Test Series: March, 2016

MOCK TEST PAPER – 2

FINAL COURSE: GROUP – I

PAPER – 3: ADVANCED AUDITING AND PROFESSIONAL ETHICS

SUGGESTED ANSWERS/HINTS

1. (a) As per SA 501 "Audit Evidence – Additional Considerations for Specific Items", the auditor should perform audit procedures, designed to obtain sufficient appropriate audit evidence during his attendance at physical inventory counting. SA 501 is additional guidance to that contained in SA 500, "Audit Evidence", with respect to certain specific financial statement amounts and other disclosures.

If the auditor is unable to be present at the physical inventory count on the date planned due to unforeseen circumstances, the auditor should take or observe some physical counts on an alternative date and where necessary, perform alternative audit procedures to assess whether the changes in inventory between the date of physical count and the period end date are correctly recorded. The auditor would also verify the procedure adopted, treatment given for the discrepancies noticed during the physical count. The auditor would also ensure that appropriate cut off procedures were followed by the management. He should also get management's written representation on (a) the completeness of information provided regarding the inventory, and (b) assurance with regard to adherence to laid down procedures for physical inventory count.

By following the above procedure it will be ensured that the physical verification conducted by the management was in order.

(b) As per SA 510 "Initial Audit Engagements—Opening Balances", in conducting an initial audit engagement, the objective of the auditor with respect to opening balances is to obtain sufficient appropriate audit evidence about whether:

(i) Opening balances contain misstatements that materially affect the current period's financial statements; and

(ii) Appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements, or changes thereto are properly accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.

Being new assignment audit evidence regarding opening balances can be obtained by perusing the copies of the audited financial statements.

For current assets and liabilities some audit evidence can ordinarily be obtained as part of audit procedures during the current period. For example, the collection/payment of opening balances of receivables and payables will provide audit evidence as to their existence, rights and obligations, completeness and valuation at the beginning of the period.

In respect of other assets and liabilities such as fixed assets, investments long term debt, the auditor will examine the records relating to opening balances. The auditor may also be able to get confirmation from third parties (e.g., balances of long term loan obtained from banks).

(c) External Confirmation: This is a case of external confirmation, covered by SA 505 "External Confirmations". The identities of trade payables are not traceable to confirm the credit balance as appearing in the financial statement of the company. It is also not a case of pending litigation.

It might be a case that an income of Rs. 5 lakhs had been hidden in previous year/s. The statutory auditor should examine the validity of the credit balance as appeared in the company's financial statements. He should obtain sufficient evidence in support of the balance. He should apply alternative audit procedures to get documentary proof for the transaction/s and should not rely entirely on the management representation. Finally, he should include the matter by way of a qualification in his audit report to the members.

(d) Validity of Written Representation: The physical verification of stock is the primary responsibility of the management. The auditor, however, is required to examine the verification programme adopted by the management. He must satisfy himself about the existence and valuation of stock. In the case of Moon Pvt. Ltd., the auditor has not been able to verify the existence and value of certain stock despite the verification procedure followed in routine audit. He accepted the certificate given to him by the management without making any further enquiry.

As per SA 580 "Written Representations", when representation relate to matters which are material to the financial information, then the auditor should seek corroborative audit evidence for other sources inside or outside the entity.

He should evaluate whether such representations are reasonable and consistent with other evidences and should consider whether individuals making such representations can be expected to be well informed on the matter. "Written Representations" cannot be a substitute for other audit evidence that the auditor could reasonably expect to be available.

If the auditor is unable to obtain sufficient appropriate audit evidence that he believes would be available regarding a matter, which has or may have a material effect on the financial information, this will constitute a limitation on the scope of his examination even if he has obtained a representation from management on the matter. Therefore, the approach adopted by the auditor is not tenable.

2. (a) Basic Accounting Control Objectives: The basic accounting control objectives which are sought to be achieved by any accounting control system are-

   (i) Whether all transactions are recorded;

   (ii) Whether recorded transactions are real;

   (iii) Whether all recorded transactions are properly valued;

   (iv) Whether all transactions are recorded timely;

   (v) Whether all transactions are properly posted;

   (vi) Whether all transactions are properly classified and disclosed;

   (vii) Whether all transactions are properly summarized.

(b) Holding of Shares by Relative of Partner: As per section 141(3)(d)(i) of the Companies Act, 2013, a person shall not be eligible for appointment as an auditor of a company, who, or his relative or partner is holding any security of or interest in the company or its subsidiary, or of its holding or associate company or a subsidiary of such holding company. However, as per proviso to this section, the relative of the auditor may hold the securities or interest in the company of face value not exceeding of Rs. 1,00,000.

In the instant case, M/s RM & Co. is an audit firm having partners CA. R and CA. M. Mr. Bee is a relative of CA. R and he is holding shares of Enn Ltd. of face value of Rs. 50,000 only (5,000 shares x Rs. 10 per share).

Therefore, M/s RM & Co. is not disqualified for appointment as an auditors of Enn Ltd. as the relative of CA. R is holding the securities in Enn Ltd. which is within the limit mentioned in proviso to section 141(3)(d)(i) of the Companies Act, 2013.

(c) Reporting of Fraud by Cost Accountant: As per section 143(12) of the Companies Act, 2013, if an auditor of a company, in the course of the performance of his duties as auditor, has reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Central Government within 60 days of his knowledge and after following the prescribed procedure.

