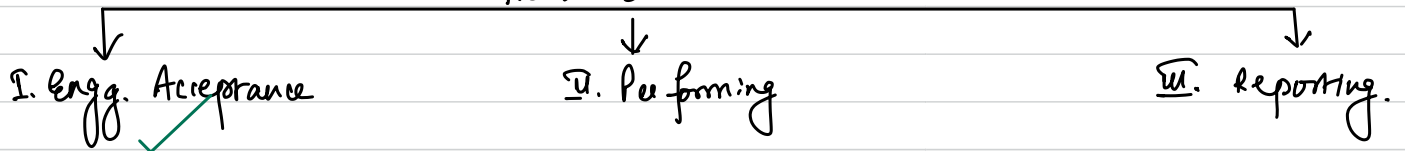
[E practitioner $\Rightarrow$ x Auditor of FS].

Objective: 1. Limited Assurance via. Inquiry & An. Pro. [Flare free from mm].

↓
express conclusion [FS prepared as per AFRC]

2. Report & communicate on FS.

SRE 2400



I. Engg. Acceptance

1. Factors affecting acceptance & continuance of client

Don't accept review engg. if:

a. Info. needed is unavailable | unreliable.

b. Doubt over mg's integrity.

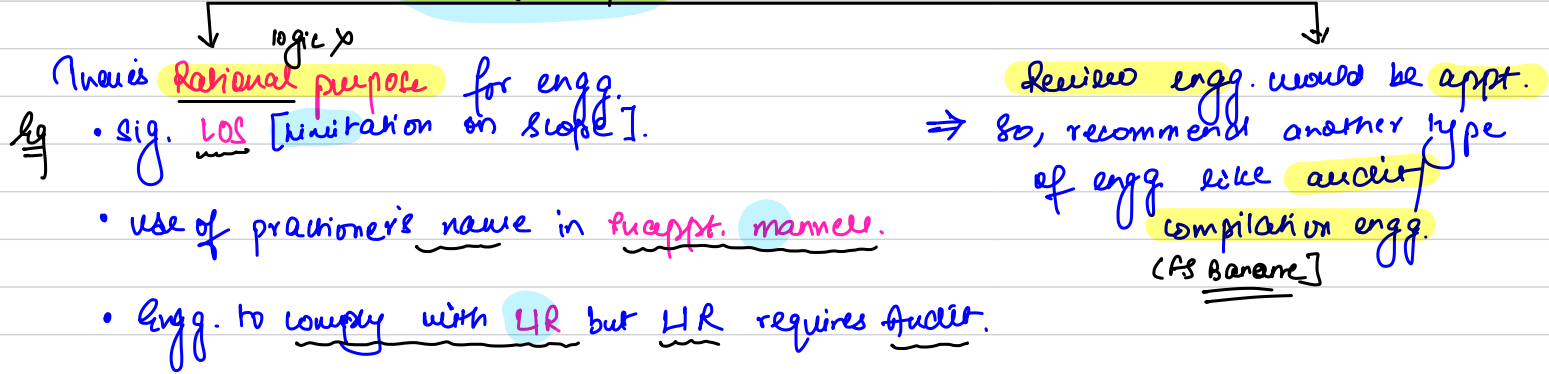
c. Mgt/Tw's purpose limitation on Scope [LOS] $\Rightarrow$ will result in disclaiming conclusion.
 $\text{SAE} \times$

d. Relevant Ethical Requirements (ER) including Independence, not satisfied.
 CoP Professional

$\text{In}^2 \text{ LOS ER Not satisfied}$

e.

Not satisfied that



II.

