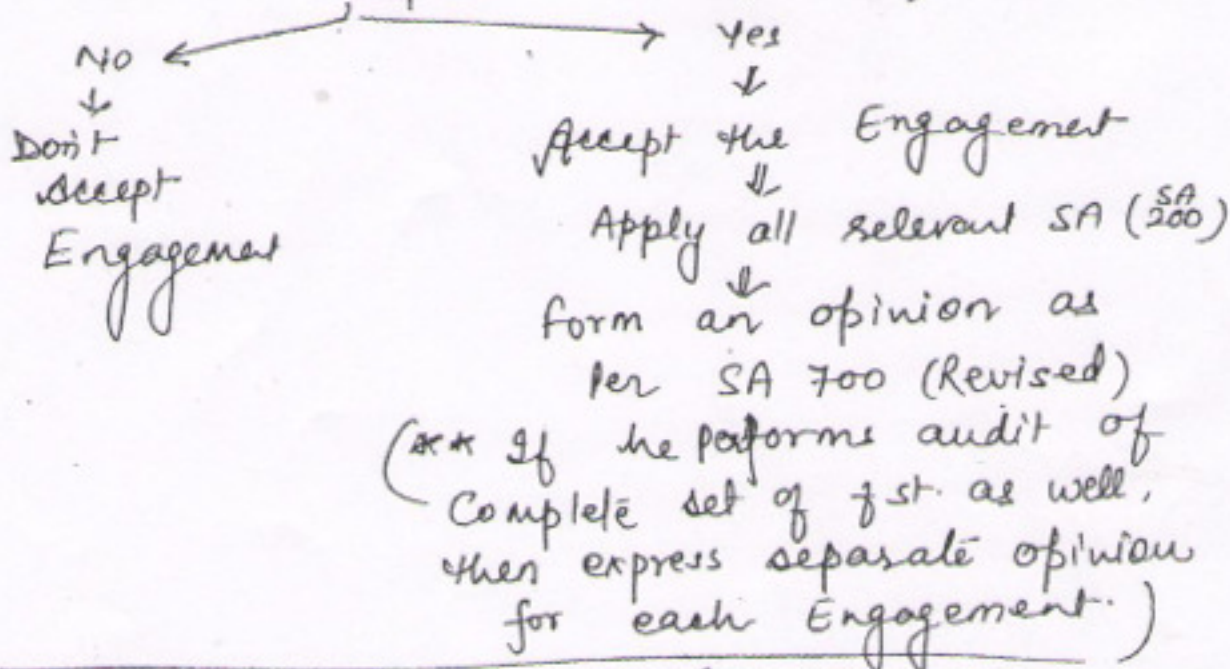


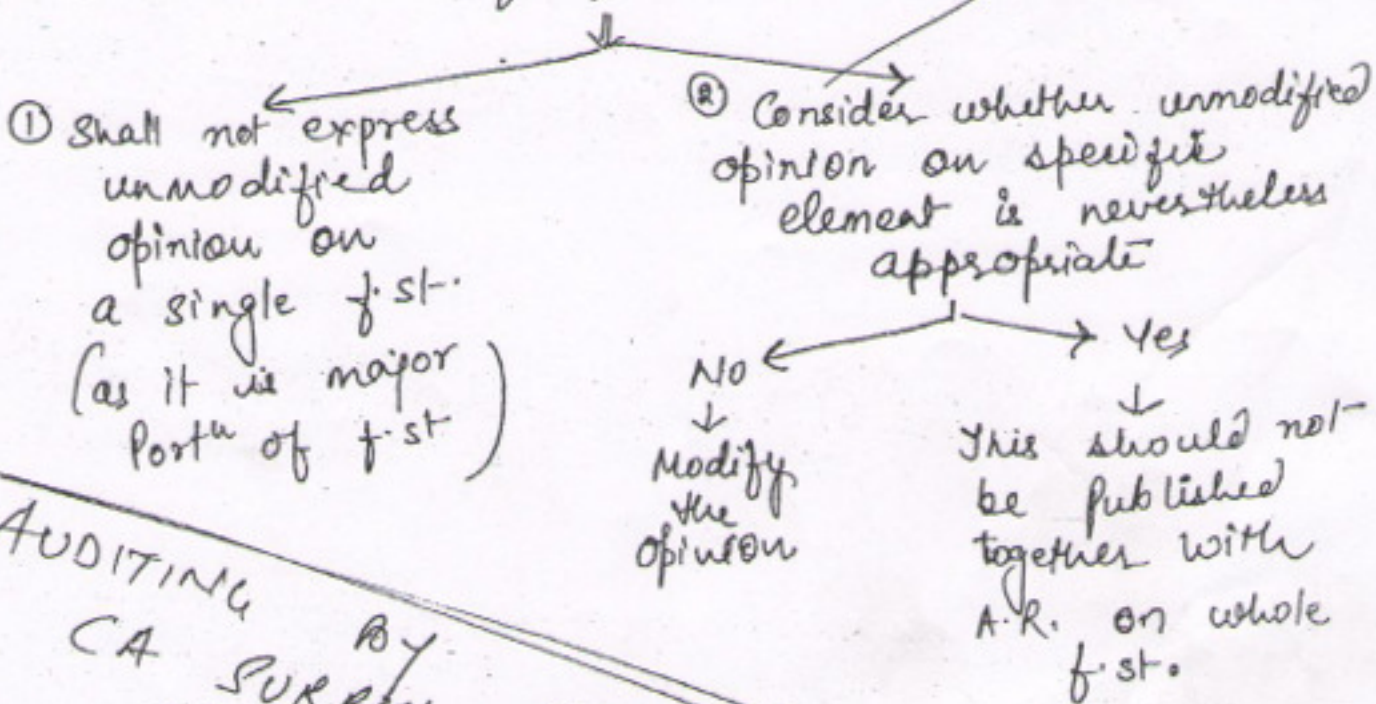
SA - 805 (w.e.f 14/11)

