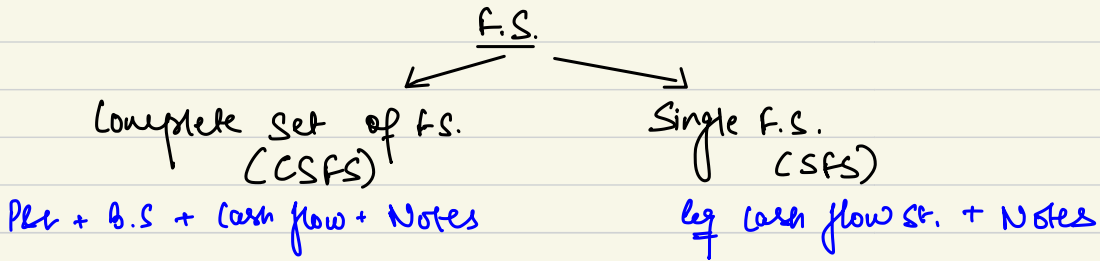
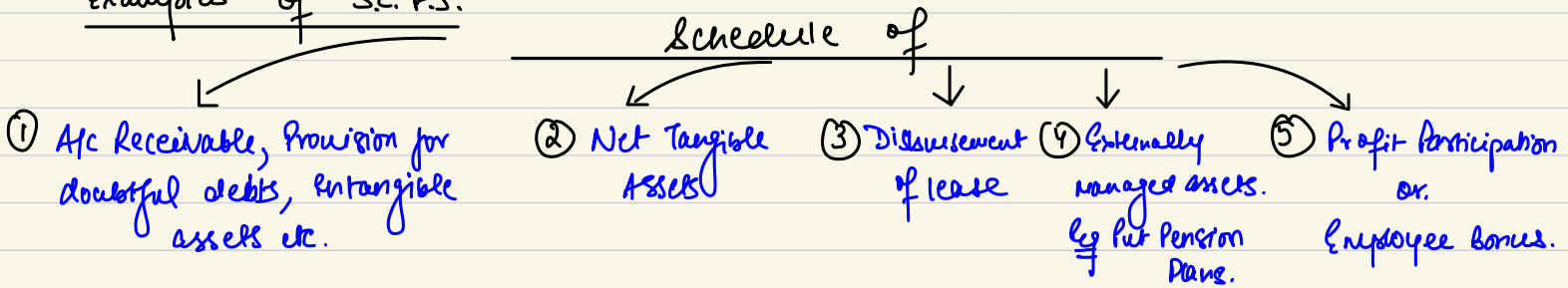


SABOS: Sp. Considerations: Audit of Single F.S. (SFS)
Specific Elements, A/c or Items of FS (SEFS)

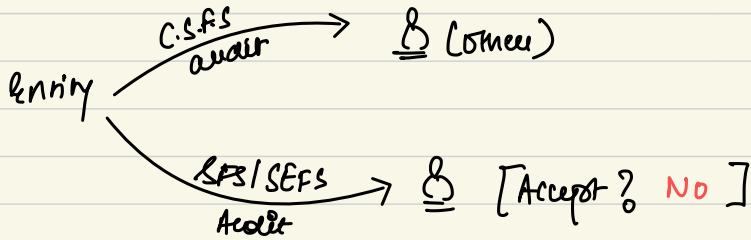


⇒ f.l. maybe prepared as per G.P.F or S.P.F (SABOO also apply).

Examples of S.E. f.s.