Performing the Engg



1. Materiality • for designing pro. & evaluating results. [misstatement]

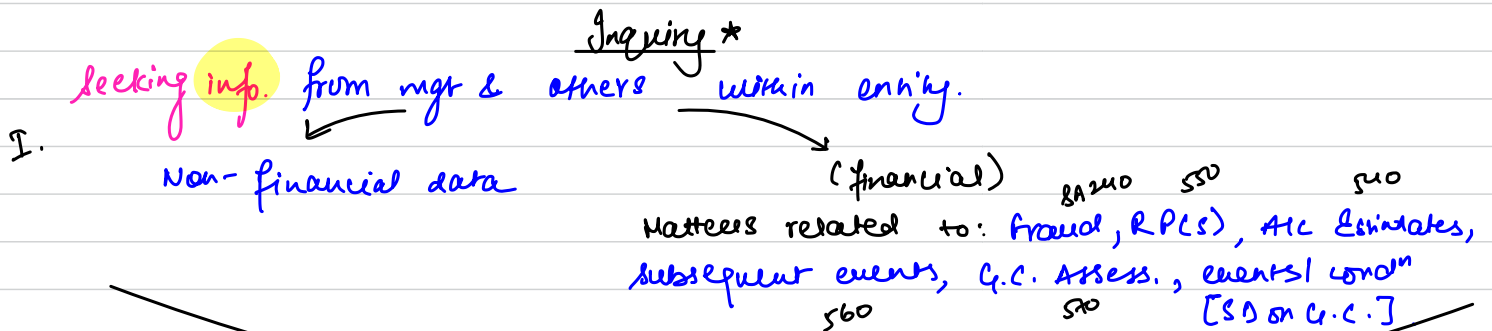
[Same as audit] • materiality remains same regardless of level of assurance.

• Revise materiality on becoming aware of info. during review.

[RAP]

2. Understand Entity & Environment ⇒ to identify areas with Romm.

3. Procedures (Inquiry & An. Procedures)



II. Evaluating response of mgt is part of inquiry process.

III. May also inquire about: • Actions taken at meetings of owners, Teerly & committees.
 • Communication from regulatory authorities. [LCS / NOCLAR.....]
 • other matters.

iv. For further inquiries on inconsistencies [Penalty notice → provision x]

↓

check reasonableness & consistency of mgt's response.

↓ (How?)

considering other pro. & knowledge & understanding of entity & industry.
BELC confirmation

Why Inquiry & An. Pro. Important? [Imp.]

Inquiry	An. Pro.
- Source of evidence for <u>mgt. intent</u> [Info maybe limited. Understand mgt's <u>BA</u>]. ↓ <u>Alert!</u> - Apply professional skepticism. ↓ - Understand Entity/Env. ⇒ to identify Areas with <u>comm.</u>	- Understand Entity/Env. ⇒ to identify Areas with <u>comm.</u> ↓ - Inconsistencies/variances from expected trends/ <u>fs. values</u>. ↓ - Addⁿ Procedures [Matters ⇒ Believe <u>fs.</u> maybe materially misstated] ↓ - Corroborative evidence to Inquiry / An. Pro. already done. leg. <u>norm.</u> analysis of Revenue & cost.

Inquiry! • Interview [each?]

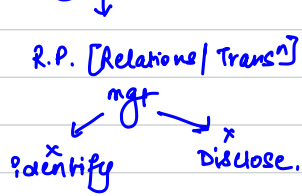
Provision for bonus → 15% of profits

— Best History Reasons.
— Ability
(Cash flow position)

Procedures to Address Specific Circumstances

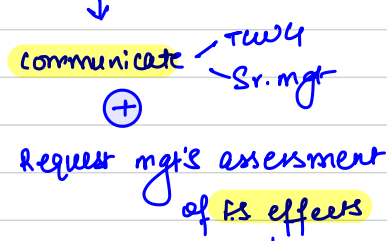
1. Related Parties

- Gray Area!

