

# Common errors in Audit

9 June 2021



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# Applicable framework

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## Accounting and Auditing framework

- The Companies Act, 2013
  - Compliance with Sections, Rules, Circulars and Orders published from time to time; and
  - Disclosures in accordance with Schedule III of Companies Act
- Applicable Accounting standards (Indian Accounting standards (Ind AS) or erstwhile Accounting standards (IGAAP)) as specified under Section 133 of the Companies Act, 2013
- Auditing standards and Guidance notes issued by Institute of Chartered Accountants of India ('ICAI');
- Relevant amendments and notifications;
- For a listed entity, Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligation and Disclosures Requirements) Regulations, 2015, as amended; and
- Compliance with other laws and regulations including industry specific laws and regulations applicable to an entity.

# Key management decisions and estimates

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## Accounting policy, Use of estimates and judgements

- Selection of the right accounting policies – mandatory accounting policies and optional accounting policies
  - Policy choices: Depreciation (WDV / SLM), Inventory (FIFO, Weighted average), Policy choices on first time adoption of Ind AS
- Consistent application of the selected accounting policies
- Key estimates (SA 540)
  - Estimated useful lives of assets
  - Cash flow projections for value in use of assets, goodwill, investments
  - Assessment of recoverability of assets including deferred tax assets (reasonable certainty / virtual certainty)
  - Assumptions in actuarial valuation
  - Fair value estimates

# Casting and Call over

## Financial statements including Notes to accounts

- Correct name of the legal entity
- Auditors' report refers to the correct page / note references in the Financial Statements
- Note reference and amounts between the Financial Statements and the notes to the Financial Statements are incorrect
- Figures appearing in the notes are not in agreement with the main pages of the Financial Statements.
- Movement related impacts are not correct (Deferred taxes, ECL and other provisions)
- Totals in the Financial Statements, Schedules to the financial statements and Notes to the Financial Statements have casting errors
- Final draft of the Financial Statements and auditors' report have grammatical errors or inconsistencies.

***Ensure the Final draft in the Financial Statements along with Auditors' report is read by a person independent of the audit to identify deficiencies, inconsistencies and the appropriateness of the disclosures.***

# Auditors' report

Key areas	Observations	Relevant guidance
Standard language	<ul style="list-style-type: none"> <li>• Deviations from illustrative formats given in the SA's</li> <li>• Key audit matters</li> <li>• Other information</li> </ul>	SA 700, 701, 705, 706 and 720
Modification and EOM	<ul style="list-style-type: none"> <li>• Drafting qualifications and Basis of qualified opinion para</li> <li>• References of 'subject to' to be incorporated in auditors' report</li> <li>• Correct references of the notes to the financial statements</li> </ul>	SA 705 and 706
Other matter para	<ul style="list-style-type: none"> <li>• Reliance on other auditors – Total assets, revenue, profit before tax, cash flows audited by other auditors Amounts – before / after elimination</li> <li>• Details of management prepared results included in opinion</li> <li>• First year audit – reliance of predecessor auditor</li> </ul>	SA 700, 701, 705, 706 and SA 510
IFC Opinion	<ul style="list-style-type: none"> <li>• Use of words 'generally'</li> </ul>	GN on IFC
Other observations	<ul style="list-style-type: none"> <li>• Maintenance of books and records of branches</li> <li>• Applicability of CARO</li> <li>• Applicability of IFC</li> <li>• Reporting on Legal and other regulatory matters</li> <li>• Details of 197 (16) of Companies Act, 2013</li> </ul>	