Special Considerations - Audits of Single financial statement & specific elements, etc or items of a f.st.

He shall consider whether mgt. applies acceptable FRA (SA 210)



If auditor expresses adverse opinion or Disclaimer of opinion on complete set of f.st. as a whole



SA 810 (wef 14/11) Engagement to Report on Summary f. st. (SFS)

- SFS are historical financial information derived from financial statements, containing less details than those in f.st.
- It is mgt's responsibility to choose the criteria on which SFS are prepared (Applied criteria)
- Mgt's responsibility to make audited f.st. (AFs) available to intended users of SFS without undue difficulty.

** Discuss in class 14/3/19

Before accepting the eng., auditor shall consider

- 1) Acceptability of applied criteria
- 2) Whether mgt. acknowledges its resp.
- 3) Form of opinion to be expressed thereon.

Then he shall perform procedures such as comparing SFS with AFs, evaluating compliance with applied criteria, from where & whom AFs are made available

Finally, prepare a report on Summary f.st.

Auditor's Report on SFS

- 1) T
- 2) A
- 3) I
 - that identifies SFS & AFs
 - refers to auditor's report
 - stating that SFS & AFs don't contain/reflect effect of events subsequent to date of A.R. on AFs (if Report on SFS is dated as later than report on AFs)
- 4) Mgt's resp. of SFS
- 5) Auditor's resp. wrt this SA
- 6) opinion
- 7) D
- 8) P
- 9) S

Refer to class by CA Sunshi Baneal

If auditor's report on AFs contains

Qualified, EOM or OM

But auditor is satisfied that SFS is consistent with AFs

- 1) State that AR on AFs contains

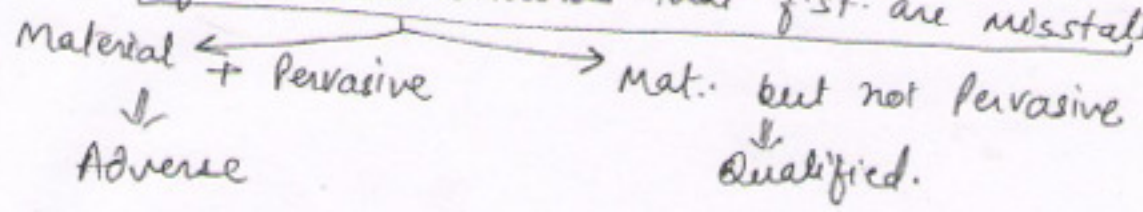
Adverse or Disclaimer

- 1) State that AR on AFs contains adverse or Disclaimer & Basis thereof

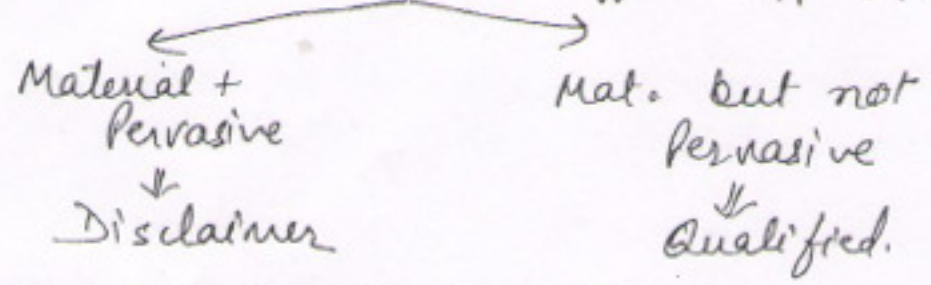
SA 705 (wef 1.4.11)

