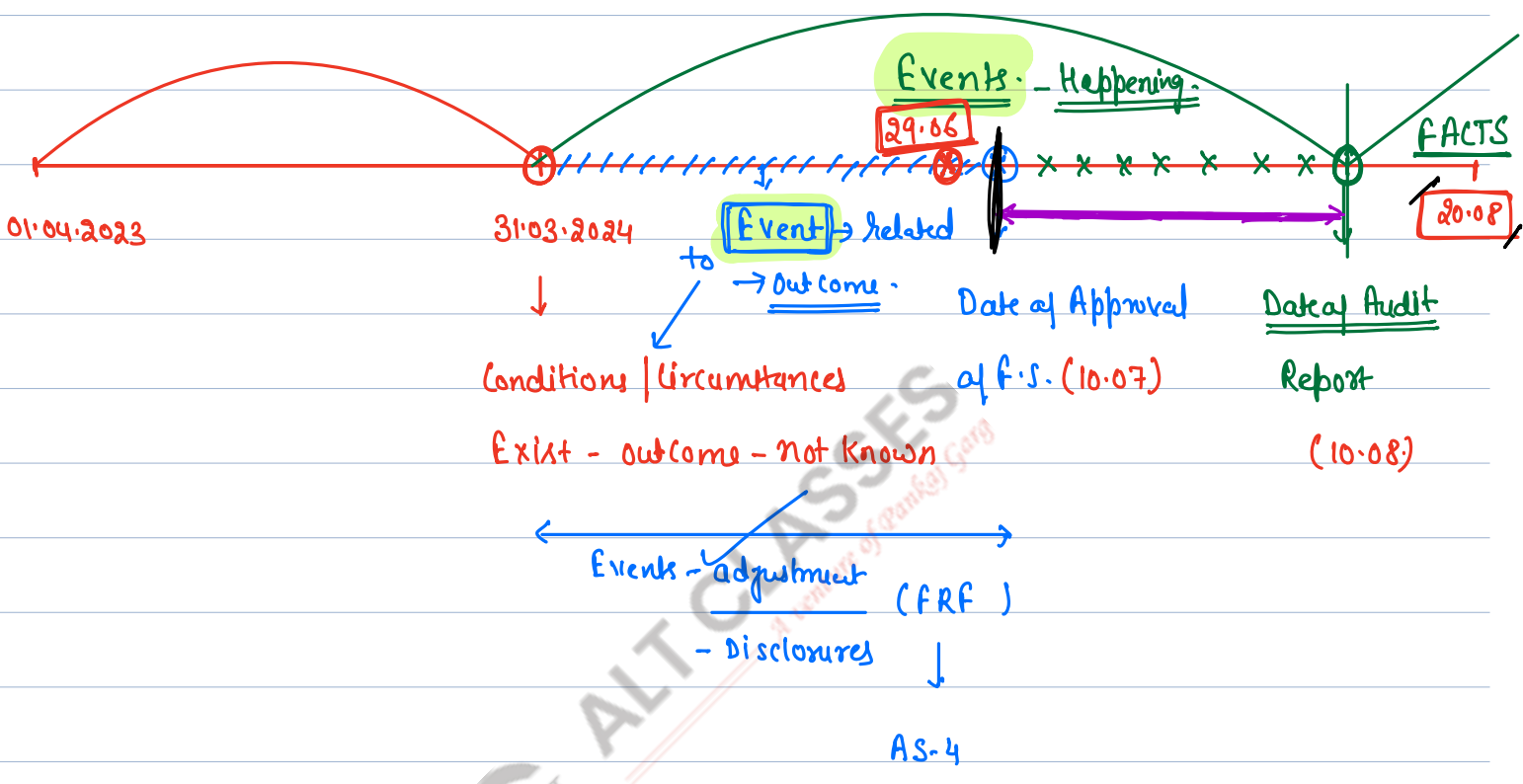


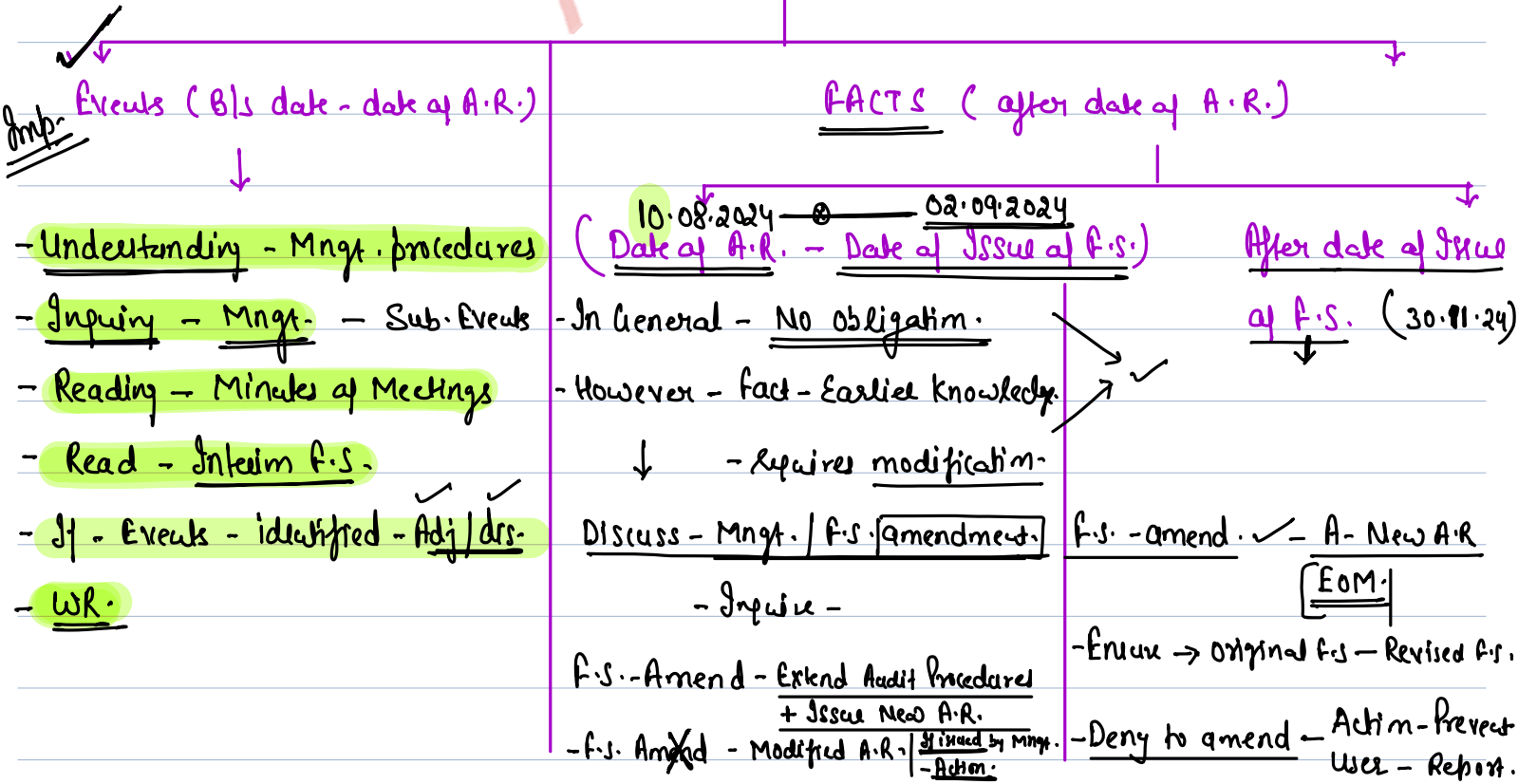
Chapter - 6 "Completion and Review"

[SA - 560, 570 and 580]

