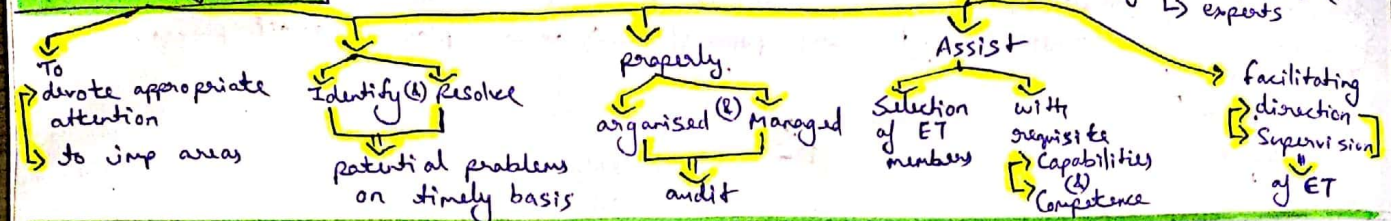
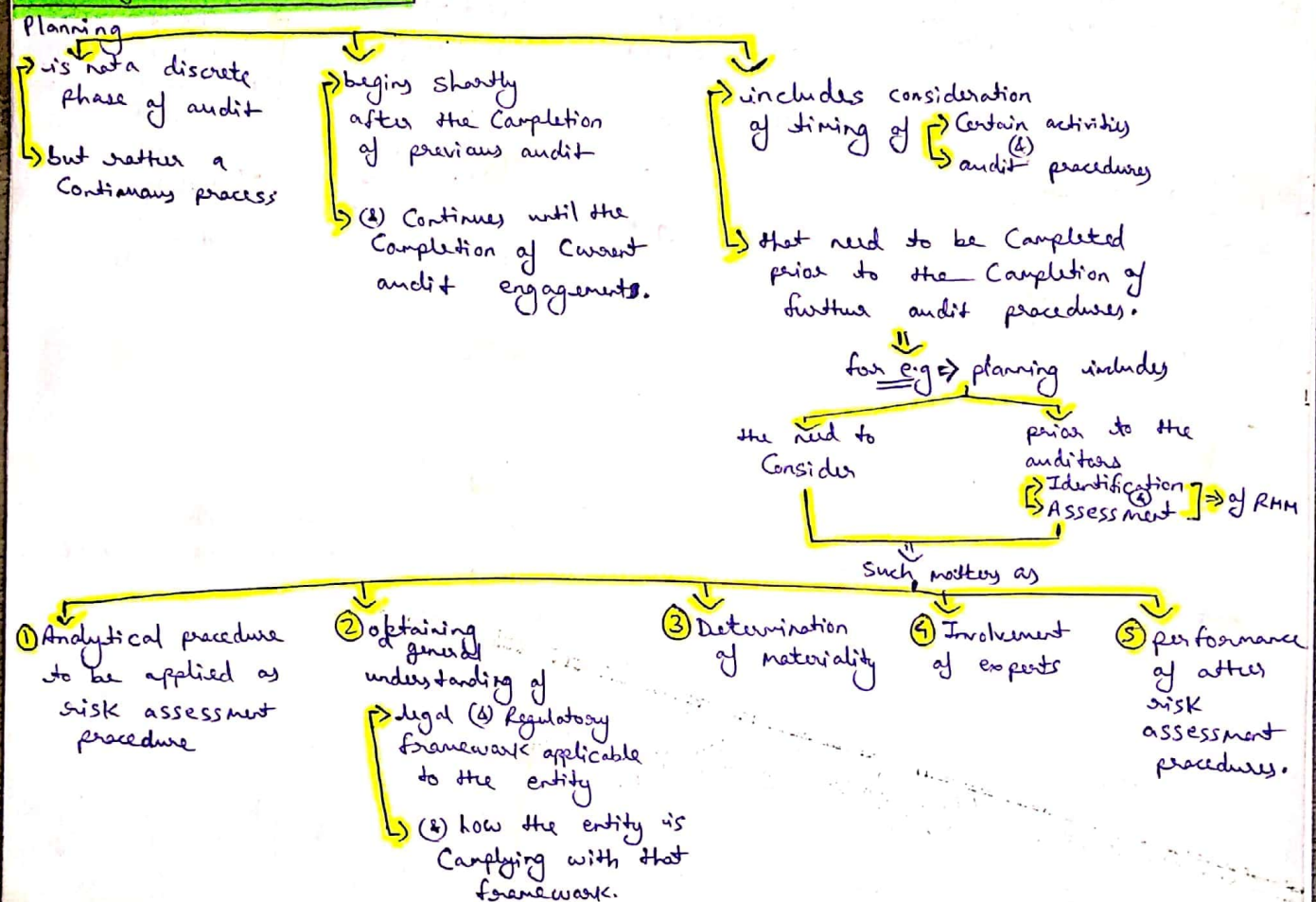


SA 300 Planning in an audit of FST.

