

Important Questions of Auditing and Assurance for CA IPCC May-June 2014

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Important Questions for Auditing & Assurance

Basics of Auditing & Internal Control

- Audit Plan Vs. Programme
- Inherent limitations of Audit and IC
- Test of Controls & Substantive Procedures
- **Internal Check & Internal Audit**
- AR = IR X CR X DR
- **Professional Scepticism**
- **Preconditions for Audit**
- Examination in Depth
- **Cut off procedures,**
- Methods to obtain audit evidence
- Fraud Risk Factors
- Letter of Weaknesses

Vouching & Verification,

- Common Points of Vouching with special emphasis on:
 - Royalty paid
 - Sale proceeds of junk material
 - **Salaries paid**
- Common Points of Verification with special emphasis on:
 - Plant and Machinery, Buildings
 - **Contingent Liabilities**
 - **Patents**

EDP Audit

- CAATs - Audit S/W & **Integrated Test Facility**
- Special features of EDP Systems
- **Audit Trail**

Company Audit I & II

- Auditor appointed by SR
- **Removal of auditors**
- **Points of propriety nature – Section 227(IA)**
- Auditors lien
- **Special Audit u/s 233A**
- **Cost Audit u/s 233 B**
- DRS – Section 217(2AA)
- Audit of Interest out of Capital
- Sources of Dividend

- Applicability of CARO, 2003 and clause 3, 4, 5, 6, 7, 8, 9, 10, 13, 17, 18, 20, 21 (Refer my [code](#))

Audit Report

- **EOM, OM Para**
- **Qualified**, Adverse, Disclaimer
- Auditors Opinion u/s 227(3)(f)

Government Audit

- Performance audit
- **Supplementary audit**
- Audit of Receipts
- COPU

Accounting Standards

- **AS 4, 5, 7, 9, 10, 12, 16, 20, 28**
- **AS I: FAA, Major considerations in selecting SAP**
- **Events Occurring after B/S date**
- AS 5: Prior Period Items, Changes in Accounting Estimates and Changes in Accounting Policies

Standards on Auditing

- SA ~~210~~, 230, 300, 315, 320, 330, 505, **540**, 550, **560**, **570**, **580**, 610, 620, 700, **705**, **706**

Special Audit

- Common Points of Special Audit with special emphasis on:
 - Audit of Clubs
 - Audit of Hospitals
 - **Audit of Publishers**

All the best.

Warm regards,

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