# STATUTORY AUDITS

# SMALL AND MEDIUM COMPANIES

# ALONG WITH DETAILED CHECKLIST OF AUDIT PROGRAM AND SCHEDULE III TEMPLATE

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# OVERVIEW

- The Audit Process
- Fraud Risks in Statutory Audits
- Designing and Implementing Checklists
- Key Aspects on Company Audits 2021

# STATUTORY AUDIT

- True and Fair Opinion
- Financial Statements
- Assertions
- Audit Procedures
- Audit Evidence
- Audit Documentation

# STATUTORY AUDITS OF COMPANIES

# PART A : AUDIT PROGRAM CHECKLISTS

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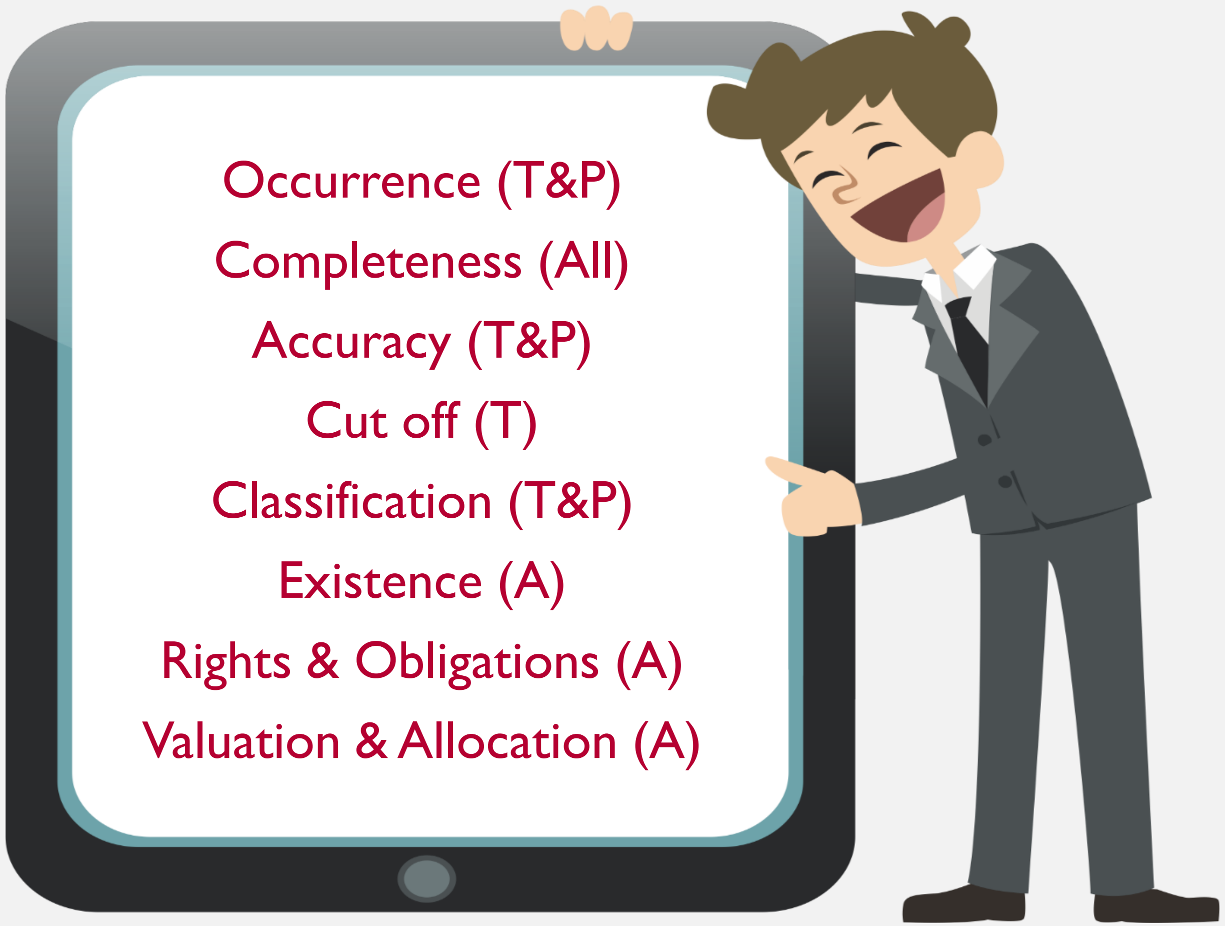
# STATUTORY AUDIT - ASSERTIONS