# CARO 2016 – some clauses

Key areas	Observations	Relevant guidance
Statutory dues	<ul style="list-style-type: none"><li>• Use of words regular and generally regular</li><li>• Quantification of delays – Slight or Serious, Few or large number of cases</li><li>• Outstanding for more than 6 months from the date they became payable</li><li>• All material taxes applicable to be included</li><li>• Disputed tax dues – amount paid under protest</li></ul>	CARO 2016 and Guidance note on CARO
Fraud	<ul style="list-style-type: none"><li>• Use of word 'material'</li><li>• Frauds noticed or reported during the year</li></ul>	CARO 2016, GN on CARO and GN on Reporting of Fraud
Utilisation of funds	<ul style="list-style-type: none"><li>• Funds raised by IPO and further public offers and term loans applied for the purposes for which taken</li><li>• Preferential allotment or private placement of shares, fully or partly convertible debentures – funds used for the purposes for which taken</li></ul>	CARO 2016 and Guidance note on CARO

# Cash flow statement (1/2)

Key areas	Observations	Relevant guidance
Operating activities	<ul style="list-style-type: none"> <li>• Non-cash items not added back</li> <li>• Movement in working capital               <ul style="list-style-type: none"> <li>- Capital advances not adjusted in movement in loans / other current assets</li> <li>- Capital creditors not adjusted in movement of Other current liabilities / Financial liabilities</li> <li>- Interest payable not adjusted in movement in Other current liabilities</li> <li>- Interest receivable not adjusted in movement in Other current assets / financial assets</li> <li>- Advance tax not adjusted in movement in loans and advances</li> </ul> </li> <li>• Interest on income tax refund not added back</li> <li>• Lease income not reflected in investing activity</li> <li>• Adjustments for unrealized gain / loss on foreign currency receivables and payables</li> </ul>	AS 3 Ind AS 7
Investing activities	<ul style="list-style-type: none"> <li>• Proceeds from sale of assets does not reconcile with FA related notes and adjustment of Profit / loss on disposal</li> <li>• Expenditure on PPE addition and CWIP presented on combined basis – should be separated if material</li> <li>• Deposits with more than 3 months maturity is not cash and cash equivalent but investing activity</li> <li>• Loans given to parties and interest income thereon are investing activities</li> <li>• Net presentation of loans given</li> </ul>	AS 3 Ind AS 7



# Cash flow statement (2/2)

Key areas	Observations	Relevant guidance
Financing activities	<ul style="list-style-type: none"><li>• Dividend paid is financing activity</li><li>• Borrowings received and repaid are netted off</li><li>• Long-term and short-term borrowings are presented on combined basis</li><li>• Fair value changes in borrowings are non-cash – to be disclosed in Notes to cash flow (Ind AS)</li></ul>	AS 3 Ind AS 7
Others	<ul style="list-style-type: none"><li>• Reconciliation of cash and cash equivalents as per Cash flow to the Notes related to cash and bank balance in financials</li><li>• Details of restricted cash balances</li><li>• Casting errors in cash flow</li></ul>	AS 3 Ind AS 7

# Property, plant and equipment, Investment property

Key areas	Observations	Relevant guidance
PPE and IP	<ul style="list-style-type: none"> <li>• Assessment of cash generating unit (CGU) – Individual asset or group of assets</li> <li>• Identification of indicators of impairment and assessment of value in use</li> <li>• Disclosure of fair value for IP under Ind AS</li> </ul>	AS 28 Ind AS 36
Depreciation	<ul style="list-style-type: none"> <li>• Date when the asset is ready for intended use vs Date of asset put to use</li> <li>• Useful lives of assets in accordance with Sch II of Companies Act</li> <li>• Management review of useful life on annual basis</li> <li>• Identification of components and assessment of separate useful life</li> </ul>	AS 10 Ind AS 16 Companies Act – Sch II
CARO	<ul style="list-style-type: none"> <li>• Complete FA register – Quantitative details, location and identification details</li> <li>• FA verification plan covering all assets and reasonability of time period covered</li> <li>• Title deeds of immovable properties (Completeness to be ascertained by reconciling with FA register))</li> </ul>	CARO 2016 CARO 2020 (effective from 1 April 2021)
Other areas	<ul style="list-style-type: none"> <li>• Assets pledged for borrowings – disclosure</li> <li>• Assets not held in the name of the Company (common in case of mergers / demergers, title disputes)</li> <li>• Transactions with related parties – arms' length assessment</li> <li>• Second-hand assets acquired – Depreciation on balance useful life</li> <li>• Vehicles – RC book for owner details</li> </ul>	

