



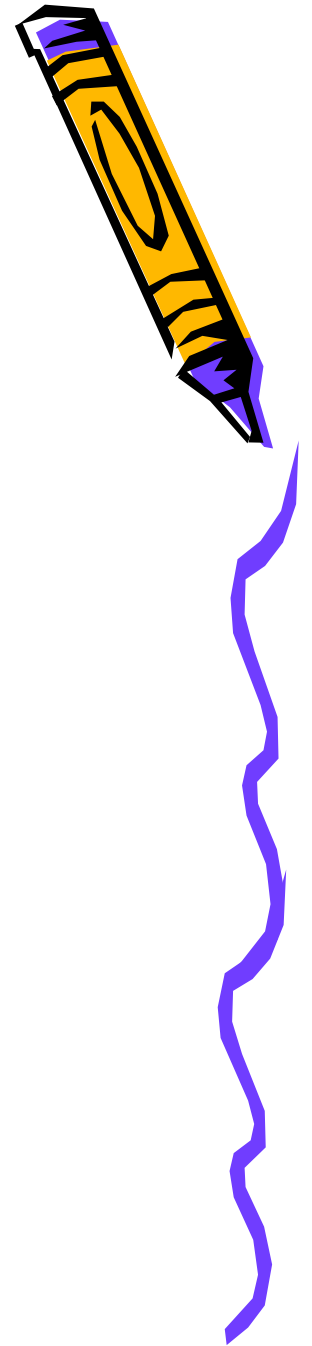
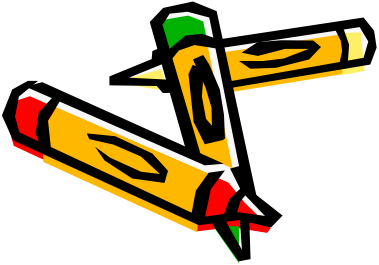
Audit Planning

By
Prasanna Tambe
Chartered Accountant



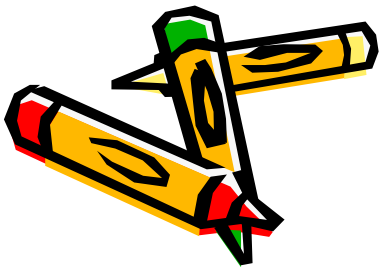
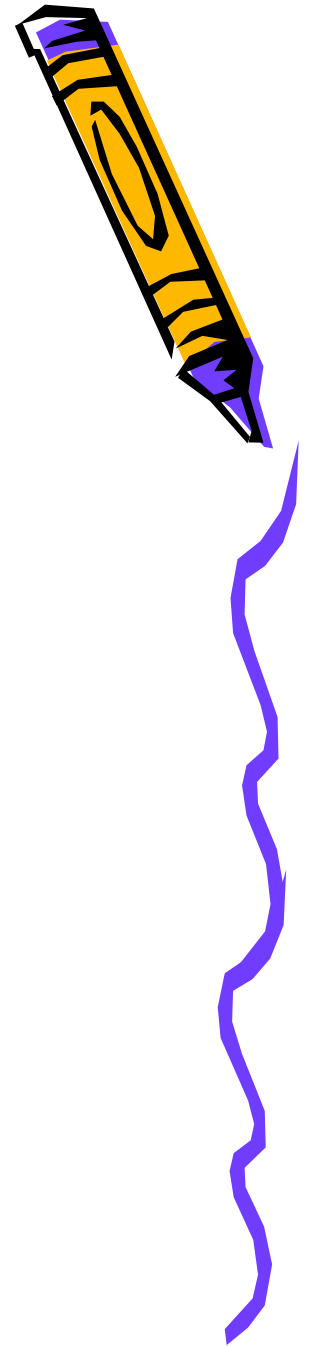
Audit Process- an Overview

- Pre audit evidence
- Audit plan to gather evidence
- Audit evidence
- Audit techniques
- Audit procedures
- Audit papers
- Audit report