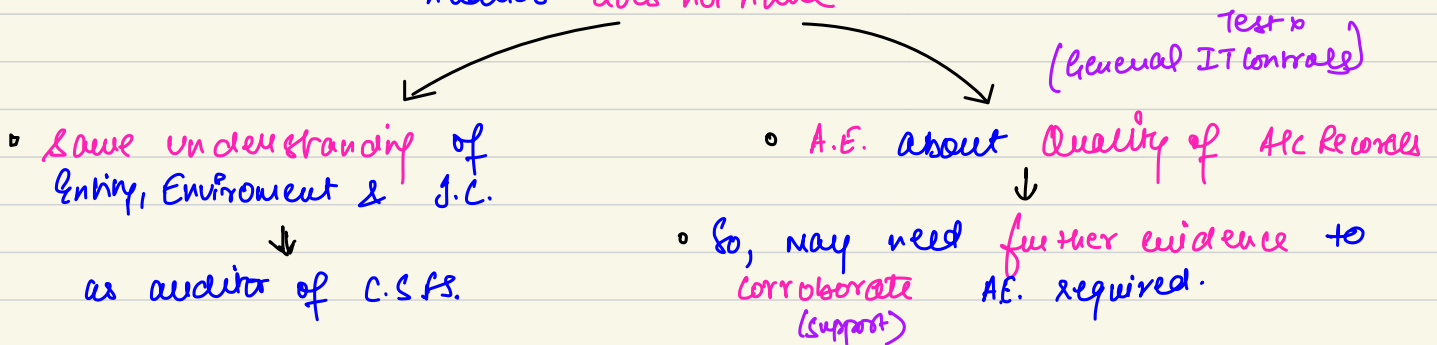


① Can auditor audit SFS / SEFS without auditing C.S.F.S?



⇒ compliance with SAs may not be practicable if auditor not engaged to audit C.S.F.S.
(why?)

Auditors does not have



Benefit - Fees - < Work

- For audit of SFS, certain SAs require disproportionate audit work.

Reg For audit of Debtors, complying with SA 510 may not be practicable.

⇒ Audit ⇒ DRS (E, R, C, V) + G.C. Assess ⇒ Appt ⇒ cases recover? No ⇒ valuation DRS

Conclusion: If audit as per SAs not practicable,

discuss with mgt, if another type of engg. will be more practical. "Certification" → SRS 4400

Rough

C.S.A.S. Audit Pro.

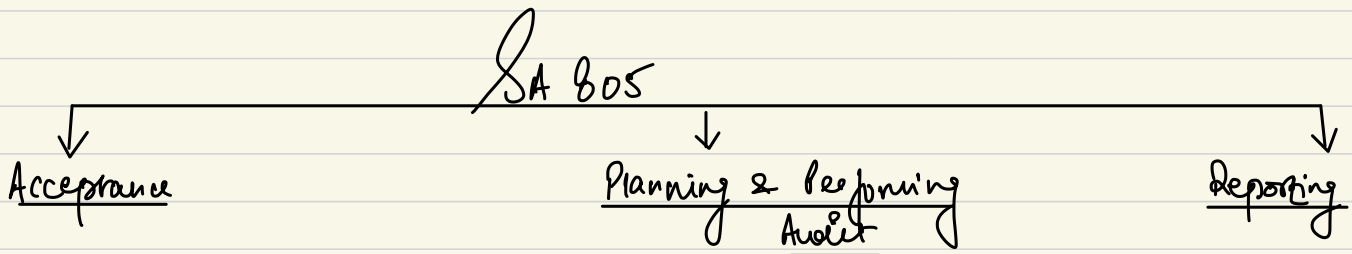
But *SFS/SFS[Debtors]

RAP
(Understand
↓
Comm)

FAP
TOCS
(Process)

Subs. A.P. Pro
o TODs
o An. Pro.

Too much!!



I Acceptability of FRF

- For audit of SFS/SFS → consider if FRF will result in adequate disclosure for users to understand

SFS/SFS ≤ Effect of material events/ transⁿ on SFS/SFS.

Reg Audit of Debtors (SFS)

£2,00,000

Notes to A/Cs

DRS	25,00,00
(→ Provision*)	(50,000)
	<u>200,00,00</u>

* due to reservancy of DRS.

II. Planning & Performing Audit

◦ Adapt all **SAs*** relevant to audit as per circumstances.

* Even for audit of SFS, SA 240, SSD & STO are relevant.

◦ Element could be misstated due to fraud, RPTs or incorrect application of f.c. basis of accounting.

