

Tutorial Notes

Class: B.Com (Hons.) Semester III (CC-5)

Subject: Auditing and corporate Governance

Topic: Standards on Auditing

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STANDARDS ON AUDITING

To ensure that information provided in the financial statements are of high quality and are acceptable worldwide the Auditing and Assurance Standards board under the council of Institute of Chartered Accountants (ICAI) have formulated few Standards. These are in line with the International Standards issued by the International Auditing and Assurance Board (IAASB).

Standards issued by the AASB include:

- **Standards of Quality Control (SQC)** for all the services under Engagement Standards. These standards are applicable to all auditing firms which perform audits and reviews of historical financial information including assurances and related service engagements.
- **Standards on Auditing (SAs)** for auditing historical financial information. These apply whenever any independent Audit is carried out.

In simpler words, whenever an independent examination of financial information is carried on for ANY entity whether the business motive is to make the profit or not, whether the size of the entity is big or small or even if the entity has any legal form (unless any law specifies something else) the SAs will be applicable

All SAs are interlinked and have to apply in unity. The number given to SA is similar to the numbering system followed for International Standards on Auditing formulated by IAASB.

- **Standards on Review Engagements (SREs)** for reviewing historical financial information
- **Standards on Assurance Engagements (SAEs)** for assurance engagements other than the audits and reviews of financial information
- **Standards on Related Services (SRSs)** for all engagements about the application of agreed procedures to information, compilation engagements, and other related services engagements

The major standards are listed here below:

Standards on Quality Control (SQCs)	
SQC 1	Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements

Standards on Auditing (SAs)	
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
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
SA 810	Engagements to Report on Summary Financial Statements
Standards on Review Engagements (SREs)	
SRE 2400 (Revised)	Engagements to Review Historical Financial Statements
SRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity
Standards on Assurance Engagements (SAEs)	
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
Standards on Related Services (SRSs)	
SRS 4400	Engagements to Perform Agreed-upon Procedures Regarding Financial Information
SRS 4410 (Revised)	Compilation Engagements