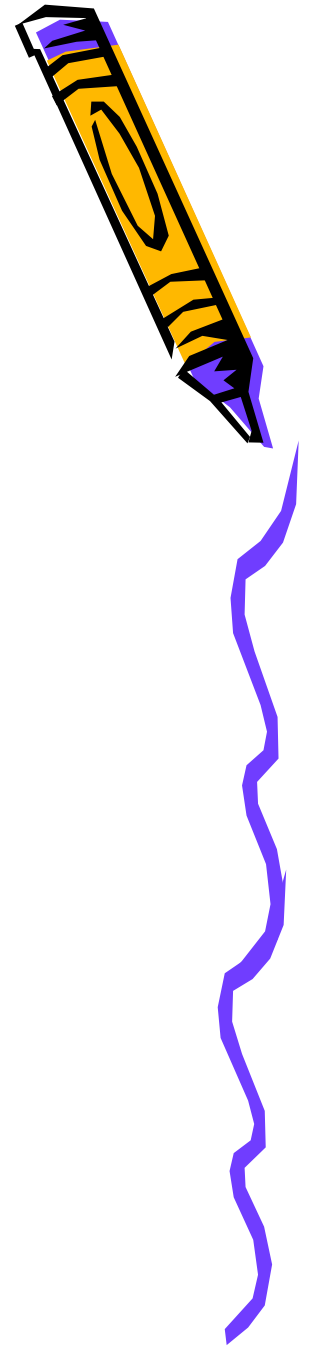
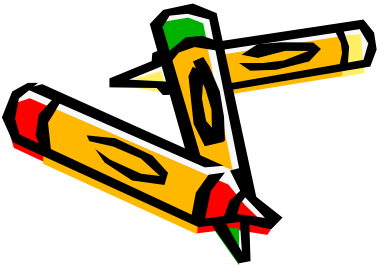
Pre audit planning

- Type of audit
- Documents from client AUDIT
PLANNING.docx



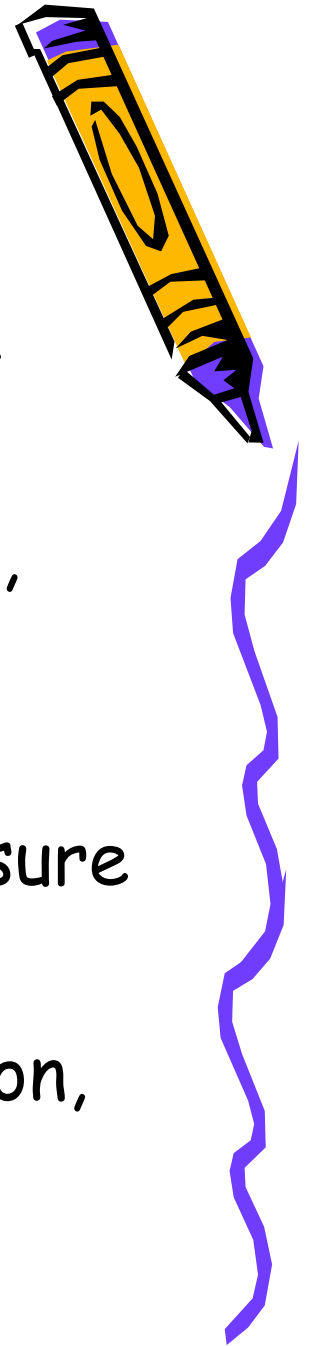
Audit Programme

- Client & accounting year
- Audit procedures
- Allocation of audit work
- Time table
- Fixed & flexible audit programs
- Advantages & dis-advantages



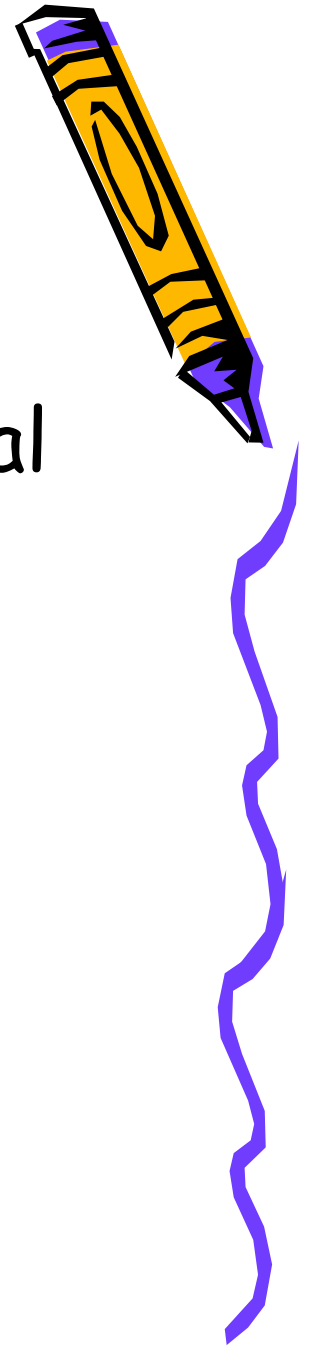
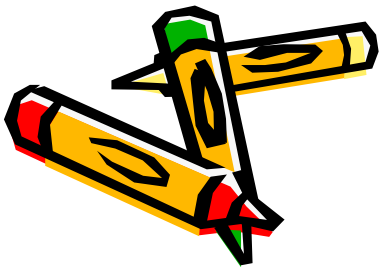
Audit Evidence