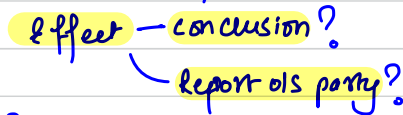
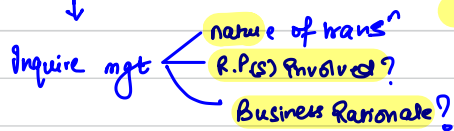


2. Fraud & NoC-AR

Indication

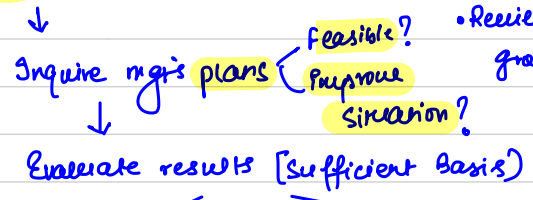


- Sig. transⁿ o/s N.C. o/s.



3. Going Concern *

- Ability of Entity to continue as G.C.?
- Etcⁿ $\rightarrow$ S.D. on G.C.



F.S. G.C. Basis ✓

F.S. G.C. Basis ✗ [MM]

4. Work performed by Others.

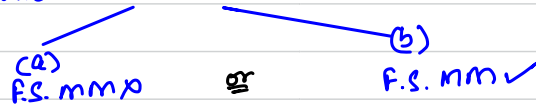
- Expert $\rightarrow$ Adequate? [Rate or Assurance]
- Review of group F.S.

Additional Procedures

↓

F.S. maybe materially misstated.

- Perform addⁿ procedures to conclude:
[Addⁿ Inquiry | An. Pro. or Tobs | Ext. conf.]



- If not able to conclude (a) or (b)

i) continue add. pro.

or

ii) unable to continue $\Rightarrow$ LOS & modified conclusion. (QID)

Q. what if practitioner not obtained expected evidence [SAE].
from — Inquiry, An. Pro., Pro. in specific circumstances?

→ Extend work performed

or

→ Perform other procedures

↓

Not Practicable

SAE x

↓

Discuss with mgt / TWC

+

Effect on Report / Ability to complete Engg.

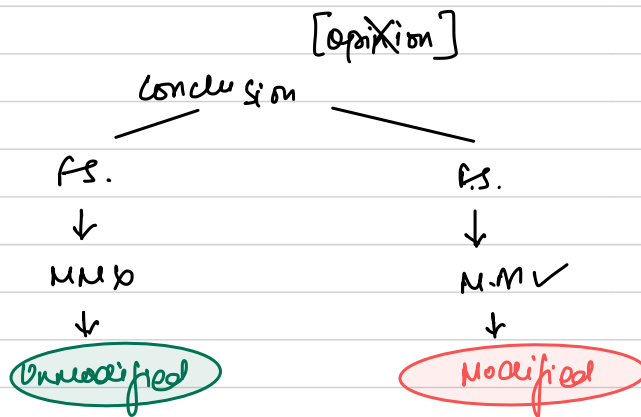
Spl. case

specific procedure ⇒ ~~SAE~~

other procedure
(Alternate)

⇒ SAE ✓

} LOS? No



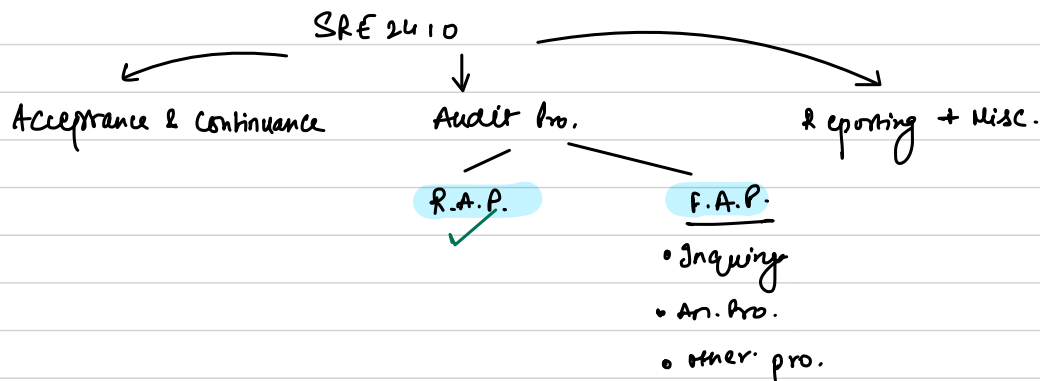
Unmodified conclusion [u-m nahi mili]

Nothing has come to our attention to believe that FS. are not prepared in all material respects as per AFRF.