# Inventories

Key areas	Observations	Relevant guidance
Inventory cost	<ul style="list-style-type: none"> <li>• Cost to include incidental expenses to bring inventory to present location and condition</li> <li>• Overheads – fixed and variable for WIP and FG</li> <li>• Fixed overheads to be allocated based on normal capacity</li> <li>• Variable overheads on actual production</li> <li>• Identification of fixed and variable costs</li> </ul>	AS 2 Ind AS 2
NRV	<ul style="list-style-type: none"> <li>• Net realizable value / Fair value for RM and WIP</li> <li>• Costs to sell to be adjusted from NRV / Fair value</li> </ul>	AS 2 Ind AS 2
CARO	<ul style="list-style-type: none"> <li>• Periodic Physical verification by management</li> <li>• Addressing differences on physical verification</li> <li>• Confirmation for stock lying with third parties</li> </ul>	CARO 2016 CARO 2020 (effective from 1 April 2021)
Other areas	<ul style="list-style-type: none"> <li>• Inventories pledged for borrowings – disclosure</li> <li>• Inventories lying with third parties – confirmation</li> <li>• Goods in transit accounting including cut-off procedures</li> <li>• Transactions with related parties – arms' length assessment</li> </ul>	

# Trade and other receivables

Key areas	Observations	Relevant guidance
Trade receivables	<ul style="list-style-type: none"> <li>• For sale of goods or services</li> <li>• Ageing from due date and not from invoice date</li> <li>• Secured and considered good, Unsecured – considered good and increase in credit risk and credit impaired</li> <li>• Ageing and Party-wise listing is IPE (Information Produced by Entity) and is to be tested for Completeness and accuracy</li> </ul>	Sch III Ind AS 109
ECL / Prov for doubtful debts	<ul style="list-style-type: none"> <li>• Credit risk assessment of receivables</li> <li>• Provision based on time value of money – ageing based provision</li> <li>• Periodic review of estimate (based on past trends)</li> </ul>	Ind AS 109
Confirmations	<ul style="list-style-type: none"> <li>• Selection of the parties and obtaining direct independent external confirmation</li> <li>• Additional process when sending confirmation requests on e-mails</li> <li>• Sending follow up / reminders in case of non-responses</li> <li>• Reconciliations on receipt of responses</li> <li>• Alternate audit procedures in absence of responses</li> </ul>	SA 505
Other areas	<ul style="list-style-type: none"> <li>• Disclosure of receivables from parties in which directors are interested</li> <li>• Assessment of arms' length for related party transactions</li> </ul>	Sch III Section 188 of Companies Act

# Investments made

Key areas	Observations	Relevant guidance
Investment in subs, JV and associates	<ul style="list-style-type: none"> <li>Control assessment for disclosure and consolidation processes</li> <li>Assessment of permanent diminution / impairment</li> <li>Evaluation of future cash flows and business plan of the entity including financial support given, if any</li> </ul>	AS 13 Ind AS 109, 110, 112 and 28
Other investments	<ul style="list-style-type: none"> <li>Measurement at FVTPL (Ind AS) and lower of cost or fair value (IGAAP)</li> <li>Disclosure of book value, market value of quoted investments</li> </ul>	AS 13 Ind AS 109, 110, 112 and 28 Sch III
Companies Act	<ul style="list-style-type: none"> <li>Compliance with Sec 186 for investments not assessed</li> <li>Disclosures of movement in investments and purpose of investment as per Sec 186 (4)</li> </ul>	Companies Act and Rules
Other areas	<ul style="list-style-type: none"> <li>Investments pledged for borrowings – disclosure</li> <li>Investments not held in the name of the Company</li> <li>Auditing estimates – testing underlying data, management assumptions</li> <li>Management review controls over preparation of data for fair value assessment including retrospective review of assumptions</li> </ul>	Sch III SA 540