Spl. cases

SA 260

Requires auditor to identify app. persons within governance structure to communicate



Those resp. for oversight of f.r.p. of C.S.Fs maybe different from SFS/SFS.

Audit Evidence

◦ When auditing

Both

C.S.Fs & SFS/SFS

may use A.E. obtained in audit of C.S.Fs for SFS/SFS.

◦ Obtain **SAAE** to base opinion on SFS/SFS.

Inter-Relation

◦ C.S.Fs & their elements are inter related.



◦ In audit of SFS/SFS don't consider them in isolation

◦ May need to test inter related items.

Dr. → Revenue

Materiality

for audit of SFS/SFS may be lower than for C.S.Fs.



Affecting

NTE of A.Pro. + Evaluation of uncorrected misst. Basis

III. Opinion & Reporting

⇒ Evaluate if FS (SFS/SEFS) provide adequate disclosures
↓
to understand effect of material events/trans on FS.

Spl. points:

1. Separate opinion on audit of $\begin{cases} \text{CSFS} \\ \text{and} \\ \text{SFS/SEFS} \end{cases}$

2. If SFS/SEFS & C.S.F.S. published together

↓
Presentation should be differentiated

◦ If not, ask mgt to rectify.

◦ Not issue A/R unless satisfied with presentation.

↓
Also give differentiated opinion on CSFS & SFS/SEFS.

~~****~~
Imp 3. Modified opinion / Para / one para / MURK section / Uncorrected MM of other info.
in A/R of C.S.F.S. (Annual Report)

↓
Relevant for A/R on SFS/SEFS?

"factors" (P.J.)

Matter

① Nature of matter & extent to which it relates to SFS/SEFS

C.S.F.S. Drs. (M.M.) $\begin{cases} \text{SFS (B.S)} \checkmark \\ \text{SEFS (BRS)} \checkmark \end{cases}$

② Persuasiveness of matter.

C.S.F.S. → Disclaimers (mgt fraud)

③ Nature & extent of difference b/w A/R FS

C.S.F.S. → Acc. Stmts. $\begin{cases} \text{M.M.} \\ \text{A/R (AS 9)} \end{cases}$
Accrue to

SEFS (Revenue) → Contract (C.S.F.S.)
↓
Cash Basis M.M.

Period | Time

④ Difference b/w Period covered by C.S.F.S. & SFS/SEFS:

M.N.C.
• C.S.F.S. → FY: 1.1.24 - 31.12.24
(M.M. Revenue Jan-Mar'24)
• SEFS → FY: 1.4.24 - 31.3.25
(Revenue) M.M.

⑤ Time elapsed since date of A/R on C.S.F.S.

A/R $\begin{cases} \text{C.S.F.S. 1.6.24} \text{ (adjusted)} \\ \text{SFS 30.6.24} \text{ (Revenue)} \end{cases}$
M.M. in other info. $\begin{cases} \text{Rectified on 5.6.24} \\ \text{X Relevant M.A SFS.} \end{cases}$

Examples:

C.S.F.S.

Relevant?

① Qualification in Debtors → SFS (BS) or SEFS (Debtors) Yes

② Qualification in Classification of L.T. Borrowings → SFS (P&L) or SEFS (Debtors) No

Imp

Addⁿ Notes:

①

AR on CSFS
NURC section

incorporation
refer ✓

AR on SFS/SEFS
DN para

② AR on CSFS → Adverse / Disclaimer of opinion (NM → persuasive PS)
↓
GAAS doesn't permit unmodified opinion in AR of SFS/SEFS*

* Unmodified opinion allowed for SEFS only if:

gt RS NOT by Pension fund Investments' stake [B.S. locn
PER Revenue 600]
↓
NOT prohibited by LR opinion in AR of CSFS & SEFS is not published together Specific Element is not major portion of C.S.F.S.

3 Arissu

AR on C.S.F.S.

disclaimer of opinion (Results of operations + cash flow)
unmodified opinion (B.S.) → Allowed? Yes
State of affairs