- Sufficient, relevant & reliable evidence
- External & internal evidence
- Internal controls- Existence, Effective, Operative
- Transactions during the year-
Occurrence, Complete, Amount., Disclosure
- Balances of assets & liabilities-
Existence, Rights & obligations, Valuation, Disclosure



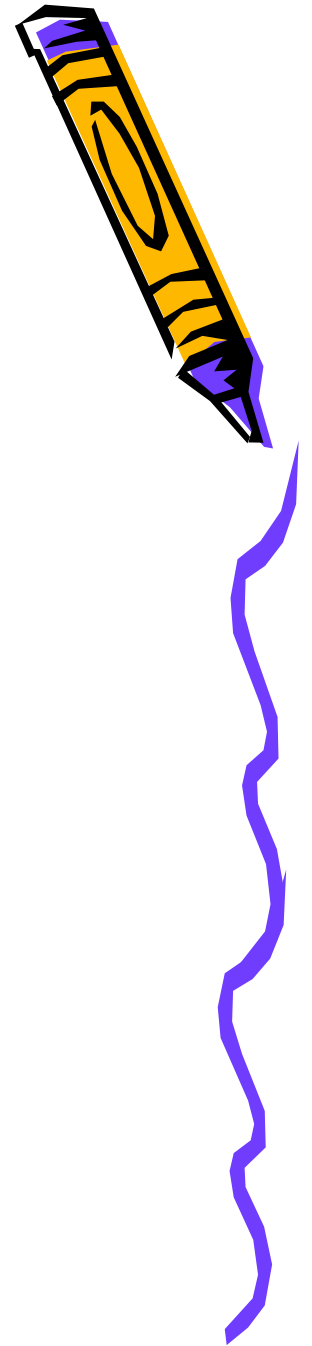
Audit Procedures - Steps to obtain evidence

- Compliance procedures for Internal controls
- Substantive procedures for
 - ✓ transactions during the year
 - ✓ balances of assets / liabilities



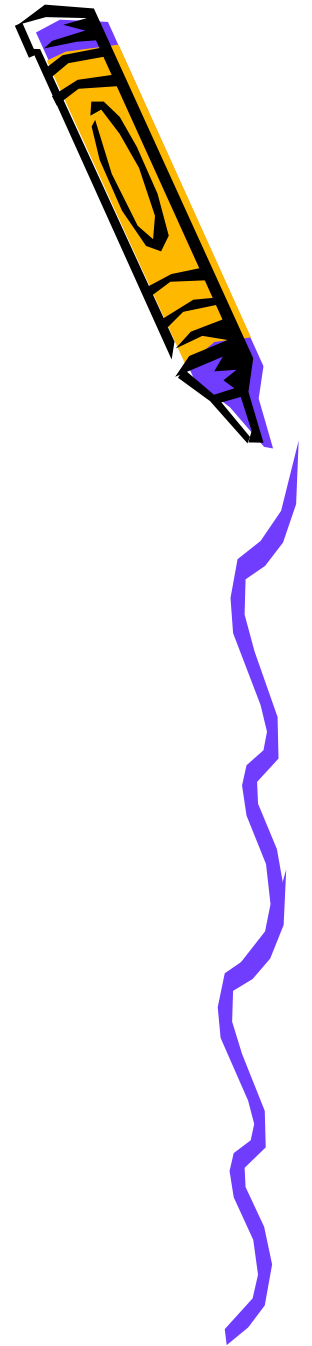
Substantive procedures

- Vouching
- Posting
- Casting
- Ledger scrutiny
- Verification of balances
- Grouping & disclosure



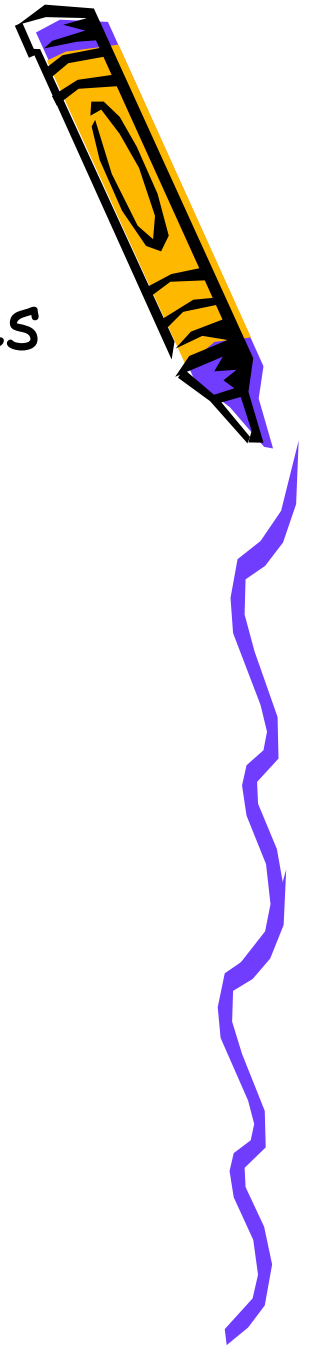
Audit Techniques or Methods

- Inspection
- Observation
- Inquiry
- Confirmation
- Computations & calculations
- Analytical review



