IPCC/PCC AUDIT IMPORTANT FOR MAY 10 EXAM

……………………………………………………………………………………**TARUN JHALANI -**

Most of the students ignore this important portion while preparing for the examination, while some of the students who prepare this portion initially, are unable to revise it just before the examination due to its volume correlating with the time constraint.

This is just an attempt to reduce the volume to enable quick revision during the crucial hours.

If these section prove to be helpful (even minutely in any context), then the basic purpose would become successful. Feedback of any type whether positive or negative will be highly appreciate *mittalc.a42@gmail.com* *or 9351547970 (pinki gupta)*

1. Important **SA-240,500,400,580,320,530,210,700,401,505 (Learn fully)**
   - **i) New SA-SA-1 on Standard on quality control**
   - **ii) NEW SA (Please Learn the NAME VERY CAREFULLY)**

   i. SA 450 EVALUATION OF MISSTATEMENTS IDENTIFIED DURING THE AUDIT (on or after April 1, 2010)

   ii. SA 450 EVALUATION OF MISSTATEMENTS IDENTIFIED DURING THE AUDIT (on or after April 1, 2010)

   iii. SA 210 (REVISED) AGREEING THE TERMS OF AUDIT ENGAGEMENTS (on or after April 1, 2010)

   iv. SA 265 COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT (on or after April 1, 2010)

   v. SA 320(REVISED) MATERIALITY IN PLANNING AND PERFORMING AN AUDIT (on or after April 1, 2010)

   vi. SA 402(REVISED) AUDIT CONSIDERATIONS RELATING TO AN ENTITY USING A SERVICE ORGANISATION (on or after April 1, 2010)

   vii. SA 510 (REVISED) INITIAL AUDIT ENGAGEMENTS-OPENING BALANCES (on or after April 1, 2010)

   viii. SA 720 THE AUDITOR'S RESPONSIBILITY IN RELATION TO OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS (on or after April 1, 2010)

   ix. SQC-1- QUALITY CONTROL FOR FIRMS THAT PERFORM AUDIT AND REVIEWS OF HISTORICAL FINANCIAL INFORMATION AND OTHERASSURANCE & RELATED SERVICES ENGAGEMENTS

2. **Audit Reports (CARO , AAS-23, Sec 2271A, 227(3),**
   - Sec 227 (1A)-enquiry by auditors
   - Sec 227 (2) –T/F View
   - Sec 227 (3)- 7 Items
   - Sec 227 (4A)-CARO- (applicability- exemption of pvt co.,

     Following items
     - Fixed Assets & Inventories
     - Internal Control System
     - Section 301 Contacts or Arrangement- more than 5 crores are reasonable
     - Internal Audit system-Listed co., other co's-2 conditions satisfy
     - Cost Records
     - Undisputed Statutory dues
     - Sick Company

3. **Company Audit**

Sec 227(3)	Audit Reporting
Sec 227(1A)	Equiry of specific items
Sec 227(4A) CARO (Applicabilty, Loan Taken, ICS, Internal Audit, Cost Records, Frauds)	
Sec 226(3)	Disqualification
Sec 224 A	Appointment by Special Resoultion
224(1B)	Ceiling Limits of the Auditors
224(2)	Repointment
Sec 228	Branch Audit
Sec 233 A	Special Audit
224(6)	Casual Vacancy
Sec 217	Directors report regarding accounts and audit
	Auditors Lien
227 (3) (f)	Director s Disqualification
Sec 233B	**Cost Audit**

- Payment of Interest out of Capital
- Place of Books of accounts
- Sweat Equity
- Option of share capital
- Utilisation of share premium
- Buy Back of shares.

4. **VOUCHING**
    - Gratuity
    - **Scrap Sales (vvv imp)**
    - Recovery of Bad-debts
    - **Goodwill (Any intangible asset) (vvv imp)**
    - Insurance Receipts
    - Hire Purchases
    - Research and Expenditures
    - Advertisement
    - quoted Investment
    - Loss of STOCK by theft
    - **Excise (vvv imp)**
5. **VERIFICATION**
    - Contingent Liabilities
    - Petty Cash exp
    - Amt due to subsidiary co.
    - Pacakages and empties
    - Small Tools
6. **EDP AUDITING**

- Organisational Structure in EDP Audit
- Features & Problems of EDP System

- Review of I/C/S
- Audit around computer & Audit Through Computer

7. **SPECIALISED AUDIT**
    - Educational Body
    - NGO
    - Hotel/Club
8. **GOVERNMENT AUDIT**
    - Propriety audit
    - Performance audit
    - Duties of CAG
    - Expenditure Audit
9. ***SHORT NOTES***
    - Agreed Upon procedures
    - Analytical Procedures(AAS-14)
    - Audit Documentation (AAS-3)
    - Audit Planning (AAS-5)
    - Audit Procedures – Compliance & Substantive Procedures (AAS-5)
    - Methods of Obtaining Audit Evidence
    - Internal Control System (AAS-6)
    - Audit Risk (AAS-6)
    - Inherent Limitaitons of Auditing (AAS-2,4)
    - MRL (AAS-14)
    - Confirmation Request form- Positive & Negative (AAS-30)
    - Subsequent Events (AAS-17, AS-5)
    - Working Papers - ownership and custody (AAS-3)
    - Objective & Scope of an Audit (AAS-2)
    - Window Dressing , Teeming and lading
    - Auditor Duty to detect Fraud & Error (AAS-4)
    - Auditor’s Independence (AAS-1)
    - Materiality (AAS-13,AS-1, Schedule VI)
    - Auditors Engagement Letter (AAS-26)
    - Audit Process
    - Internal Check , Surprise Check
    - Schedule VI Balance sheet Items (most important)

BEST OF LUCK!
REGARDS

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Topics covered under the book “ SCANNED SUMMARY ON AUDITING AND ASSURANCE”