# Loans given

Key areas	Observations	Relevant guidance
Loans to group companies	<ul style="list-style-type: none"> <li>• Assessment of permanent diminution / impairment</li> <li>• Evaluation of future cash flows and business plan of the entity including financial support given, if any</li> <li>• Board approvals and agreement for terms and conditions</li> <li>• Ever-greening of loans – fresh approvals</li> <li>• Arms' length assessment for interest</li> <li>• Repayment of principal and interest</li> </ul>	Companies Act – Sec 185 and 186, 188 Ind AS 109 Sch III CARO 2016
Other loans	<ul style="list-style-type: none"> <li>• Assessment of permanent diminution / impairment</li> <li>• Purpose of loan and utilization for the purpose</li> <li>• Evaluation of future cash flows and business plan of the entity</li> <li>• Board approvals and agreement for terms and conditions</li> <li>• Ever-greening of loans – fresh approvals</li> <li>• Arms' length assessment for interest</li> <li>• Repayment of principal and interest</li> </ul>	Companies Act – Sec 185 and 186, 188 Ind AS 109 Sch III CARO 2016
Companies Act	<ul style="list-style-type: none"> <li>• Compliance with Sec 185 for restrictions on loans not in ordinary course of business</li> <li>• Purpose and utilization of such loans</li> <li>• Guarantee and securities given</li> </ul>	Companies Act and Rules CARO 2016
Other areas	<ul style="list-style-type: none"> <li>• Disclosures for related parties</li> <li>• Independent confirmations of balances</li> </ul>	Sch III SA 505

# Borrowings

Key areas	Observations	Relevant guidance
Term loans from banks / FI	<ul style="list-style-type: none"> <li>• Purpose and security</li> <li>• Utilisation of funds</li> <li>• Default in repayment of principal and interest</li> <li>• Compliance with Debt covenants – DSRA, Interest coverage, etc</li> </ul>	CARO 2016 Companies Act Sch III Ind AS 109
Inter corporate loans / deposits	<ul style="list-style-type: none"> <li>• Sec 73 to 76 of Companies Act – only from shareholders / directors / relatives</li> <li>• Confirmation from individuals that money is from own sources – not borrowed funds</li> <li>• Arms' length interest</li> <li>• Purpose, security, other terms and conditions including Board approvals</li> </ul>	Companies Act Acceptance of Deposits Rules
Debentures and Pref shares	<ul style="list-style-type: none"> <li>• Classification into debt / equity / compound instrument (Ind AS)</li> <li>• Compliance with terms of issue (Sec 42 of Companies Act)</li> <li>• Creation of DRR / CRR</li> <li>• Effective interest rate (EIR) calculations and amortization of processing fees, etc</li> </ul>	Ind AS 109 Companies Act
Disclosures	<ul style="list-style-type: none"> <li>• Complete and correct disclosure of securities</li> <li>• Repayment terms for all loans – interest terms and repayment terms</li> <li>• Defaults during the year, if any</li> </ul>	Sch III

# Trade payables

Key areas	Observations	Relevant guidance
Trade payables	<ul style="list-style-type: none"> <li>• For purchase of goods or services</li> <li>• Trade creditors and contractual obligations including capital creditors</li> <li>• Party-wise listing is IPE (Information Produced by Entity) and is to be tested for Completeness and accuracy</li> </ul>	Sch III
MSME	<ul style="list-style-type: none"> <li>• Identification of MSME parties</li> <li>• Tracking due date and actual date throughout the year</li> <li>• Assessment of due date – date of services / invoice date</li> <li>• Special situations – Retention money payable – due date?</li> </ul>	MSME Act Sch III
Confirmations	<ul style="list-style-type: none"> <li>• Selection of the parties and obtaining direct independent external confirmation</li> <li>• Additional process when sending confirmation requests on e-mails</li> <li>• Sending follow up / reminders in case of non-responses</li> <li>• Reconciliations on receipt of responses</li> <li>• Alternate audit procedures in absence of responses</li> </ul>	SA 505
Other areas	<ul style="list-style-type: none"> <li>• Assessment of arms' length for related party transactions</li> <li>• Period 13 testing for completeness of accruals and goods received</li> </ul>	Sch III Section 188 of Companies Act