T – Transactions and Events | P – Presentation and Disclosure |
A – Account Balances as at Period End

# STATUTORY AUDIT PROCEDURES

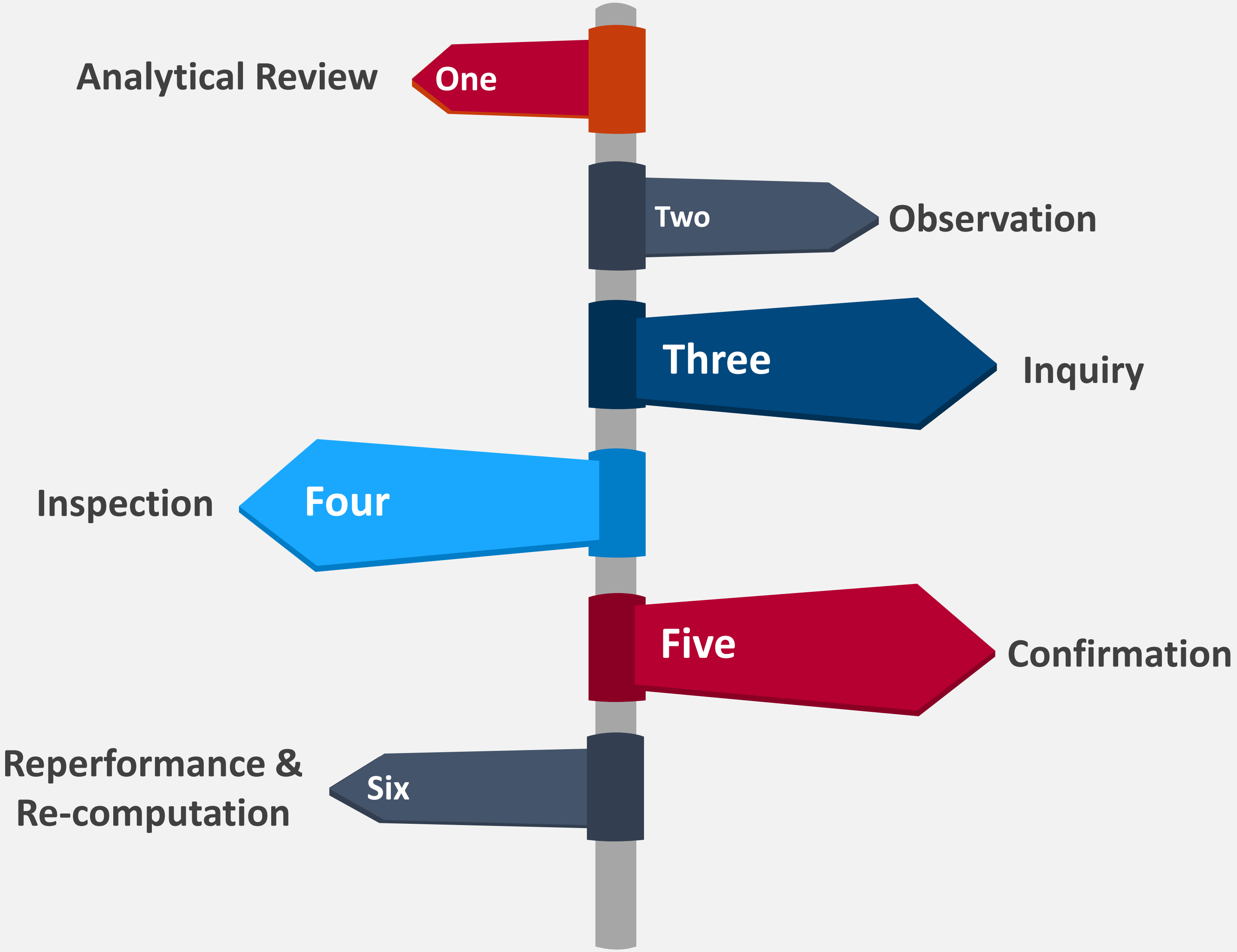
Compliance Procedures

Risk Assessment Procedures

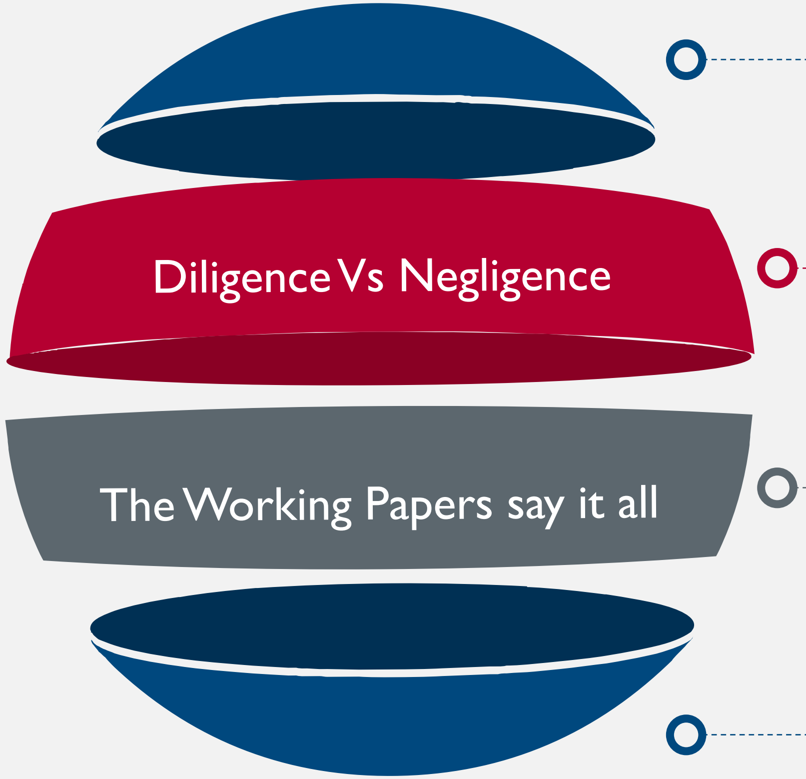
Procedures performed to obtain Audit Evidence

Substantive Procedures

# STATUTORY AUDIT PROCEDURES



# AUDIT EVIDENCE




Written Evidence is better than Verbal Evidence

Auditor Obtained is better than Client Provided

External Evidence is better than Internal Evidence

Audit Evidence is Persuasive Rather than Conclusive

# WHY CHECKLISTS AND AUDIT PROGRAMS

**Efficient Audit**

Sufficient and Appropriate Audit Evidence

**Effective Audit**

Timely Completion

**Complex Requirement**

Risk of Material Mis-Statements

**Standardise Work**

Framework Driven

Manage by exception

**Delegate Work**

Reliance on staff

Cumulative Audit Knowledge

Sufficient and Appropriate Audit Evidence

# KEY CHECKLIST CATEGORIES

Client Acceptance , Continuance and Audit Planning

Assets, Liabilities, Contingent Liabilities, Income and Expense audit programs

Special Purpose Checklists - SA, AS, Going Concern, Schedule III, Companies Act , GST

# ILLUSTRATIVE CHECKLISTS

- **Pre - Contract to Completion**
- **Linked to Assertions**
- **Modular**
- **Relevant Reviews and Sign offs**
