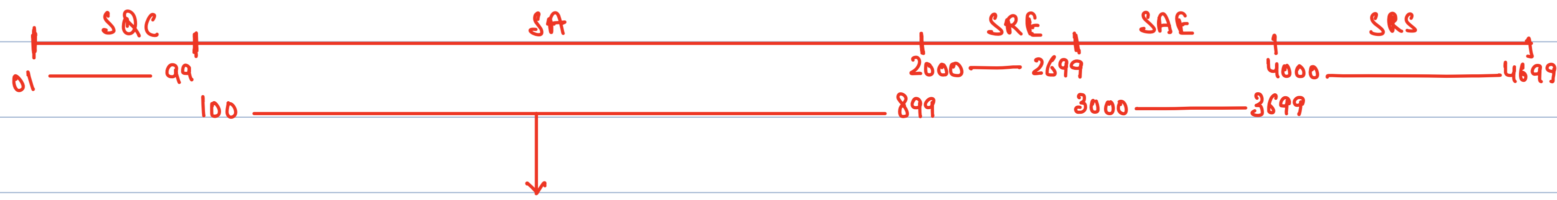
Chapter – 6 "Completion and Review"

EQCS



SA 100 - 199 – Introductory Matters ×

SA 200 - 299 – General Auditing Principles

SA 300 - 499 – Risk Assessment and Responses

SA 500 - 599 – Audit Evidence 500, 501, 505, 510, $\boxed{520}$, 530, $\boxed{540}$, 550 – Ch. 5 & 3

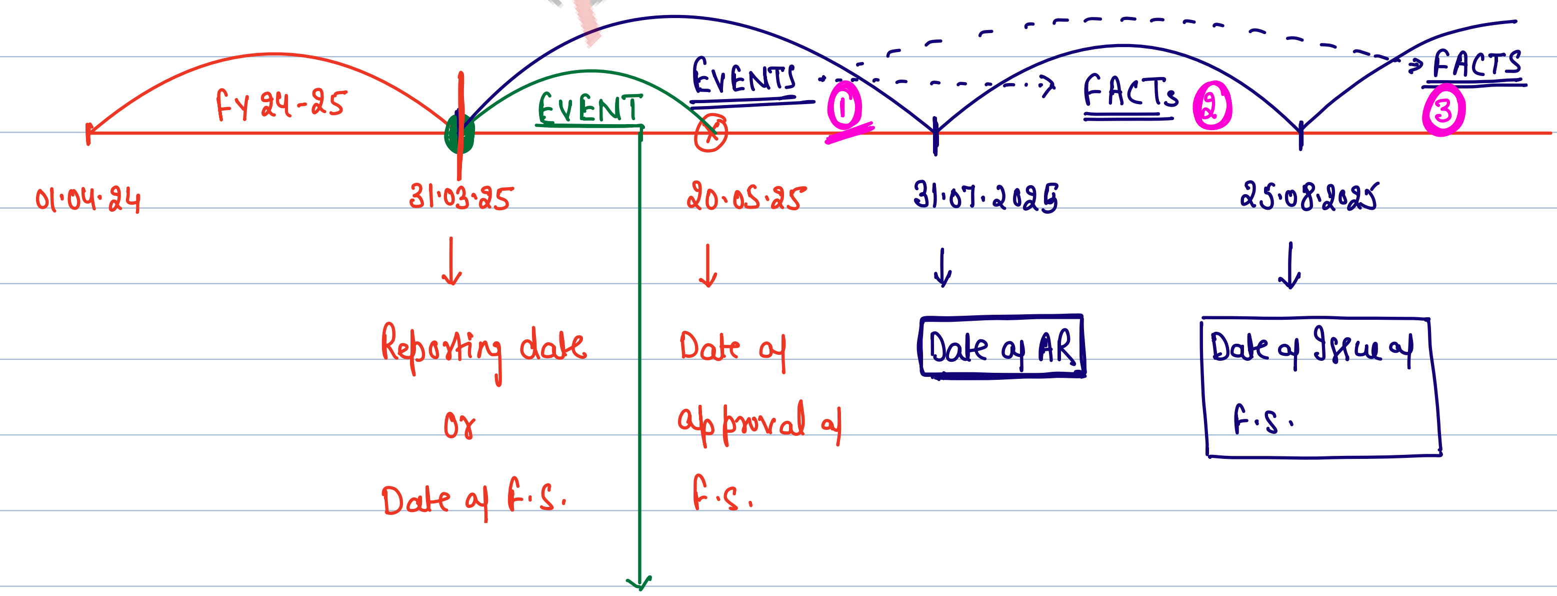
$\boxed{560, 570, 580}$ – Ch. 6

SA 600 - 699 – Using work of Others

SA 700 - 799 – SA 700, 701, 705, 706, 710, 720 – Chapter - 7

SA 800 - 899 – SA 800, 805, 810 – " - 8

(1) SA - 560 "Subsequent Events"



Adjusting Events | Disclosures

(Ind AS 10 | AS-4)

Imp:-

(i) Audit procedures w.r.t. Subsequent Events :

(A) Auditor shall perform audit procedures to obtain sufficient appropriate audit evidences that all Events requiring adjustment or disclosures have been identified.