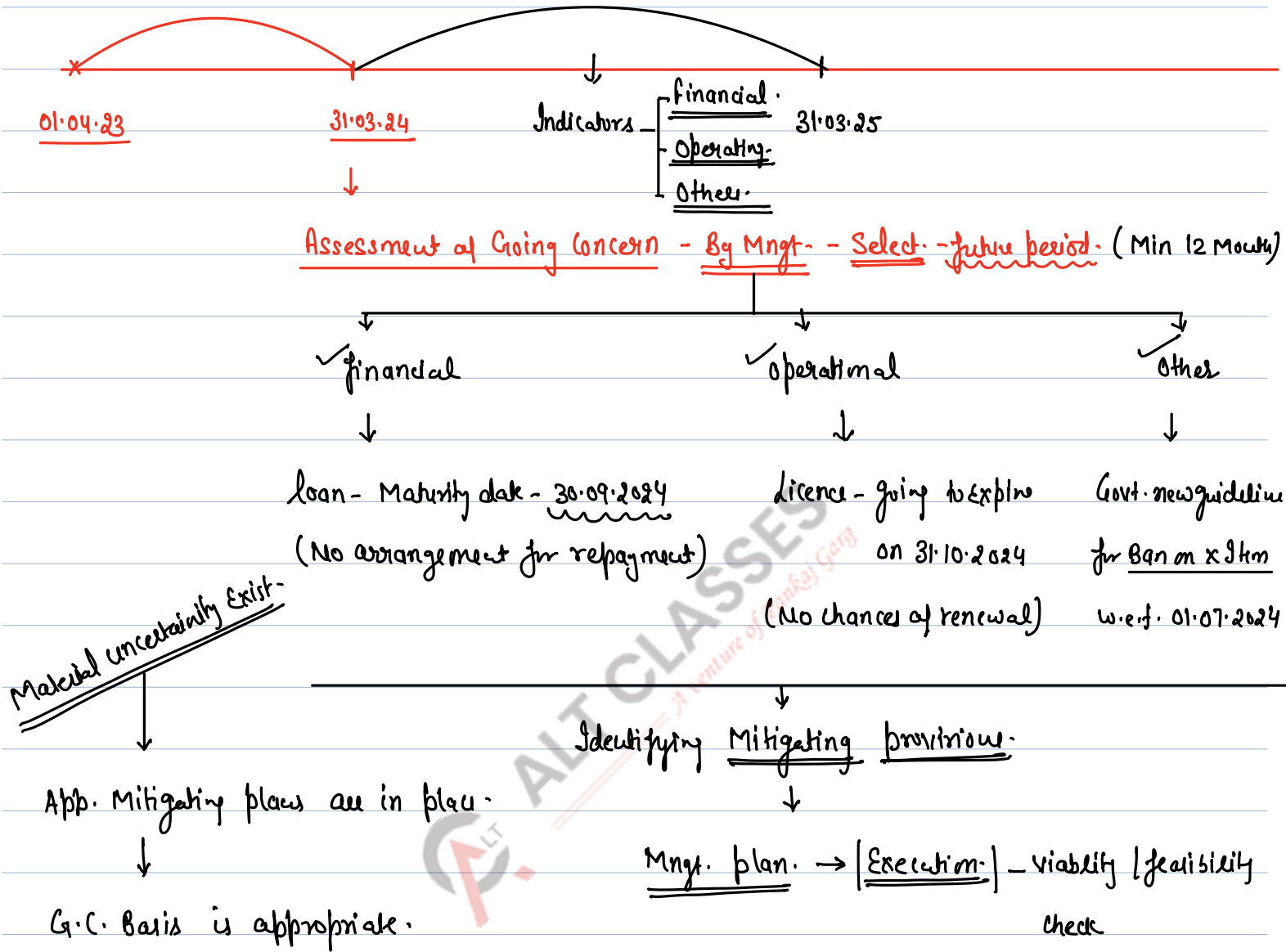
① SA-560 "Subsequent Events"



Subsequent Events



② SA-570: Going Concern.



Auditor: - Evaluate - appropriateness of use of G.C. Basis of accounting - SAAE
- R.A.P. -> identify - Event Exist - significant doubt

Special situations: - No Assessment of G.C. - by Mngt.
- Period selected by Mngt < 12 Months
- Auditor identifies Events (F/O/O) - that cast significant doubt on Entity ability to continue as G.C.

Response: Ask Mngt. for Assessment of G.C. Basis.

↓ If denied

Ask the basis on which G.C. is used. → Basis - Evaluate
↓
Determine its impact on
Audit.

② Period < 12 Month → Ask Mngt. to extend Assessment to at least 12 M.

③ → Event Identified → doubt on app. - G.C.

↓
" Additional audit procedures "

Imp.

Conclusion / Reporting:

(i) G.C. Basis - Inappropriate. → Adverse opinion
SAAF available.

(ii) G.C. Basis - Appropriate

↓
No Material uncertainty exist

↓
Unmodified opinion

↓
Material uncertainty exists

↓
Adequate disclosures

given in F.S.

↓
Unmodified opinion
with MORG.
(EOM) OM / KAM / MORG)

↓
Inadequate

Disclosures in F.S.