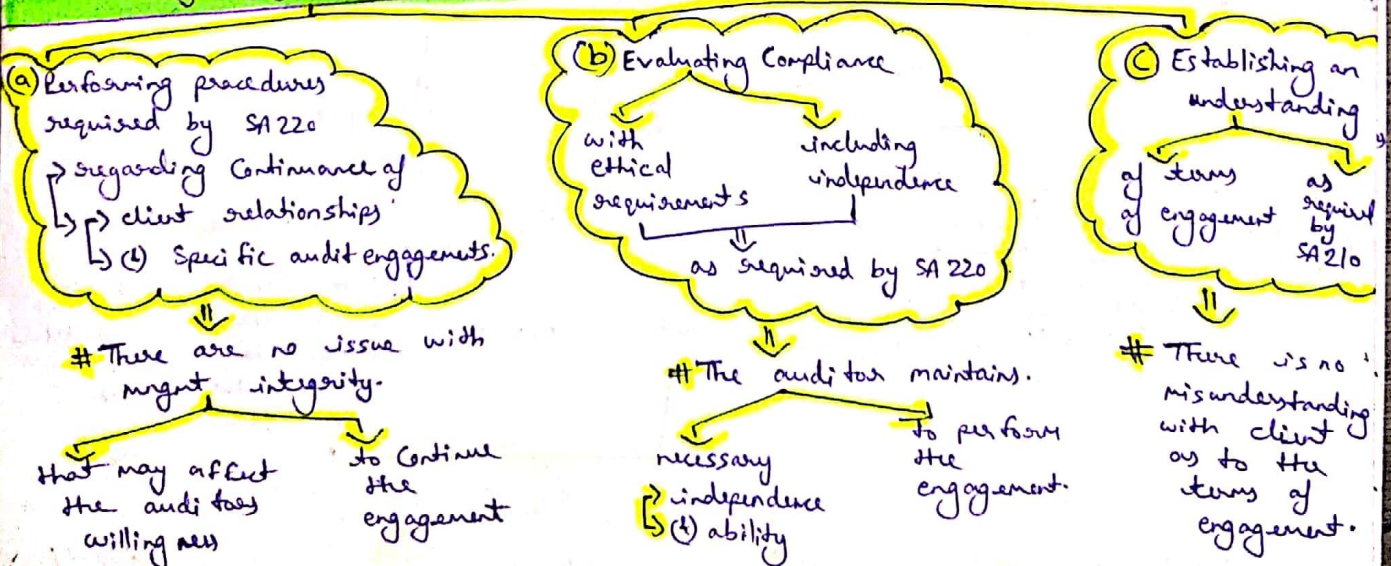
Importance of planning



Planning a Continuous process



Preliminary engagement activities



Mausam 7304775099

Planning activities

Establishing audit strategy

Developing an audit plan.

The audit plan shall include description of

NTE of planned RAP as per (SA 315)

NTE of planned RAP (SA 330)

other planned audit procedures.

(a) which.

Sets
Scope
Timing
(a) direction

guides development of audit plan.

(b) In establishing the overall audit strategy the auditor shall

Identify the characteristics of engagement that define its scope

Ascertain reporting objectives of engagement to plan timing of audit (a) nature of comm. required.

Consider significant factors preliminary engagement activities knowledge gained on other engagements

Ascertain NTE of procedures necessary to perform.

Points to remember

The audit plan.

is more detailed than the overall audit strategy

includes the NTE of audit procedures to be performed by ET members

planning for these audit procedures

takes place over the course of audit.

as the audit plan for the engagement develops

for e.g. planning for auditors RAP occurs early in the audit process.

However planning the NTE

of specific further audit procedures

depends on the outcomes of those RAPs.

In addition the auditor may

begin the execution of further audit procedures.

for Some classes of transactions AIC balances (a) Disclosures.

before planning all remaining audit procedures.

Changes to planning decisions

The auditor shall.

update (a) change

overall audit strategy (a) audit plan.

as necessary during the course of audit.

As a result of

unexpected events

changes in conditions.

audit evidence obtained.

The auditor may need to modify (a) overall audit strategy (a) audit plan.

Based on the revised consideration of assessed risk

Auditor need to modify

NTE of RAP.

This may be the case when

Info comes to the auditor's attention

that differs significantly from the info available when the auditor planned the audit procedure.

for e.g.

audit evidence obtained through the performance of substantive procedures

may contradict the audit evidence obtained through test of controls.

Mausam 7304775099

Documentation

The auditor shall document

Overall audit strategy

is a record of
Key decisions
considered necessary
to
→ properly plan the
audit
→ (a) to Communicate
Significant matters
to ET.