SRE 2410: Review of Interim Financial Info.
by Independent Auditor of Entry.

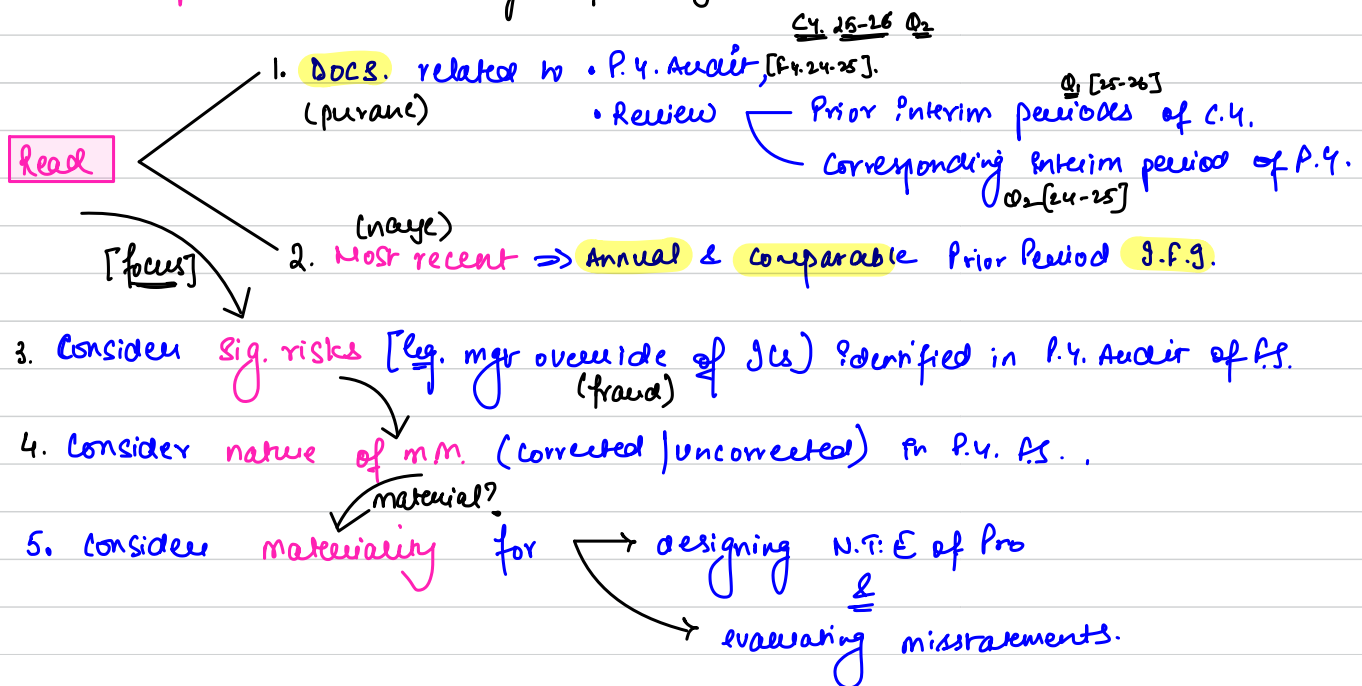
Interim financial info [IFI]. $\Rightarrow$ Period $<$ whole FY
by Only F.S.

Objective: • To express conclusion whether on basis of Review
 $\rightarrow$ Anything came to auditor's attention
 $\rightarrow$ to believe IFI not prepared in all material respects.
as per AFRF.



Procedures

[R.A.P.] Update understanding of Entry, Env. & I.C



- Others:
- material weakness in G.C.
 - Results of Internal Audit
 - sig. changes in G.C.
 - Results of Audit pro.

