

SA-200

Overall objective of auditor

To have reasonable Assurance that the financial statements as a whole are free from any material mis-statement

Chapter 11 Audit Report

શ્રી સાલંગપુર ધામ
Dt: / / Pg.no:

SA-700

(Unmodified Opinion)

- When financial statements as a whole are free from material mis-statement
- Financial statement shows true & fair view when? True & fair view
- Qualitative Quantitative

- When financial statements are prepared in accordance with applicable financial reporting framework
- Compliance with applicable Accounting Standards
- All accounting policies consistently applied
- All accounting estimates are appropriate & reasonable
- All material disclosures are adequately made
- Compliance with law & regulations

⇒ EOM will not be included:

⇒ ① Modified Opinion

⇒ ② Key Audit Matter

⇒ Separate section - "Emphasis of Matters" heading

⇒ Clear reference

⇒ Opinion not modified.

Auditor's

SA-706

Matters that

Emphasis of Matter

Paragraph (EOM)

related to financial statement

⇒ Paragraph in auditor's

report, refers to matters

presented or disclosed in

financial statement which

Auditor's judgement is

Fundamental in User's

Understanding of F.S.

Opinion

DO NOT affect Auditor's opinion

Other Matter

Paragraph (QMP)

related to Audit

⇒ Paragraph in auditor's

report refers to matter

Other than those

presented or disclosed

in Financial Statement

⇒ Auditor's Judgement is

Fundamental in User's

Understanding of audit

⇒ auditor's responsibility

and auditor's report

⇒ Not included when

① Prohibited by law

② Key audit matters applied

⇒ Separate section - "Other Matters"

શ્રી સાલંગપુર ધામ

Dt: / / Pg.no:

SA-705

(Modified Opinion)

- Based on audit evidence obtained auditor concludes that financial statement are not free from material mis-statement
- Auditor is Unable to obtain sufficient & appropriate audit evidence to conclude that financial statement are free from material mis-statement

Qualified Opinion

Disclaimer of opinion

Adverse Opinion

Audit Evidence

Mis-statement Material not Persuasive

Material & Persuasive

Able to obtain sufficient appropriate audit evidence

Qualified Opinion

Adverse Opinion

Unable to obtain sufficient appropriate audit evidence

Qualified Opinion

Disclaimer of Opinion

પ્રભુનું ભજન કરો એ જ સાચું છે. - પ.પૂ. અથાણાવાળા સ્વામી

॥ ૐ નમો હનુમતે ભયભંજનાય સુખં કરું ફટ સ્વાહા ॥

SA - 701 Key Audit Matters (KAM) (Imp)

What is KAM?

- Those matters that, in auditor's professional judgment,
- were of most significance
- in the audit of the financial statements
- of the current period.
- Key Audit Matters are selected from matters
- communicated with those charged with governance.

(*) Purpose

- KAM provides additional information to users of F.S
- Assist the user in understanding entity in better way.

Objective of SA

- Determining the Key Audit Matters
- Communicate Key Audit Matters

Factors → Determining KAM

- Matters that require or's attention risk of material significant risk significant judgment matters
- ① Significant audit
 - ② Areas of higher misstatement on
 - ③ Areas requiring management
 - ④ Current Period

Communicating KAM

- Each KAM to be included under separate 'sub heading' - under the heading "Key Audit Matter"
- Define - KAM
- Provide that no separate opinion is given on KAM.

KAM is not substitute of

- Modified Opinion
- Disclosure in the financial statement
- Reporting in accordance with SA - 570 (going concern)
- Separate opinion on individual matters

Unmodified opinion

શ્રી સાબંગપુર ધામ
Dt: / / Pg.no.:

SA - 700 Forming an opinion & Reporting on Financial Statements Elements of Audit Report (format)

- ① Title - Independent Auditor
- ② Addressee - To whom - Shareholders
- ③ Auditor's Opinion
- ④ Basis of Opinion (Reasons for the opinion given)
- ⑤ Going Concern (SA - 570) where applicable
- ⑥ Key Audit Matters (SA - 701) for listed entities
- ⑦ Responsibility of Management for financial statements
 - Preparation of Financial Statement → As per FRF
 - Internal Control - System ^{independent} prevent & detect & correct fraud
 - Follow Going Concern assumption
- ⑧ Responsibility of Auditor for Audit of Financial Statements
 - SA-200 - Objective - ~~reasonable~~ assurance - That financial statement - free from material misstatement ^{fraud}
 - Auditor exercise professional judgment & maintains ^{positive} professional skepticism
 - Identify risk + Response to Risk + Obtain Sufficient & appropriate Audit evidence
 - Obtain understanding of Internal control
 - Appropriateness of accounting policy & reasonableness of accounting estimates
 - To conclude on management's use of Going Concern
- ⑨ Location of Auditor's Responsibilities
 - In audit report OR
 - Appendix to audit report OR
 - Specific reference of website appropriate.

શ્રી સાબંગપુર ધામ
Dt: / / Pg.no.:

- ⑨ Other Reporting Responsibilities
- ⑩ Signature of the auditor
- ⑪ Auditor's Address
- ⑫ Date of the Auditor's Report

SA 710: Comparative Information - Corresponding figures and Comparative financial Statements

Audit Procedures to be performed

- ① CI - agrees with - prior period Clo. balance correctly clt
- ② Accounting policy - consistent, if change - properly presenting & disclosed.

CI

CF

Diff Pg 11.27

CFs

Diff Pg 11.28

Reporting Responsibility

Auditor's Opinion refers to General Rule
Current period ONLY

Exceptions:

- ① If the auditor's opinion on PFY had modified opinion.
- ② If material misstatement existed in prior period.
- ③ Prior period financial statement not audited.

Reporting Responsibility

Auditor's Opinion refers to each period ~~from~~ for which financial statements are presented

પ્રભુનું ભજન કરો એ જ સાચું છે. - પ.પૂ. અથાણાવાળા સ્વામી

॥ ઐ નમો હનુમતે ભયભંજનાય સુખં કરું ફટ સ્વાહા ॥