Modification to the opinion in audit report

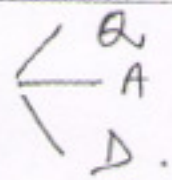
If he has evidences that f.st. are misstated



unable to obtain suff. & App Evidences



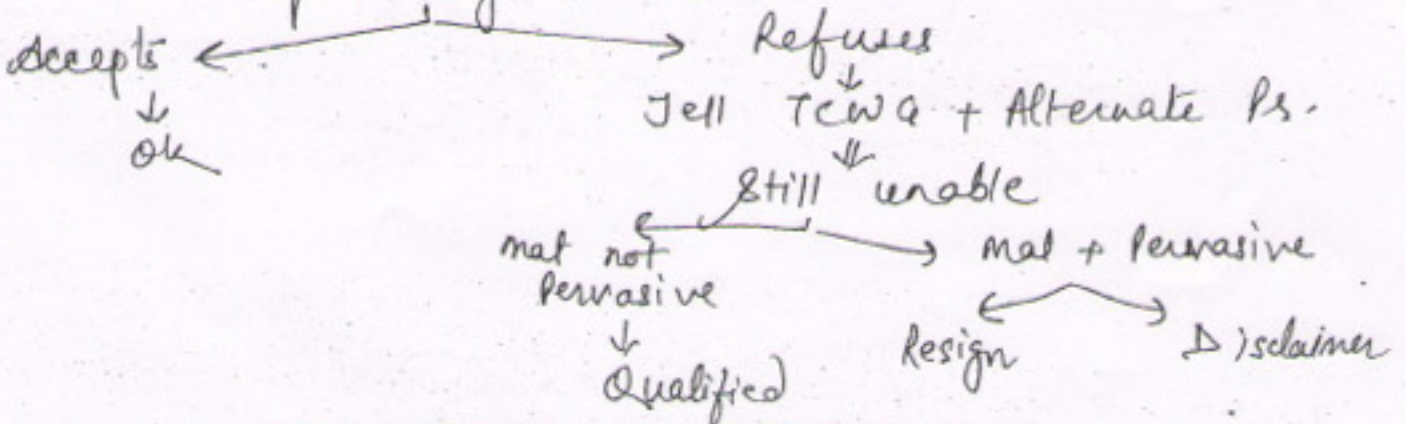
Modified opinion



(As against SA 700 (old) refer to chart prepared already in class)

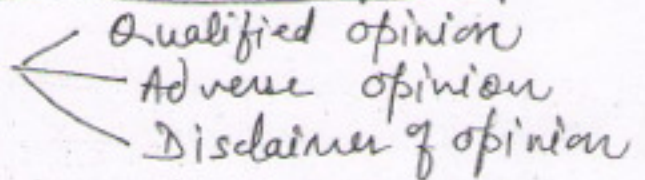
Inability to obtain sufficient & appropriate evidences due to limitation imposed by mgt. after accepting Engagement.

Request mgt. to remove the same



⇒ Report shall contain Basis for Modification

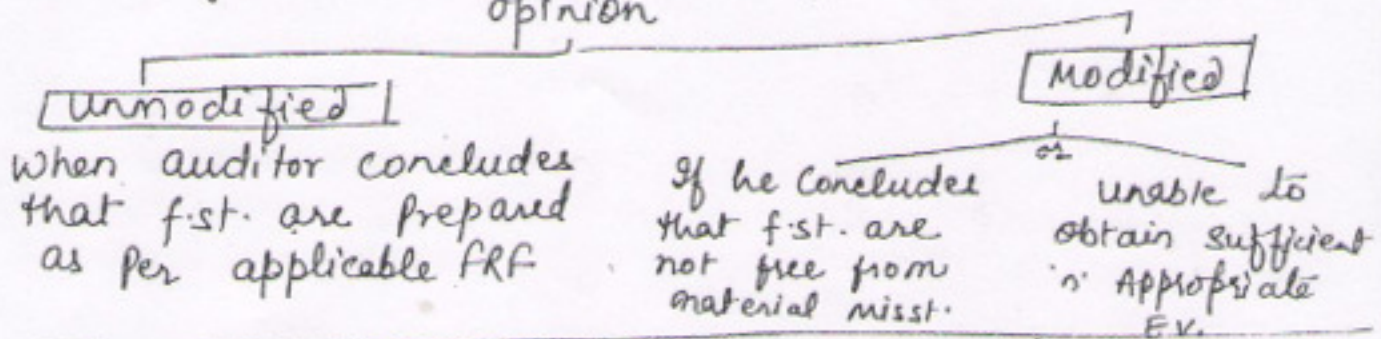
⇒ opinion para shall have heading



⇒ changed wordings in auditor's report

SA 700 (Revised) wef 1.4.11

Forming an opinion & reporting on financial statements



Contents of Report

- (1) T (2) A (3) I (Entity, date, period, components of f.st.)
- (4) mg't's resp. for f.st. — As per FRF
— I.C. for preparation of f.st.