# Provisions – Employee benefits

Key areas	Observations	Relevant guidance
Gratuity and compensated absences	<ul style="list-style-type: none"> <li>• Review of assumptions</li> <li>• Classification into current and non-current</li> <li>• For Leave – no right to defer leave, then classification is current</li> <li>• Leave valuation – Availment vs Encashment</li> </ul>	AS 15 Ind AS 19 Sch III
Provident fund	<ul style="list-style-type: none"> <li>• Defined benefit vs defined contribution</li> </ul>	AS 15 and Ind AS 19
Other employee benefits	<ul style="list-style-type: none"> <li>• Bonus – Payment of Bonus Act</li> <li>• Performance linked incentive – review of estimate</li> <li>• Long term incentive plans</li> </ul>	Payment of Bonus Act AS 15 Ind AS 19
ESOPs	<ul style="list-style-type: none"> <li>• Employee share-based payments – understanding the plan and coverage</li> <li>• Applicability of standards / GN</li> <li>• ESOP valuation on date of grant and subsequent accounting</li> <li>• ESOP disclosures</li> </ul>	GN on Employee Share based payments Ind AS 102 Sch III

# Contingent liability and Provisions

Key areas	Observations	Relevant guidance
Disputed dues	<ul style="list-style-type: none"> <li>• Reconciliation between demand for disputed dues in contingent liability and CARO reporting</li> <li>• Implications of show cause notices</li> <li>• Matters won at one level, though possibility of appeal open</li> </ul>	CARO 2016 Sch III
Subsequent events	<ul style="list-style-type: none"> <li>• Distinction between adjusting and non-adjusting subsequent events</li> <li>• Disclosures in respect of material subsequent events</li> </ul>	Sch III AS 4 Ind AS 10 SA 560
Disclosure	<ul style="list-style-type: none"> <li>• Quantification of Contingent liability is missing</li> <li>• Inadequate explanation of the matter / generic wordings used</li> <li>• Onerous contracts not disclosed</li> <li>• Details of uncertain events impacting the classification between contingent liability and provision</li> </ul>	AS 29 Ind AS 37 Sch III
Other matters	<ul style="list-style-type: none"> <li>• Correlation between items reported in Auditors' report on Legal and other regulatory matters section and Notes to financial statements</li> <li>• Involvement of subject matter experts for technical issues</li> <li>• Communications of litigations to those charged with governance</li> </ul>	SA 700 SA 620 SA 260

# Share capital and changes in equity

Key areas	Observations	Relevant guidance
Disclosures	<ul style="list-style-type: none"><li>• Details of holding company, ultimate holding company</li><li>• Correct legal names of entities</li><li>• Break up of share capital class-wise</li><li>• Rights, preferences and restrictions attached to shares</li><li>• Details of shares issued for consideration other than cash</li><li>• Details of shares reserved for issue under contract / commitment (partly or fully convertible instruments, ESOPs)</li><li>• Details of shares pledged by shareholders to be disclosed</li><li>• Changes in authorized capital not updated</li></ul>	Sch III
Statutory records	<ul style="list-style-type: none"><li>• Changes to be updated in shareholder registers</li></ul>	Companies Act
SOCIE	<ul style="list-style-type: none"><li>• Identification of transactions with owners for reflecting in SOCIE</li><li>• Detailed description of nature of each reserve</li></ul>	