Audit plan

is a record of.

planned NTE of
→ RAR (a)
→ FAPs
at the assertion
level in
response to
assessed risks.
proper planning of audit
procedures that can be
→ reviewed (a)
→ approved (a) → prior to
their
performance

Any Significant changes made
during the audit engagement
to → overall audit strategy
→ (a) audit plan
(b) the reason for such
changes.

Record of change
(b) reason for
such changes.

Additional Considerations in Initial audit engagements.

(a) performing procedures
required by SA 220
regarding the acceptance
of → client relationship (a)
→ specific audit engagements.

(b) Communicating with the predecessor
auditor.

where there
has been a
change of
auditor

in Compliance with
relevant ethical
requirements.

Additional Consideration in Initial audit engagement - as per application material.

For an initial audit, the
auditor may

need to expand
the planning
activities

because the
auditor does not
have the previous
experience with the
entity.

Additional matters auditor may consider
in establishing → overall audit strategy
→ (a) audit plan.

include the following.

* Unless prohibited
by → law (a)
→ regulations

arrangements to
be made with
predecessor
auditor.

for e.g.
to review
his working
papers.

* Audit procedures

necessary to
obtain SAAE

regarding
olp bal. as
prescribed by
SA 510.
"Initial Engagements
olp bal."

* Other procedures
required by
firm's system
of Quality
Control for
initial
audit engagements.

for e.g.

* any major issues discussed with
management in connection with.

initial
selection
of
auditor.

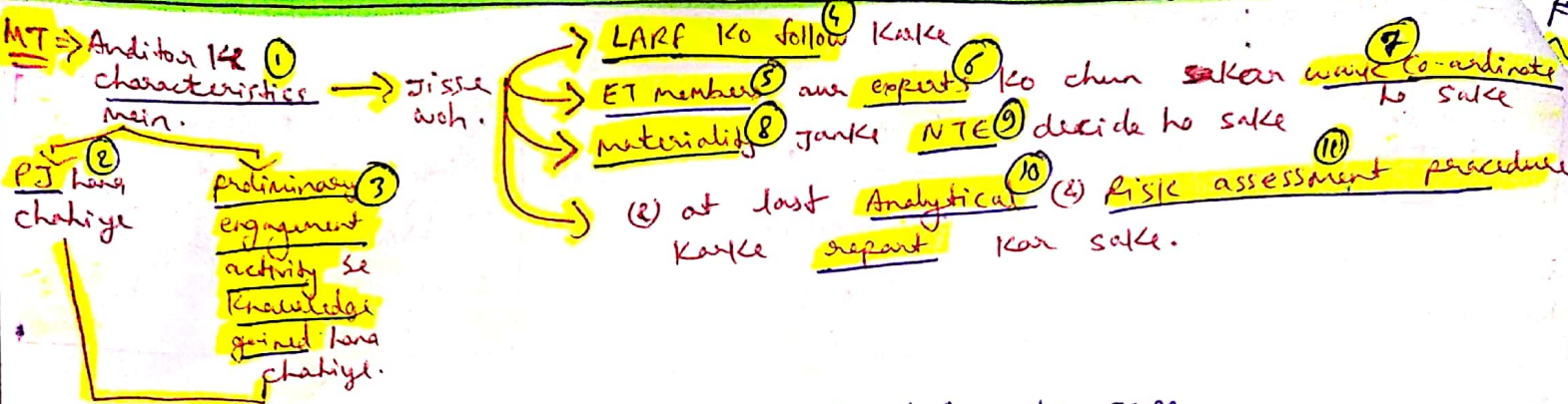
Cause of
these
matters
to TCWG.

(a) how these
matters
affect the
→ overall audit
strategy.
→ (b) audit plan.

① # review of overall
audit strategy
by senior partner.
prior to Commencing
Significant audit
procedures.

② # Review
Reports
prior
to their
issue.

The auditor shall establish an overall audit strategy considering the following:

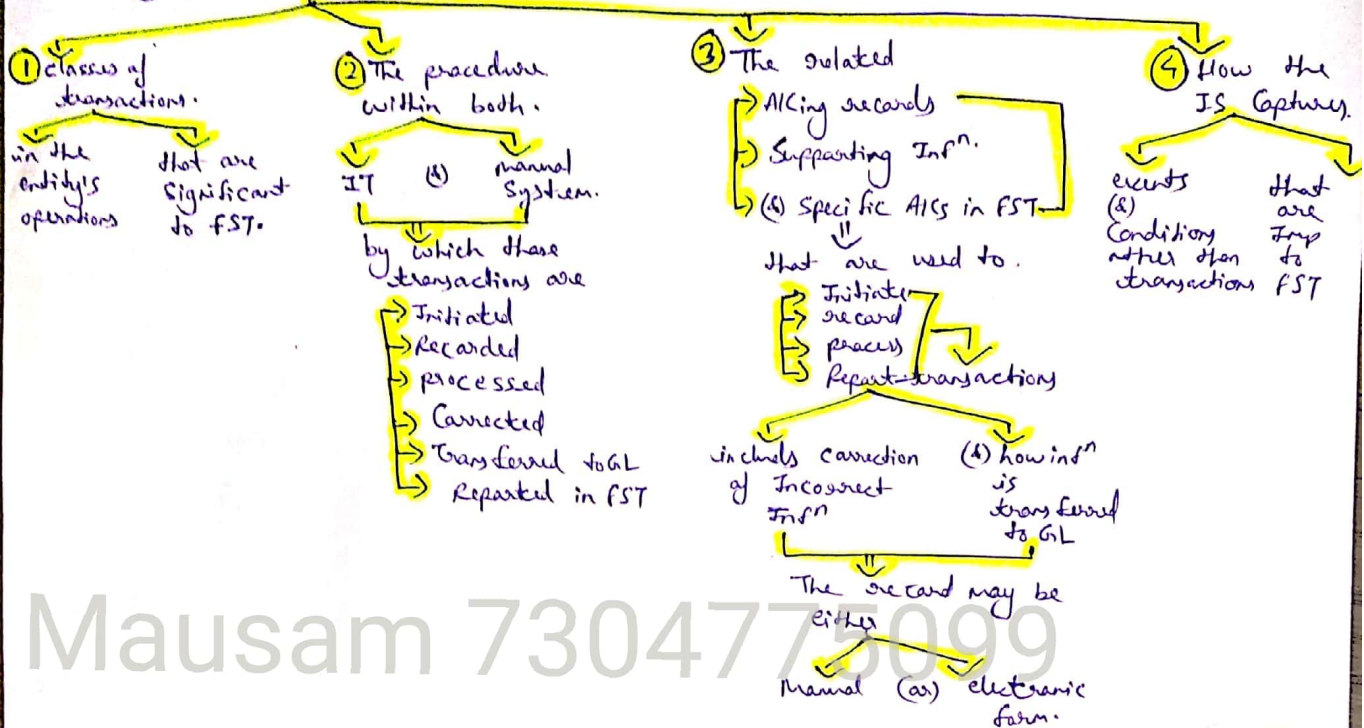


- 1 Identify the characteristics of engagement that define its scope that are in auditory PJ
- 2 Consider factors significant in directing ET efforts.
- 3 Consider results of preliminary engagement activities
 - (a) where applicable knowledge gained on other engagements performed by the EOP for the entity is relevant.
- 4 obtain a general understanding of
 - ↳ LARF applicable to the entity
 - ↳ how the entity is complying with that framework.
- 5 Assisting in
 - ↳ Selection of ET members with appropriate level of Capability Competence
 - ↳ to respond to anticipated risks.
 - ↳ properly assign work to them.
 - ↳ Co-ordination of work done by auditors of Components & experts.
- 6 ~~Identify~~ Involvement of experts.
- 7 Determination of materiality.
- 8 Ascertain NTE of resources necessary to perform the engagement.
- 9 The analytical procedure to be applied as RAP.
- 10 The performance of other RAP.
- 11 Ascertain the reporting objectives of engagement to plan
 - ↳ timing of audit
 - ↳ nature of Cam required.

Specific factors needs to be considered while formulating audit strategy are as follows:

The auditor shall obtain an understanding of IS including the related business processes due to new venture of online shopping

including the following areas:



Factors to be considered in development of overall audit plan:

⇒ overall plan is basically intended to

provide direction for audit work programming.

② Includes the determination of:

Timing
manpower development
Co-ordination of work with:
client
auditors
other experts.

⇒ The auditor should consider the following matters in developing the overall plan for the expected scope & conduct of audit.

- ① Terms of engagement:
 - (a) any statutory responsibility
- ② Applicable LARF
- ③ Accounting policies applicable
 - (a) changes if any.
- ④ effect of new accounting
 - (a) auditing pronouncements on audit.
- ⑤ Identification of significant audit areas
- ⑥ Setting of materiality levels for audit purpose.
- ⑦ Conditions requiring special attention.
- ⑧ Degree of reliance to be placed on AIS system
 - (a) Internal Control
- ⑨ possible rotation of emphasis on specific audit areas.
- ⑩ N & T of audit evidence to be obtained.
- ⑪ work of Internal auditor
 - (a) extent of reliance on this work.
- ⑫ Involvement of other auditors in the audit of
 - (a) subsidiaries (as) of client
 - (b) branch
 - (c) Involvement of experts
- ⑬ Allocation of works to be undertaken between joint auditors
 - (a) procedures for internal control
 - (b) Review.
- ⑭ Establishing
 - (a) Co-ordinating staffing requirements.