For this purpose, auditor may :

I. Obtain understanding of mngt. procedures followed to identify Events.

II. Inquire Mngt.* as to occurrence of sub. events that may affect F.S.

III. Read the Minutes of meeting, held after B/s date.

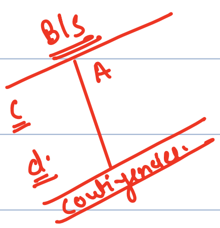
IV. Study the Interim F.S. if any, prepared by Entity, subsequent to B/s date.

(B) If auditor identify any event that require any adj. or disclosure, he should ensure its appropriate treatment in books of A/c / F.S. as per applicable FRF.

(C) Auditor should obtain WR from mngt. that all known events that require adjustments/disclosure as per FRF have been appropriately adjusted/disclosed.

* Matters to be Inquired :

(A) whether new Commitments, borrowings or guarantees have been Entered into.



(B) Whether any acquisition or sale of assets have occurred.

(C) Whether there is any increase in Capital, issuance of debt instruments, bonds etc. (e.g. Issue of new shares or debn)

(d) whether there have been any development regarding contingencies. (e.g. Outcome of pending litigation)

(e) whether any Event have occurred that are relevant to recoverability of assets. (e.g. Insolvency of trade receivable)

Ex.

Aug.23 — Export - sub-std. dye.

31.03.24

June24 — Compensation.

July — Date of A.R.

Aug.

F.S. issue date

Auditor's knowledge.

(a) Discuss - Mngt.

(b) F.S - Amendments

(c) If so, Mngt. agree for amendments

YES

Amended F.S. →

Audit procedures - Extended → Amended portion

A.R → New Audit Report

→ Audit Report + (New Date with New facts)

Dual Dating

NO

- Modify report if not provided to Mngt.
- Ask Mngt. not to issue F.S.-A.R. (if report given to Mngt.)

→ EOM. — F.S. amendments.

→ OM PARA → Audit procedures.

31.03 — F.S. date.

31.07 — A.R.

01 Sep — Issue of F.S.

Discuss - Need for amendment

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Mngt. Agree

- Perform procedures on amended F.S.
- Issue New A.R.
- Ensure - Users - New F.S + AR
- EOM Para → Reason for - F.S.

NO

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App. action to prevent user reliance on A.R.

H.W. - Written Practice → (MTP - March 24 - Question)

(2) SA-580 "Written Representations"

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Meaning: Written Statement provided by Mngt./TCWG on request of auditor
(a) to confirm certain matters or
(b) to support other Evidences

Nature: WR are considered as audit Evidence (being a response to inquiry by auditor)
However, not considered as sufficient and appropriate, in relation to matters covered by WR.

Note: If auditor draw his conclusion on any matter solely on basis of WR, such approach is not correct.

Matters on which WR to be obtained:

(a) Mngt. Responsibilities: w.r.t. - Preparation and presentation of f.s.;
- Information provided to auditor;
- Design, implementation and maintenance of Internal control

Note: Description of responsibilities should be in the same manner as covered in letter of Engagement.

(b) Matters on which other SAs require WRs.
(For Ex: SA 540, SA 550, 560, 570)

Date: WR should be dated and in no case, date should not be after the date of A.R.
Date of WR shall be as near as practicable to date of AR.

Period: - WR shall be for all f.s. and period(s) referred to in auditor's report.
- In case of comparative information included in f.s, Mngt. need to re-affirm that WR it previously made w.r.t. prior period remains appropriate.
- In a situation, where current management were not present during

all periods referred to in AR, requirement for auditor to request WRs from current management for whole of relevant period still applies.

Special situations:

Auditor request WR from Mngt.

- Mngt. provided requested WR
  - (A) Reliable
    - → Consider it as Audit Evidence
  - (B) Non-reliable.
    - → Issue Disclaimer of opinion (Having doubt on Integrity of Mngt.)
  - (C) Doubtful.
    - → Being inconsistent with Other Evidences
    - → Perform audit procedures to resolve the matter
      - (A) Matter resolved. WR - Reliable
        - → - Consider WR as Audit Evidence.
      - (B) Matter not resolved WR - Non-reliable
        - → - Issue Disclaimer of opinion if there is sufficient doubt on integrity of Mngt.
- Management refuses to provide
  - →
  - (a) Discuss with Mngt.
  - (b) Re-Evaluate reliability and integrity of Mngt.
  - (c) Take app. action including determining possible effect on opinion
  - (d) Issue Disclaimer of Opinion

H.W - Written Practice - (March 21 - MTP)