

CA Intermediate Paper 5: Auditing and Ethics

(May 2024 Batch for {
Sep 24 Exam
Jan 25 Exam)

(1) Books: (A) ICAI Study Material + RTPs + MTPs + Past Exam suggested answers

(Reference, if required)

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✓(B) ✓ Concept Book + Question Bank
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(Tabular, Point-wise) (Topic wise Questions - SM + RTP + MTP + Suggested)

(C) Class Notes - to be prepared with classes + (PDFs → GD/LMS)
(Written Practice) ↓
- Aldine
- AUT CLASSES

(2) Exam Pattern: (A) Multiple Choice Questions (30 Marks) → Case & Study Based

(B) Descriptive Questions (70 Marks)

5 Questions × 14 Marks

Each Question divided into 4 Parts {
4 Marks
4 "
3 "
3 "

Correct / Incorrect - Questions not asked in May 24 Exam

(3) Schedule: 18 May — 06 July. - Mon-Sat - 10:30 a.m. - 01:00 p.m.

(a) Live classes of ch. - 1, 6, 7, 8, 10

(b) MTPs

(c) Revision sessions

(d) MCQ sessions

Introductory Topics.

(i) Meaning of Auditing:

A Systematic and Independent examination of data, records, statements, operations and performance Subject Matter
↓
of an Entity [Corporate/ Non-Corporate; Profit or N/Pro
Govt. | Non Govt. -]
↓
for a stated purpose (to express an opinion)

Notes: (a) Audit is a step by step activity, to be carried out in a planned manner.

Step-1 : Audit Engagement - Developing relationship of client and auditor.

Step-2 : Audit Planning (a) Establish Audit Strategy (b) Develop Audit Plan.

Step-3 : Audit Execution - Performing audit procedure to collect audit evidence

Step-4 : Audit Conclusion and Reporting (Auditor's Report)

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Whether f.s. are being prepared

as per applicable financial reporting framework (As/Ind-As)

(b) Independence: State of Mind which requires that the Judgement of a person should not be subordinate to the wishes of the person who might have engaged him.
(Auditor)
(Management of the client Entity)

Auditor need to perform his work - (a) without being biased

(b) with honesty and impartial attitude

(c) with due diligence

(d) without being influenced by others.

(ii) Meaning of Ethics: Ethics are the Principles governing an Individual or a group.

Fundamental Principles to be followed by a Professional Accountant:

A Professional Accountant is required to ensure compliance of fundamental principles as prescribed in Code of Ethics.

Code of Ethics prescribes the following fundamental principles:

- ✓ (a) Integrity
- ✓ (b) Objectivity
- ✓ (c) Professional Competence and due care
- ✓ (d) Confidentiality
- ✓ (e) Professional Behaviour

Threats involved in compliance of fundamental Principles:

- ✓ (A) Self Review Threat
- (B) Self Interest Threat
- (C) Familiarity Threat
- (D) Advocacy Threat
- (E) Intimidation Threat

Safeguards to be applied

(iii) Engagement and Quality Control Standards (EQCS):

(A) Standards on Quality Control (SQC)

(B) Engagement Standards

- Parent standard, which is applicable to all types of Engagements.

- Standards that provides the requirements w.r.t. various types of Engagements.

- No. allotted are SQC 01 - 99.

- 4 types.

- SQC issued is SQC-01

(a) Audit Engagements

(b) Review Engagements

(c) Other Assurance Engagements

(d) Related Services

Standards on Auditing (SA)

Standards on Review Engagements (SRE)

Standards on Assurance Engagements (SAE)

Standards on Related Services (SRS)

SA 100 - 899

SRE 2000 - 2699

SAE 3000 - 3699

SRS 4000 - 4699

Applicable while Auditing the historical financial information

Applicable while Reviewing the historical financial information

Applicable while examining the
(a) Prospective financial information
(b) Non-financial information

Applicable while performing
(a) Agreed upon Procedures
(b) Compilation Engagements

Reasonable Assurance

Limited Assurance

Reasonable / Limited Assurance

No Assurance.