- **Lets see the Excel file attached**

OVERALL AND FAR RELATED

ADDITIONS DELETIONS

DEPRECIATION

IMPAIRMENT

OTHERS

# STATUTORY AUDITS OF COMPANIES

# PART B : MATTERS OF EMPHASIS - 2021

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# STATUTORY AUDITS

- Qualifications and Disqualifications
- Audit Term and Rotation
- Restricted Services
- Engagement Letter and Retiring Auditor
- Internal Audit and KMP applicability
- CARO Applicability

# STATUTORY AUDITS – MATTERS OF EMPHASIS

- Internal Financial Controls Reporting
- Financial Year and Accounting Period
- Small Company Provisions
- Private Limited Company Exemptions
- Cash Flow statements
- Share Application Money

- Depreciation and Deferred Taxation
- Loans from Directors, Relatives
- Loans from Members
- Loans to Directors
- Trade Advances received
- Deposit related provisions

- Auditors Report format
- Fraud Reporting
- Management Representation Letter
- Going Concern Reporting / IBC Process
- SA ,AS and Schedule III compliances
- Companies Amendment Acts

# STATUTORY AUDITS OF COMPANIES

# PART C : FRAUD RISK SAFEGUARDS

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# STATUTORY AUDITS OF COMPANIES

# PART D : DETAILED CHECKLISTS

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# Thank You

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