# Revenue from operations

Key areas	Observations	Relevant guidance
Accounting policy	<ul style="list-style-type: none"> <li>Accounting policy does not cover all streams of Revenue</li> <li>Accounting policies are generic and do not provide the details of transfer of control and point of revenue recognition appropriately</li> </ul>	AS 9 Ind AS 115
Other operating revenue	<ul style="list-style-type: none"> <li>Distinction between Other operating revenue and Other income often is incorrect</li> <li>Distinction between Revenue from operations and Other operating revenue</li> </ul>	AS 9 Ind AS 115
Disclosures	<ul style="list-style-type: none"> <li>Aggregation / disaggregation of disclosure for Revenue from operations</li> <li>Contract assets and liabilities (Ind AS)</li> <li>Details of pending performance obligations and estimated duration for completion (Ind AS)</li> <li>Unbilled revenue and unearned revenue – classification errors</li> </ul>	Sch III AS 9 Ind AS 115
Other areas	<ul style="list-style-type: none"> <li>Transactions with related parties – arms length assessment and approvals from Board / shareholders as applicable</li> <li>Segment reporting based on requirements of accounting standards</li> <li>Details of revenue not recognized due to uncertainties</li> </ul>	Companies Act Ind AS 108 AS 17 Ind AS 115 AS 9 Sch III

# Other matters

Key areas	Observations	Relevant guidance
CSR	<ul style="list-style-type: none"><li>• CSR disclosures in accordance with amendments</li><li>• Provision for unspent amount</li></ul>	Companies Act GN on CSR activities
Basis of preparation	<ul style="list-style-type: none"><li>• Relaxations in accounting standards – disclosures</li></ul>	Applicability of Accounting standards
Notes to accounts	<ul style="list-style-type: none"><li>• Disclosure for unhedged foreign currency exposure</li><li>• Fair value hierarchy for financial assets and liabilities (Ind AS)</li><li>• Effective tax rate reconciliation (Ind AS)</li><li>• Details of unrecognized deferred tax assets (Ind AS)</li></ul>	Sch III Ind AS / AS

# Going Concern assessment

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## SA 570 and Implementation Guide

- ❑ SA 570 requires the auditor to identify events and conditions indicating going concern issue as part of risk assessment.
- ❑ If events and conditions are identified, additional procedures are to be performed evaluate it a material uncertainty exists (including considering mitigating factors). The procedures to be performed include
  - Requesting management to make its assessment of going concern which has been done
  - Evaluating management's plans and whether these are feasible in the circumstances
  - Evaluating the cash flow forecast of management including evaluating reliability of underlying data and whether adequate support is there for management assumptions included in the forecast
- ❑ Considering any additional factors and
- ❑ Requesting written representations

Management's plans comprise a combination of actions to mitigate the uncertainty including of use of short-term funds.

While each of the factors is not absolute, taken together, along with documentation available indicates that the plans are feasible.

Hence while there are events, material uncertainty does not exist or there is a close call situation and a material uncertainty para is not required in the audit report. However, we need to include an Emphasis of matter para in the opinion.

# Audit phase I : Appointment of auditor

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## Companies Act provisions, ICAI regulations and Auditing standards

- ❑ Auditors to make sure that appropriate resolutions for appointment of auditors are in place
- ❑ Compliance with Section 139 in respect of appointment of auditors
- ❑ Valid letter of engagements and authorised signatories (as per SA 210)
- ❑ Independence considerations

- Compliance with Section 144 of Companies Act

The Companies Act, 2013, states certain services that a Statutory Auditor cannot provide to its audit client (in other words services that are specifically prohibited), which are set out below:

- Accounting and book-keeping services;
- Internal audit;
- Design and implementation of any financial information system;
- Actuarial services;
- Investment advisory services;
- Investment banking services;
- Rendering of outsourced financial services;
- Management services; and
- Any other kind of services as may be prescribed.

