

OVERVIEW OF ASSURANCE STANDARDS



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APPLICABILITY

- **Every CA performing assurance practice have to comply with Technical Standards**
- **Audit & Assurance Standards are also Technical Standards**
- **With effect from 1st April 2008 Auditing and Assurance Standards (AAS) have been re-classified**
- **Gets a big push by Companies Act 2013**




COMPANIES ACT 2013

- **2 (7)** - “auditing standards” means the standards of auditing or any addendum thereto for companies or class of companies referred to in s. 143 (10)
- **132(1)(a)** – NFRA to recommend to CG –
 - auditing policies and standards for adoption by companies or class of companies or their auditors, as the case may be.
 - to monitor and enforce these standards
 - oversee the quality of service of the professions associated with ensuring compliance with such standards
- **143(2)**-auditor to ensure compliance while issuing report
- **143(9)** - Auditor to comply with the auditing standards
- **143(10)** – CG to prescribe SAs – till notification ICAI

NO. OF STANDARDS

Type of Standards	Numerical Series	No. of Standard
Standards on Quality Control (SQC)	01-99	1
Standards on Auditing (SA)	100-999	37
Standards on Review Engagements (SRE)	2000-2699	2
Standards on Assurance Engagements (SAE)	3000-3699	2
Standards on Related Services (SRS)	4000-4699	2
Standards on Internal Audit (SIA)		18

SQC

- **Only 1 - Quality control for Firms that perform Audits and Reviews of Historical Financial Information, & Other Assurance and related Services Engagements**
 - **Mandatory - for all engagements relating to accounting periods beginning on/after 1.4.09**
 - **Objective - To provide guidance regarding a firm's responsibilities for its system of quality control for:**
 - **Audits of historical financial information**
 - **Reviews of historical financial information**
 - **For other assurance**
 - **For related services engagements**
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STANDARDS ON AUDITING

SA. No.	Sub-division	No.
100-199	Introductory Matters	0
200-299	General Principles & Responsibilities	9
300-499	Risk Assessment and Response to Assessed Risks	6
500-599	Audit Evidence	11
600-699	Using Work of Others	3
700-799	Audit Conclusions and Reporting	5
800-899	Specialized Areas	3

GENERAL PRINCIPLES & RESPONSIBILITIES

SA. No.	Sub-division
200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
210	Agreeing the terms of Audit Engagement
220	Quality Control for an Audit of Financial Statements
230	Audit Documentation
240	The Auditor's Responsibility to consider Fraud in an Audit of Financial Statements
250	Consideration of Laws and regulations in an Audit of Financial Statements
260	Communications with Those Charged with Governance
265	Communicating Deficiencies in Internal Control
299	Responsibility of Joint auditors

RISK ASSESSMENT & RESPONSE TO ASSESSED RISKS

SA. No.	Sub-division
300	Planning an Audit of Financial Statements
315	Identifying and assessing the Risks of Material Misstatement through understanding the entity and its Environment
320	Materiality in Planning and Performing an Audit
330	The Auditor's Response to Assessed Risks
402	Audit consideration relating to entities using Service Organisations
450	Evaluation of Misstatements identified during the Audit

AUDIT EVIDENCE

SA. No.	Sub-division
500	Audit Evidence
501	Audit Evidence – Specific Considerations for Selected Items”
505	External Confirmations
510	Initial Engagements – Opening Balances
520	Analytical Procedures
530	Audit Sampling
540	Auditing accounting estimates, including Fair Value Accounting estimates, and related disclosures

AUDIT EVIDENCE

SA. No.	Sub-division
550	Related Parties
560	Subsequent Events
570	Going Concern
580	Written Representations



USING WORK OF OTHERS

SA. No.	Sub-division
600	Using the Work of Another Auditor
610	Using the Work of Internal Auditors
620	Using the Work of an Auditor's Expert



AUDIT CONCLUSIONS AND REPORTING

SA. No.	Sub-division
700	Forming an Opinion and Reporting on Financial Statements
705	Modifications to the Opinion in the Independent Auditor's Report
706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor
710	Comparative Information—Corresponding Figures and Comparative Financial Statements
720	The Auditor's Responsibility in relation to other information in Documents containing Audited Financial Statements

SPECIALIZED AREAS

SA. No.	Sub-division
800	Audits of Financial Statements Prepared in Accordance with Special Purpose Framework
805	Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
810	Engagements to Report on Summary Financial Statements

STANDARDS ON REVIEW ENGAGEMENTS

SRE No.	Sub-division
2400	Engagements to Review Financial Statements
2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity



STANDARDS ON ASSURANCE ENGAGEMENTS

SRE No.	Sub-division
3400	The Examination of Prospective Financial Information
3402	Assurance Reports on Controls At a Service Organisation



STANDARDS ON RELATED SERVICES

SRE No.	Sub-division
4400	Engagements to Perform Agreed-upon Procedures regarding Financial Information
4410	Engagements to Compile Financial Information



STANDARDS ON INTERNAL AUDIT

SIA No.	Standard
1	Planning an Internal Audit
2	Basic Principles Governing Internal Audit
3	Documentation
4	Reporting
5	Sampling
6	Analytical Procedures
7	Quality Assurance in Internal Audit
8	Terms of Internal Audit Engagement
9	Communication with Management

STANDARDS ON INTERNAL AUDIT

S No.	Standard
10	Internal Audit Evidence
11	Consideration of Fraud in an Internal Audit
12	Internal Control Evaluation
13	Enterprise Risk Management
14	Internal Audit in an Information Technology Environment
15	Knowledge of the Entity & its Environment
16	Using the Work of an Expert
17	Consideration of Laws and Regulations in an Internal Audit
18	Related Parties

DOCUMENTATION

- **Work not documented is work not done.**
- **Have a checklist, tell articles to cross verify**
- **Seniors to cross verify**
- **Take necessary certificates / representation from management**
- **External Confirmations**
- **Comply with SAs**



**THANK
YOU**

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