① Auditor's understanding of Entity, Env. & G.C., risk assessment & materiality affects Nature & Extent of Inquiry, An. Pro. & other pro.

what procedures auditor ordinarily performs in review of JFG?

1. Read minutes of meetings [M.O.M]. (Shareholders, TWC, Committees)

pass
chakra.

If minutes N.A. then Enquire about matters discussed.

2. Consider effects of matters that gave rise to modification in previous audit reviews.

[MM]

Post call.

3. Communicate with other auditors, reviewing financial info. of sig. components.

[Group Review]

CFS

Group B

4. Inquiry of mgmt

[Basic] • JFI → is prepared & presented as per AFRF.

[Changes] • Any changes in Acc principles / methods.

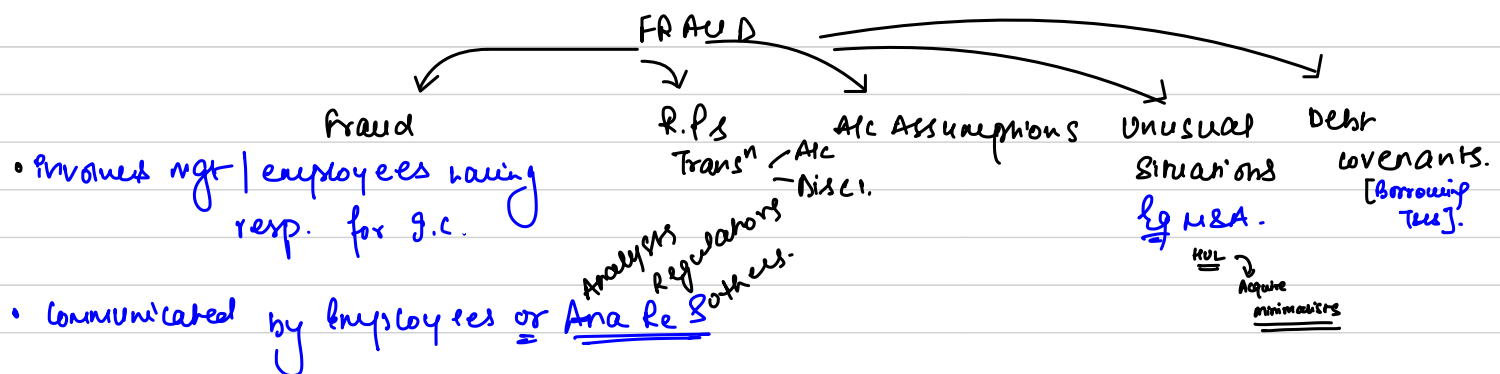
[New] • Any new transⁿ → that needs applⁿ of new Acc principles.

[lease]

[Ind AS 16].

[sachin sachin Barao].

• If-1 contains any known uncorrected misstatements.



5. An. Pro. → to identify unusual relationships & transⁿ

6. Read JFI → Anything come to auditor's attention → JFI not prepared in all material respects as per AFRF.

~~Debit~~ over the Treatment

M. S. S. L

Maruti

Debitors

[mid-march '19 delivery ✓

Revenue FY. 18-19 Book X]

② [Sales marketing inquiry.] Verify → Sales contract

Review [IF1]

mm in IF1



Material adjustment in IF1



Communicate to mgr



Respond to

Inform TCW [orally/writing]



Respond to

Modify Report

or

Withdraw from

engg (Review)

&

Resign from

audit of FS.

SAE ✓

SAE ✗

m✓

p✓

Adverse

m✓

p✗

Qualified.

m✓

p✓

Disclaim

Report with g f g.

Document

g.f.g.
(Reviewed)

+

Review

Report



seek legal advice [APPR. Action] [SABIO] [Audited Summ. FS. + AR]

g f g.



Condensed Set of FS [all info]

⇒ expⁿ of events & changes since annual reporting date.

Listed Entity

Unrestricted access to latest audited FS.

Other cases

include statement

⇒ Read with latest audited FS.



(Misleading impact can be misleading (report)).