# Audit phase II : Planning an audit

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## Auditing standards

- ❑ Communication of audit plan to the charged with governance as per SA 260 (*this is generally not adhered to for non listed companies*)
- ❑ Early interactions with the management to understand the changes in the control environment as required under SA 315
- ❑ Lack of risk assessment and planning discussion at an initial stage with clear articulation of the approach to be followed (SA 300) including identification of significant risks and nature timing and extent of audit procedures to address the same
- ❑ Preliminary analytical procedures - part of overall risk assessment
- ❑ Identification and involvement of specialists at the early stage and agreeing their scope
- ❑ Inappropriate selection of the benchmark under SA 320



# Audit phase III : Execution of audit

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## Auditing standards

- ❑ Considerations around performing appropriate controls testing in case service Organisation is identified - SA 402
- ❑ Common observations around rolling out confirmations, lack of appropriate follow ups and audit procedures when responses are received - SA 505
- ❑ Evaluation of impact of litigations as required under SA 501
- ❑ Special considerations on physical verification of inventory under remote working environment
- ❑ Inadequate evaluation of the outcomes of IT controls on manual controls under IFC

# Audit phase IV : Completion of audit

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## Auditing standards

- ❑ SA 550 - lack of adequate documentation about identification of related parties and transactions with them
- ❑ SA 570 going concern - lack of challenge process on managements assumptions, future projections and inadequate disclosures in the financial statements
- ❑ Testing of management bias around estimates - SA 540
- ❑ Lack of documentation on the conclusions reached on IFC as per the ICAI GN on IFC
- ❑ Non compliance with the requirements of AS/Ind AS as identified by FRRB
  - Inadequate disclosures in accounting policies
  - Non compliance with the requirements of Ind AS or AS with regard to related parties, disclosure of debt covenants etc.
- ❑ Key audit matters not matching with the corresponding disclosures made in the financial statements
- ❑ Lack of communication to those charged with governance on audit conclusions
- ❑ Lack of appropriate inquiries with those charged with governance during the limited review engagements under SEBI regulations

# Appendices (1/6)

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## Accounting standards – I GAAP

- AS 1, Disclosure of Accounting Policies
- AS 2, Valuation of Inventories
- AS 3, Cash Flow Statements
- AS 4, Contingencies and Events Occurring After the Balance Sheet Date
- AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
- AS 7, Construction Contracts
- AS 9, Revenue Recognition
- AS 10, Property, Plant and Equipment
- AS 11, The Effects of Changes in Foreign Exchange Rates
- AS 12, Accounting for Government Grants
- AS 13, Accounting for Investments
- AS 14, Accounting for Amalgamations
- AS 15, Employee Benefits
- AS 16, Borrowing Costs
- AS 17, Segment Reporting
- AS 18, Related Party Disclosures
- AS 19, Leases
- AS 20, Earnings Per Share (EPS)
- AS 21, Consolidated Financial Statements
- AS 22, Accounting for Taxes on Income
- AS 23, Accounting for Investments in Associates in Consolidated Financial Statements
- AS 24, Discontinuing Operations
- AS 25, Interim Financial Reporting
- AS 26, Intangible Assets
- AS 27, Financial Reporting of Interests in Joint Ventures
- AS 28, Impairment of Assets
- AS 29, Provisions, Contingent Liabilities and Contingent Assets

# Appendices (2/6)

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## Accounting standards – Ind AS (1/2)

- Ind AS 101 First-time Adoption of Indian Accounting Standards
- Ind AS 102 Share-based Payment
- Ind AS 103 Business Combinations
- Ind AS 104 Insurance Contracts
- Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations
- Ind AS 106 Exploration for and Evaluation of Mineral Resources
- Ind AS 107 Financial Instruments Disclosures
- Ind AS 108 Operating Segments
- Ind AS 109 Financial Instruments
- Ind AS 110 Consolidated Financial Statements
- Ind AS 111 Joint Arrangements
- Ind AS 112 Disclosure of Interests in Other Entities
- Ind AS 113 Fair Value Measurement
- Ind AS 114 Regulatory Deferral Accounts
- Ind AS 115 Revenue from Contracts with Customers
- Ind AS 116 Leases
- Ind AS 1 Presentation of Financial Statements
- Ind AS 2 Inventories
- Ind AS 7 Statement of Cash Flows
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 10 Events after the Reporting Period
- Ind AS 12 Income Taxes
- Ind AS 16 Property, Plant and Equipment
- Ind AS 19 Employee Benefits
- Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance
- Ind AS 21 The Effects of Changes in Foreign Exchange Rates

