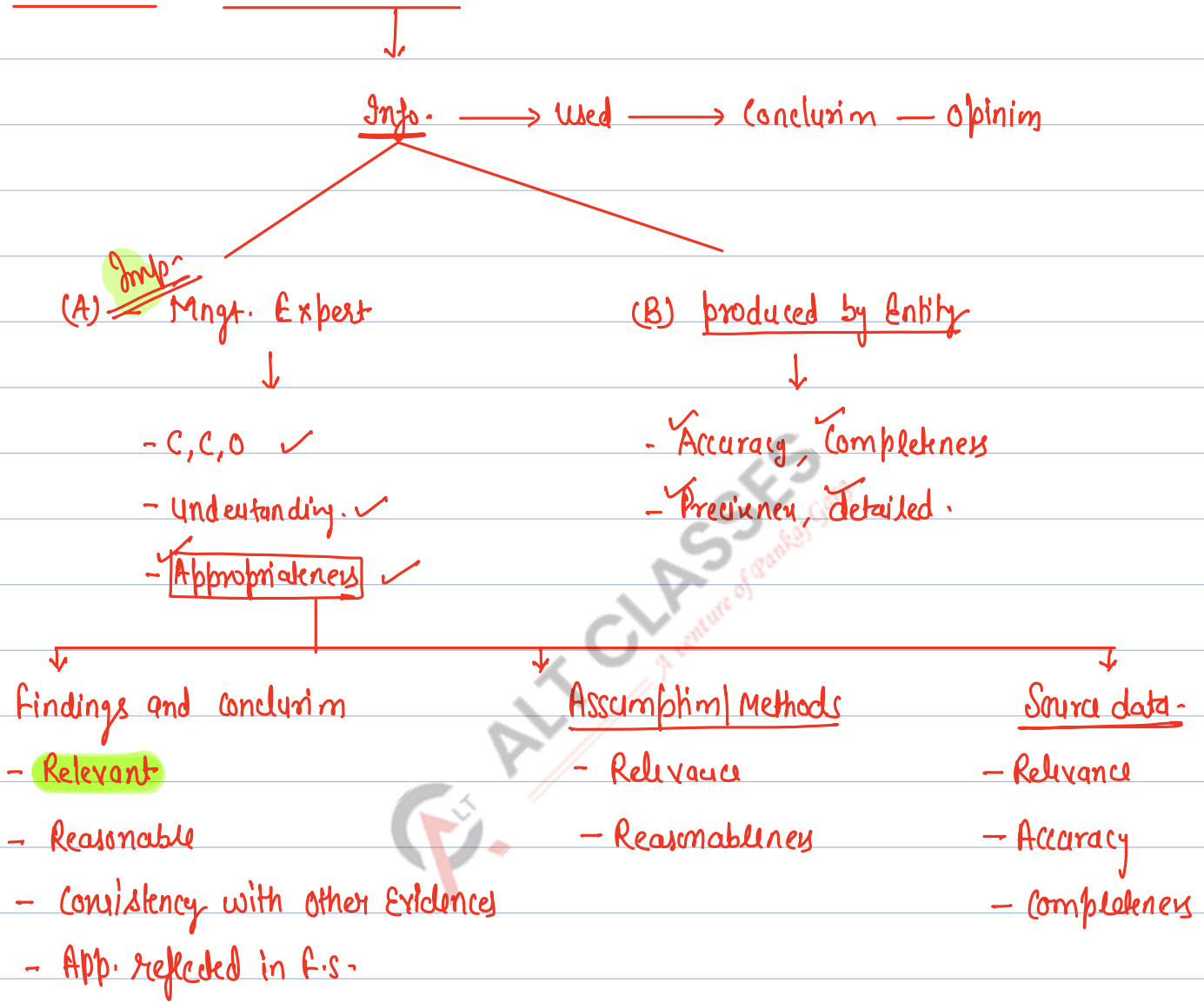


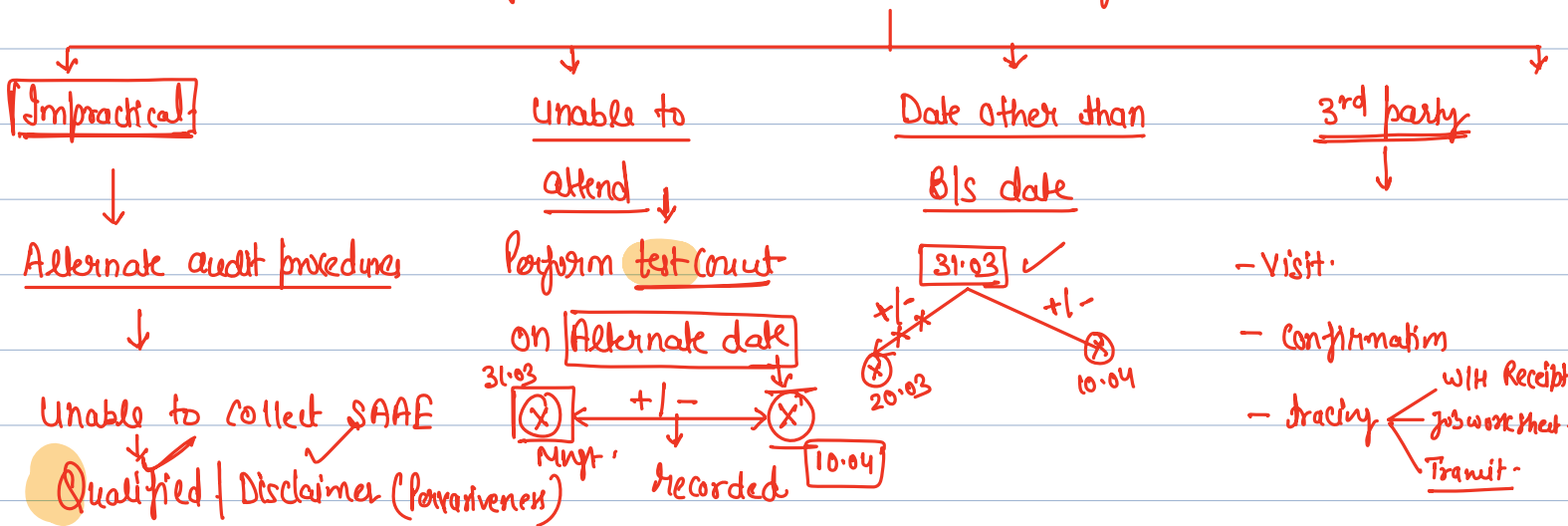
Ch. 5 - Audit Evidence

(SA-500, 501, 505, 510, 530, 550)

① SA-500: Audit Evidence!