(Material but
not pervasive effect)

↓
Qualified
Opinion

↓
No

Disclosures

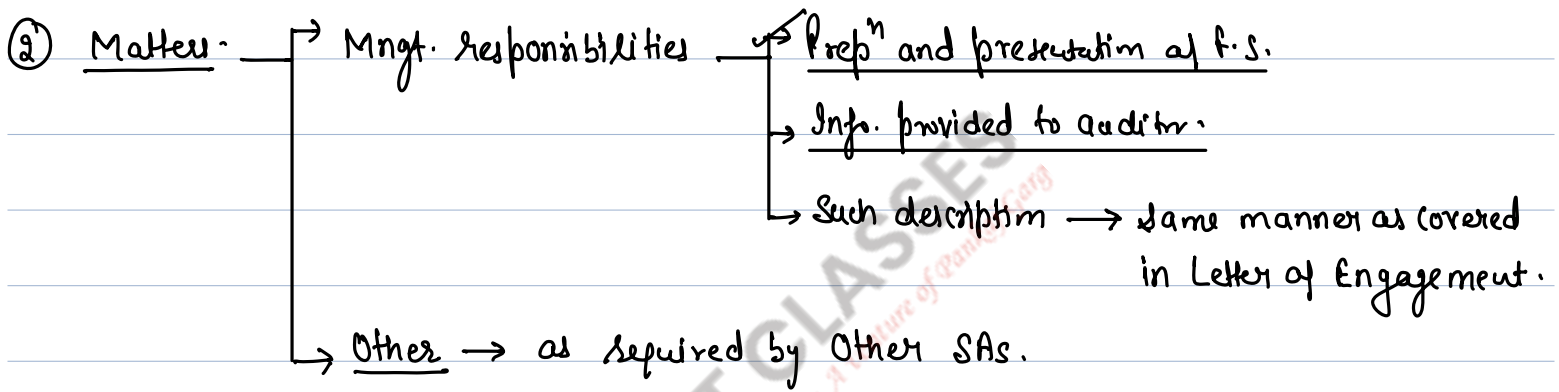
↓
Adverse
Opinion

SA - 580 "Written Representation"

Written statement provided by Mngt. to auditor

- to confirm certain matters; or
- to support other evidences.

- ① WR - Audit Evidences - YES ✓ (being considered as a response to inquiry)
 WR - SAAE. ——— No. (as WR provided by Mngt. itself)



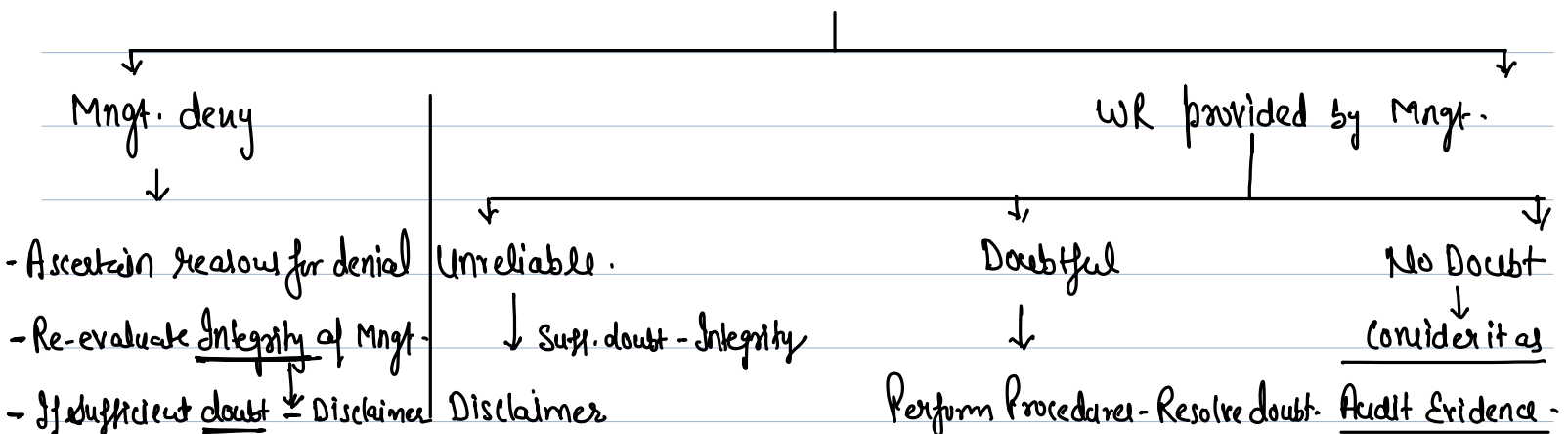
- ③ Date → shall be near to date of AR (before date of AR)
Period → shall be for all periods referred in A.R. - (Comparative info.)

↓
 Re-affirm that WR previously made remains appropriate.

- ④ Form → Formal letter addressed to auditor.

⑤ Special cases:

WR request



- Strategy for Chapter 5 and 6:
- ✓ Reading from Main Book - concepts
 - ✓ Learning Questions from Q. Bank