

Inter Audit - List of Important Topics For Last Day Revision (Sept. 2025 Exam)

Chapter 1

- a) Objectives of an Audit
- b) How can auditor ensure that FS would not mislead anybody. Comment
- c) Scope of Audit and What is not included in Scope of Audit?
- d) Benefits of Audit. Why is audit needed?
- e) Qualities of an Auditor.
- f) Elements of an Assurance Engagement
- g) Audit vs Review
- h) Reasonable vs Limited Assurance engagement
- i) Short note on SRE's, SAE's, SRS with examples.
- j) Why are Standards Needed ?

Chapter 2 (Refer SA 300 From SA Module)

- a) Benefits of planning in the Audit of a Financial Statements
- b) Preliminary Engagement Activities.
- c) Matters to be considered for A&C Analysis (Also refer in SA 220)
- d) Establishment of an Overall Audit Strategy (Meaning & Factors). Focus more on examples of Scope, Timing and Direction and Benefits of Overall Audit Strategy
- e) Advantages and Disadvantages of an Audit Programme
- f) Assistants should be encouraged to keep an open mind and Periodic Review of Audit Programme.
- g) Changes in planning decision during the course of audit.
- h) Nature of Audit Planning - A continuous and Iterative process
- i) Documentation

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 matters under every sub-heading) mentioned in our SA Module (Page no. 1B.21 to 1B.24) of
- 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) 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 4

(Refer SA 500, 501, 505, 510, 520, 530, 550 & 610 from SA Module)

SA 500 (Audit Evidence)

- a) Types of Audit Evidence
- b) Concept of Other Information & Info contained in accounting records with examples.
- c) Reliability of Audit Evidence increases when... (Generalisations)
- d) Audit procedures to obtain audit evidence - Inquiry, Observation etc...

- e) Concept of Mgt Expert
- f) Information to be used as audit evidence
- g) Concept of Test of Controls and Substantive Procedures that is Further audit procedures.
- h) Short note on Audit trail.
- i) Selecting Specific items for testing
- j) Factors affecting Auditor's Judgement as to Sufficiency of Audit Evidence

SA 501 (Audit Evidence for Selected Items)

For Inventory

- a) Attendance at Physical Inventory Counting
- b) Physical inventory counting conducted other than at the date of FS.
- c) Attendance at physical inventory counting is Impracticable.
- d) When inventory is under the custody and control of a third party.

For Claims & Litigations

- a) Audit procedure to identify claims and litigations.
- b) If Auditor assess a ROMM regarding claims or litigations. (Communicating with Entity's legal counsel)
- c) Letter of general and specific inquiry

For Segment Information

- a) Objective of the Auditor
- b) Obtaining sufficient appropriate Audit Evidence regarding the Presentation and Disclosure of Segment Information, Auditor's Responsibility Regarding The Presentation And Disclosure of Segment Information and Understanding of the Methods used by Management

SA 505 (External Confirmation)

- a) EC Procedure,
- b) Factors to be considered while designing EC Request,
- c) Management's refusal to allow the auditor to send a confirmation request. Detailed procedure as per SA Module Note 1.
- d) Meaning of Positive CR and Exception.

SA 510 (Initial Audit Engagement)

- a) Auditors' objective as per this SA.
- b) Audit procedures adopted by auditor to obtain audit evidence regarding opening balances. Also read examples of procedures for Current and Non-Current assets and liabilities.
- c) Audit Conclusions and Reporting regarding Opening Balances and Consistency of Accounting Policies.
- d) Modification to the opinion in the Predecessor auditors report.

SA 520 (Analytical Procedures)

- a) Concept of Analytical Procedure and few examples
- b) Timing of Analytical Procedure
- c) Analytical procedure in planning and Completion phase (Overall Conclusion)

- d) Factors to be considered for Substantive Audit Procedures
- e) Techniques available as Substantive Analytical Procedure
- f) Steps in Analytical Review Procedure (Analytical procedures used as substantive tests)
- g) The Reliability of Data
- h) Investigating results of analytical procedures.

SA 530 (Sampling)

- a) Characteristics of Population
- b) Short note on Non - Statistical Sampling approach and its advantages
- c) Concept of Stratification and Value-Weighted selection
- d) Sample selection Methods (For MCQ)
- e) Projecting misstatements
- f) Factors should be considered for deciding upon the extent of checking on sampling plan.
- g) Examples of Factors affecting sample size for Test of Controls and Test of details (Can be asked in MCQ's)
- h) Other important definitions such as Sampling Risk, Non-Sampling Risk and Anomaly

SA 550 (Related Party)

- a) Definition of Related Party
- b) Understanding the entity's related party relationships & transactions
- c) Meaning of Control and Significant influence with reference to Related Party.
- d) How can auditor verify the existence of a related party relationships & transactions. (Sample question in the box)

SA 610 (Using the work of Internal Auditor)

- a) The objectives and scope of Internal Audit Function
- b) Scope of SA 610
- c) Objectives of the External Auditor, where the entity has an Internal Audit Function
- d) Using the work of Internal Audit Function
- e) Short note on Direct Assistance to be used as per SA 610
- f) Evaluating the Internal Audit Function.
- g) Detailed understanding of Internal Financial Controls (Section 134, 143(3)(i))
- h) Difference between IFC and Internal Controls over Financial Reporting.
- i) Read summary of this SA from class notes for better understanding.