(5) Auditor's resp.

for comparison with SA (old) refer to class by CA Basu

- To express opinion
- SA & compliance
- Compliance with Ethical req.
- Reasonable Assurance
- Evidence < Amt. Disclosures } in f.st.
- To apply professional judgement including RAP
- He considers I.C. but do not express opinion on them
- To evaluate — A/c Policy
— A/c Estimate
— overall presentation

(6) Auditor's opinion

The f.st. have been presented fairly / give a true & fair view, in accordance with applicable FRF.

(7) Report on other legal & Regulatory Req.

- (8) D (9) P (10) S

→ Audit conducted as per both Indian SA & ISA Report + Refer to ISA.

→ Supplementary Information presented with f.st
Examine whether it is clearly differentiated from audited f.st.

SRE - 2410 (wef 1.4.10)
Review of Interim Financial Information (IFI)
by Independent Auditors

Principles :- All including Independence

Objective :- To express conclusion whether anything has come to his attention that causes him to believe that IFI is not prepared as per Applicable FRF.

Terms of Eng :- It shall specifically include the responsibility of mgt. & that of auditor.

↓
Auditor shall obtain understanding of Entity

↓
Perform Inquiry, analytical & other reviews etc.

↓
obtain w.r. w.r.t their responsibilities,
Compliance with FRF & full disclosure to the auditor

↓
Evaluate effect of misst.

↓
Read other Information accompanying IFI to examine any Inconsistency therein

↓
Finally frame a CONCLUSION.

To
TIFKR
Class by
CA Subhi
Basal
for
full
Discussion

Auditor's Report on Review of IFI

① T ② A ③ I

④ Statement that mgt. is resp. for preparation & presentation of IFI as per FRF & auditor is responsible for expressing a conclusion.

⑤ Reference to this SRE - 2410

⑥ Statement that it is less in scope than in audit & thus no audit opinion is expressed

⑦ Conclusion

⑧ D

⑨ P

⑩ S

10/11/10

SA 706 wef 1.4.11

Emphasis of matter (EOM) Paragraph and other matter (OM) paragraph in Independent Auditor's report

In addition to previous discussion in the class, refer to following points

- EOM →
- ① Include after opinion paragraph
 - ② heading → EOM
 - ③ clear reference to matter & exactly where in f.st. it can be found.
 - ④ Auditor's opinion is not modified.

- OM →
- ① After opinion & EOM paragraph
 - ② for matters other than those presented in f.st. being audited
- (cls 227)
SA 720

SA 710 (Revised) wef 1.4.11

Discuss in class

Auditing by CA Sunil Bansal
at Bright. 011-47665500

SRE 2400 (Revised) :- Not applicable where SRE 2410 is applicable. I.F.I.

word "Practitioner" is to be used in Revised SRE 2400, in place of word "Auditor".

① Event B/w date of 1st & that of A.R. same as previous)

Subsequent Events to the auditor after date of A.R.

② Facts that became known after date of A.R.

A.R.'s date - before date 1st are issued. Generally no obligation to perform pr. after A.R. However facts are such that had it been known to auditor at date of A.R., it may have affected his A.R. he should discuss with mgt & TCWG - matter amend 1st - treatment in 1st.

If mgt & TCWG. Amend the 1st. Perform new pr. Provide new Report

Amend the AR to include an additional date restricted to the amendment (Dual Dating)
 New/amended AR including EOM para that be subsequently covered only amended matter in 1st. (already disclosed by mgt. on 1st)

Doesn't amend 1st. If Audit Report

Not yet provided to entity → Modify the opinion
 Provided to Entity → Notify TCWG not to issue to 1st parties → Still issued take action prevent reliance on AR.

After 1st are issued

same

If mgt & TCWG inform about the situation to everyone in receipt of previously issued 1st. & amends the 1st.

Yes. → New A.R.
 No → Take action to prevent reliance on A.R.

Handwritten notes at bottom right, partially obscured.

SA-800 (wef 1.4.11)

Special Consideration - Audit of financial statements

Prepared in accordance with special purpose framework

Eg! f.st. requirements established by a regulatory authority
or f.st. prepared for creditors based on cash basis of accounting

Auditor shall obtain understanding of Purpose users acceptable FRF

if he is satisfied → accept the Eng

Apply relevant SA's

Report as per SA 700 (Revised)

Reporting Consideration

① His report shall also describe the
L Purpose
L intended users

② Statement that mgt. is responsible for the f.st. & acceptability of FRF for the purpose

③ EOM paragraph that f.st. are prepared as per special purpose framework & thus may not be suitable for another purpose

Refer to class:

Auditing By
CA Durbhag
Bansal
Bright
47665500