# Appendices (3/6)

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## Accounting standards – Ind AS (2/2)

- Ind AS 23 Borrowing Costs
- Ind AS 24 Related Party Disclosures
- Ind AS 27 Separate Financial Statements
- Ind AS 28 Investments in Associates and Joint Ventures
- Ind AS 29 Financial Reporting in Hyperinflationary Economies
- Ind AS 32 Financial Instruments Presentation
- Ind AS 33 Earnings per Share
- Ind AS 34 Interim Financial Reporting
- Ind AS 36 Impairment of Assets
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38 Intangible Assets
- Ind AS 40 Investment Property
- Ind AS 41 Agriculture

# Appendices (4/6)

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## Auditing standards (1/3)

- ❑ SA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
- ❑ SA 210, Agreeing the Terms of Audit Engagements
- ❑ SA 220, Quality Control for an Audit of Financial Statements
- ❑ SA 230, Audit Documentation
- ❑ SA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- ❑ SA 250, Consideration of Laws and Regulations in an Audit of Financial Statements
- ❑ Revised SA 260, Communication with Those Charged with Governance
- ❑ SA 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
- ❑ Revised SA 299, Joint Audit of Financial Statements
- ❑ SA 300, Planning an Audit of Financial Statements
- ❑ SA 315, Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment
- ❑ SA 320, Materiality in Planning and Performing an Audit
- ❑ SA 330, The Auditor's Responses to Assessed Risks
- ❑ SA 402, Audit Considerations Relating to an Entity Using a Service Organisation
- ❑ SA 450, Evaluation of Misstatements Identified During the Audit
- ❑ SA 500, Audit Evidence
- ❑ SA 501, Audit Evidence-Specific Considerations for Selected Items

# Appendices (5/6)

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## Auditing standards (2/3)

- SA 505, External Confirmations
- SA 510, Initial Audit Engagements – Opening Balances
- SA 520, Analytical Procedures
- SA 530, Audit Sampling
- SA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
- SA 550, Related Parties
- SA 560, Subsequent Events
- Revised SA 570, Going Concern
- SA 580, Written Representations
- SA 600, Using the Work of Another Auditor
- Revised SA 610, Using the Work of Internal Auditors
- SA 620, Using the Work of an Auditor's Expert
- Revised SA 700, Forming an Opinion and Reporting on Financial Statements
- SA 701, Communicating Key Audit Matters in the Independent Auditor's Report
- Revised SA 705, Modifications to the Opinion in the Independent Auditor's Report
- Revised SA 706, Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
- SA 710, Comparative Information—Corresponding Figures and Comparative Financial Statements
- Revised SA 720, The Auditor's Responsibilities Relating to Other Information
- SA 800, Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
- SA 805, Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

# Appendices (6/6)

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## Auditing standards (3/3)

- ❑ SA 810 , Engagements to Report on Summary Financial Statements
- ❑ SRE 2400 (Revised), Engagements to Review Historical Financial Statements
- ❑ SRE 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”
  
- ❑ SAE 3400 “The Examination of Prospective Financial Information”
- ❑ SAE 3402, “Assurance Reports on Controls At a Service Organisation”
- ❑ SAE 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus
  
- ❑ SRS 4400 “Engagements to Perform Agreed-upon Procedures Regarding Financial Information”
- ❑ SRS 4410 (Revised), Compilation Engagements
  
- ❑ SQC 1, “Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements”



Thank You