② SA 501 - Inventory - Attendance at the time of physical verification

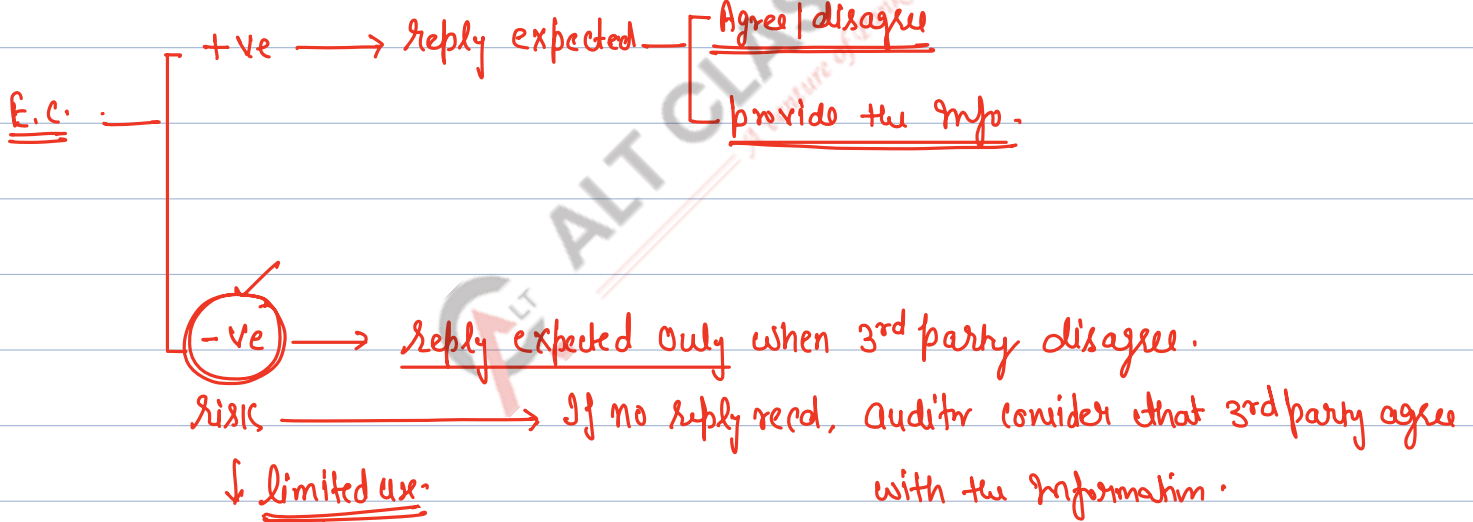
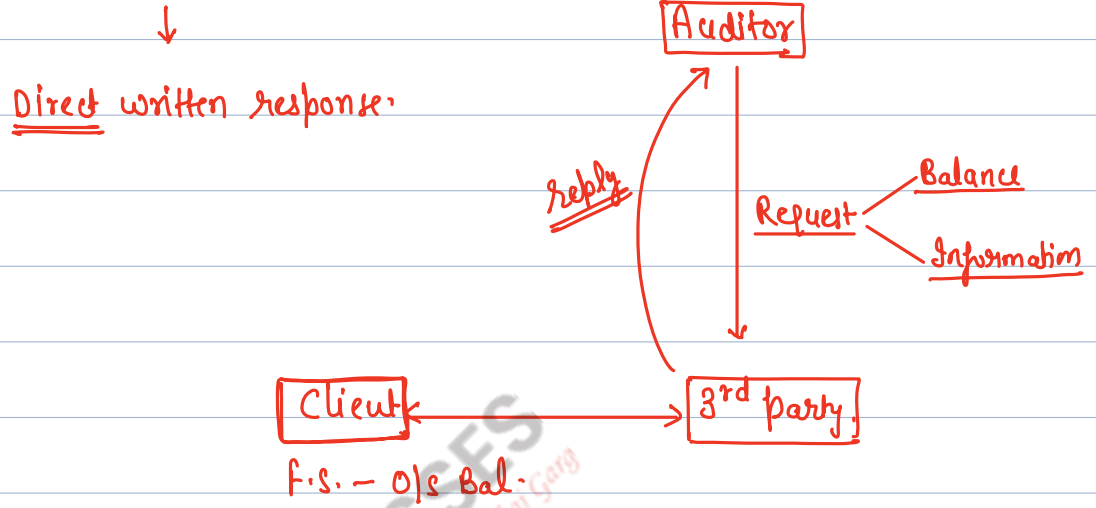


Ch.5 - Audit Evidence

① SA - 500

② SA - 501

③ SA - 505 - External Confirmations :



↓ limited use:

↓ ROMM - info. - lower:

✓ Homogenous transaction → small amt. - larger no.

No reason exist. → 3rd party will disregard the request.

✓ e.g. Dividend to small sth

	20000	10000	15000	18000
10%	2000	1000	1500	1800

✓ ① Determine → info. confirm e.g. Trade Receivable O/S Bal.

② Selection → Party - confirm.

③ Design the confirmation request

- +ve → (with Bal) (without Balance)
- ve →

④ Sending the request. - follow-up.

B/S = T.R. 55,00,00,000 0/s

↓

Schedule of Trade Receivable

100 Account
Balance

No. / Amt.

40 / 30 cr.

x = 0/s

y = 0/s

z

xy

yz

xz

A

B

Special situation:

(1) Mngt. is not permitting auditor → Reasons

satisfactory

↓
Perform Alt.

↓ Not-satisfactory → TCWR | Evaluate its effect on

Other aspects

(2) 3rd party - No response - Alternate audit pro.

(3) 3rd party response - Agree → Consider 3rd party response - SAAE
(if no doubt on reply)

- disagree → Add. procedure to confirm

whether - Mistakenly

- Doubtful reply → perform Add. pro. to resolve doubts.

- Non-reliable → Perform Alt. procedure | Evaluate its effect on

Other aspects | audit opinion

Initial Audit Engagements: - Engagement - prior period f.s. - (a) unaudited

or

(b) Audited by predecessor Auditor.

Opening Balances: Closing Balances of prior period.
+ Related Notes