Chapter 5

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) **Other Income** - Examples, Audit procedure for interest income.
- b) **Purchases** - IC points for purchases, Occurrence and Measurement (Diff. types of Analytical Procedures).
- c) **Employee Benefit Expenses** - IC Points, Occurrence and Measurement.
- d) **Depreciation and Amortization** - Attributes to Verify, Measurement.
- e) **Other Expenses** - Attributes to Vouch Other expenses, Legal and Professional fees, Important notes at the end like, CSR, Benami Property, Crypto, Ratios etc.

Chapter 6 (Refer SA 230 from SA Module)

- a) Form, Content and Extent of Audit Documentation (Factors)
- b) Purpose of Documentation
- c) Assembly of Final Audit File (Examples and SQC Retention Period)
- d) Documentation of Significant matters
- e) Ownership of Audit Documentation (Branch Audit example also keep in mind)

Chapter 7 (Refer SA 260, 265, 450, 560, 570 and 580 From SA Module)

SA 260 (Communication to Mgt and TCWG)

- a) Objective of the Auditor as per SA.
- b) Who are "Those Charged With Governance"

- c) Matters to be communicated by the Auditor. (Specifically Significant Findings)
- d) Communication of Auditor's independence to Listed Entities.
- e) Significance of Communication with TCWG

SA 265 (Communicating deficiencies to TCWG & Mgt.)

- a) Meaning of Significant Deficiency in IC's.
- b) Examples of matters that auditor may consider while determining whether a deficiency is a significant deficiency or not.
- c) Examples of indicators of significant deficiencies in Internal Controls.
- d) Communication of Significant Deficiency to TCWG (Process and Details)

SA 450 (Evaluating of Misstatements identified during the audit)

- a) Objectives of the Auditor
- b) Evaluating the effect of Uncorrected Misstatements
- c) Communication and Correction of Misstatements.
- d) Documentation regarding misstatements.

SA 560 (Subsequent Events)

- a) Objective of the Auditor as per SA.
- b) Audit Procedure relating to events occurring Between Date of FS & Date of Auditor's Report,
- c) Auditor's responsibility regarding "Facts which become known to the auditor after the FS's have been issued."
- d) Meaning of FS Issued date (MCQ)
- e) Kindly read important notes given during Regular/EOB lectures in the end of this SA.

SA 570 (Going Concern)

- a) Objectives of the Auditor regarding going concern
- b) Risk Assessment procedures and related activities.
- c) Responsibility of Auditor
- d) Additional procedures when events and conditions are identified.
- e) Implication for the Auditor's Report. (Refer the summary box given in SA Module)

SA 580 (Written Representations)

- a) Objectives of Auditor regarding WR
- b) Date and Period covered by WR
- c) Doubt as to the reliability of WR
- d) Requested WR not provided.
- e) Written Representations about managements responsibilities for eg – Preparation of FS, To provide information to the auditor and such other responsibilities as required by specific SA's

Chapter 8 (Refer SA 700 Series from SA Module)

Kindly do all 700 series SA's, CARO Clauses in detail and 143(1), (3), (5), (6), (7), (12). (Don't apply shortcut at all)

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) Important Points in Co-Operative Society Audit
- f) Special report to Registrar.
- g) Qualification and Appointment of Auditor for MSCOS
- h) Contents of Audit Report for MSCOS (same as section 143 of companies act 2013)
- i) Power of CG to direct special audit of Cooperative Society
- j) 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) Audit of advances and evaluation of internal controls over advances
- o) Reversal of Income
- p) Partial Recovery of NPA's
- q) Audit approach to examine Interest income and expenses
- r) Audit for Provisions and Contingencies

Chapter 11

(Refer SA 210, 220 & SQC 1 From SA Module)

- a) Principle based approach vs Rule Based Approach.
- b) Fundamental Principles of Professional Ethics.
- c) Threats and Safeguards to Independence with updated examples.
- d) Concept of Professional Skepticism. (SA 200)
- e) Independence of Mind and in appearance.
- f) Requirement of Revised Eng. Letter in case of Recurring Audit (SA 210)
- g) What happens if preconditions are not present? (SA 210)
- h) What should auditor consider before agreeing to change the audit engagement to engagement providing "Lower level of assurance"? (SA 210)
- i) Objective of Auditor as per SA 220.
- j) Elements of a system of Quality Control or Responsibilities of Engagement Partner regarding certain matters. (SA 220)
- k) Information required during Acceptance & Continuance Analysis (SA 220)
- l) Engagement performance and Monitoring (SA 220)
- m) Ethical Requirements as per SQC 1.
- n) What matters firm should consider with regard to the integrity of a client. (SQC 1)
- o) Relevant HR issues that should be considered during Quality Control (SQC 1)
- p) Engagement performance (SQC 1)