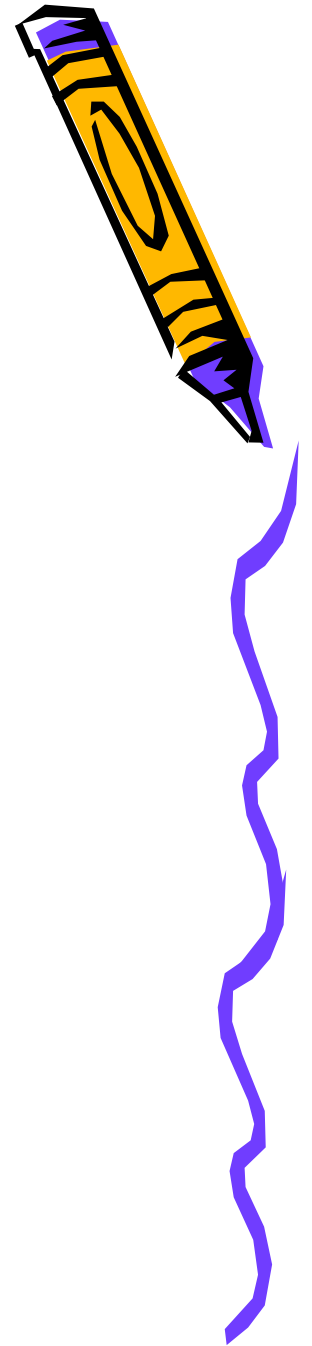
Audit working papers

- Include record of audit plan, procedures performed & conclusions
- Importance of working papers
 - ✓ Basis of report
 - ✓ Compliance with SA
 - ✓ Planning & performing audit
 - ✓ Direct, supervise & review
 - ✓ Record evidence
 - ✓ Inspection
 - ✓ Accountability
 - ✓ Evidence in courts



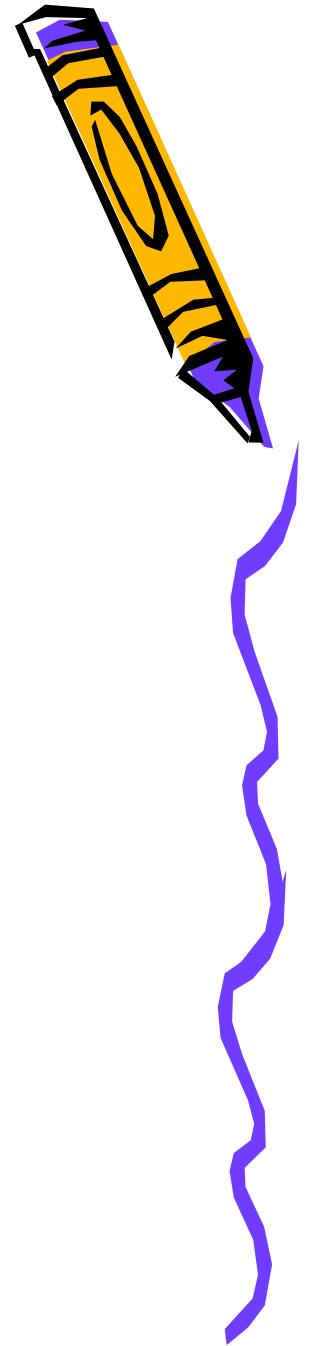
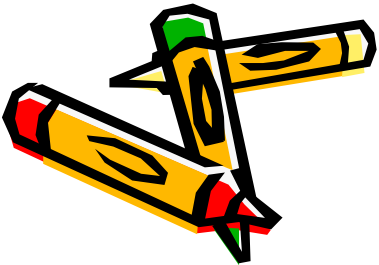
Audit Files

- Permanent audit file
 - ✓ MOA, AOA
 - ✓ Evaluation of internal controls
 - ✓ Accounting policies & systems
 - ✓ Audited accounts, ratios of earlier years
 - ✓ Letters to management
 - ✓ Communication with previous auditor
 - ✓ Notes on discussions with clients



Current audit file

- Letter of appointment
- Pre-commencement documents
- Audit plan & audit programme
- Audit procedures performed, queries, observations, responses
- Review of senior auditor
- Communication with joint auditors, branch auditors, experts, client
- Extracts of minutes etc
- Confirmation letters
- Accounts with schedules etc
- Management representation letter



Thank You