It may be noted that the provisions related to reporting of fraud shall also apply, *mutatis mutandis*, to a cost accountant in practice conducting cost audit under section 148 of the Companies Act, 2013. And, if the auditor does not comply with the provisions of sub-section (12) of section 143, he shall be punishable with fine.

In the given case, Mr. Suresh, the cost auditor of RX Ltd., found misstatement resulting into fraud committed by the officers of the company. However, he did not report the same.

In this context, Mr. Suresh is advised to report the matter to the Central Government after following prescribed procedure as the provisions related to reporting of fraud are *mutatis mutandis* applicable to a cost accountant in practice conducting the cost audit.

(d) **Characteristics of an Effective Computer Audit Program System:** Normally, the computer audit program developed for general purposes shall have to be customised according to needs of the organisation. However, an examination of following features is necessary to ensure that it is effective-

(i) **Simplicity**: The system should be simple to use and eliminate the need for remembering countless details normally required in writing or revising computer programs.

(ii) **Understandability**: The system should be readily understandable by members of the audit staff, even those with little computer expertise. The capabilities of the system should be known and it should be easy to use. Coding forms provided should not be difficult to understand.

(iii) **Adaptability**: The system should be capable of writing computer audit programs for the various types of computers used in the company or expected to be acquired. Thus the package will be usable if the equipment is changed in the future.

(iv) **Vendor technical support**: In considering the types of package to be acquired, it is important that the vendor provides adequate support. This includes assisting in the initial installation and providing adequate documentation. In addition, training provided for the audit staff is important. Also, maintenance service should be furnished, and provision made for future revisions in the programs.

(v) **Statistical sampling capability**: Since statistical sampling is an important application in auditing, the package should be able to perform the various statistical routines. This should include the selection of items on a random basis, determination of sample size, and evaluation of results at different confidence levels. In addition to simple random sampling and stratified sampling, it should have routines for more complex sampling such as cluster and multistage sampling.

(vi) **Acceptability**: The system should be acceptable to both the auditors and to computer centres. For the auditors the programs should be easily carried to the site and practical to use. For the computer centre the programs should be compatible with the system and be capable of minimum interference with normal routines.

(vii) **Processing Capabilities**: The package should be able to process many different types of applications. For example, it should accept all common file media and process multiple file input. It should have the capability for extended data selection and stratification. It should have the ability to operate under multiprogramming situations. It should have powerful, generalized audit commands.

(viii) Report Writing: The package should have a strong report writing function. This should include the ability to prepare multiple reports in a single program run and to generate flexible output report formats.

3. (a) Reporting of "Loan to Related Party": As per AS 18 "Related Party Disclosures", related party transaction means a transfer of resources or obligations between related parties, regardless of whether or not a price is charged. According to this AS, in the case of related party transactions, the reporting enterprise should disclose the following-

(i) the name of the transacting related party;

(ii) a description of the relationship between the parties;

(iii) a description of the nature of transactions;

(iv) volume of the transactions either as an amount or as an appropriate proportion;

(v) any other elements of the related party transactions necessary for an understanding of the financial statements;

(vi) the amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date; and

(vii) amounts written off or written back in the period in respect of debts due from or to related parties.

Additionally, the auditor is required to report on certain matters specified in Para 3 of CARO, 2015 under section 143(11) of the Companies Act, 2013. As per clause (iii) of Para 3 of CARO, 2015, if the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, the auditor is required to report-

(a) whether receipt of the principal amount and interest are also regular; and

(b) if overdue amount is more than Rs. 1 lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest.

In the instant case, Amar Pvt. Ltd. has granted a loan of Rs. 22 crores to its associate Prem Pvt. Ltd. and it remain outstanding at the year end. The case is squarely covered by AS 18.

Further, SA 550 on "Related Parties" also prescribes the auditor's responsibilities and audit procedures regarding related party transactions.

Therefore, the auditor should insist to make proper disclosure as per the AS and report as per CARO, 2015. If management refuses, the auditor shall have to modify his report.

(b) Consolidation of Financial Statement: AS 21 "Consolidated Financial Statements", states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the shares are acquired and held exclusively with a view to its subsequent disposal in the near future.

Where an enterprise owns majority of voting power by virtue of ownership of the shares of another enterprise and all the shares held as 'stock-in-trade' are acquired and held exclusively with a view to their subsequent disposal in the near future, the control by the first mentioned enterprise would be considered temporary and the investments in such subsidiaries should be accounted for in accordance with AS 13 "Accounting for Investments".

However, as per section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, where a company having subsidiary, which is not required to prepare consolidated financial statements under the Accounting Standards, it shall be sufficient if the company complies with the provisions on consolidated financial statements provided in Schedule III to the Companies Act.

In this case, Ajanta Ltd's intention is to dispose off the shares in the near future as shares are being held as 'stock in trade' and it is quite clear that the control is temporary, however for the compliance of provisions related to consolidation of financial statements given under the section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, Ajanta Ltd. is required to consolidate the financial statements as per the provisions on consolidated financial statements provided in Schedule III to the Companies Act.

(c) Referral Fee from Lawyer: According to Clause (2) of Part II of First Schedule to the Chartered Accountant Act, 1949, a member of the Institute (other than a member in practice) shall be guilty of professional misconduct, if he being an employee of any company, firm or person accepts or agrees to accept any part of fee, profits or gains from a lawyer, a chartered accountant or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification.

The member would be guilty of misconduct regardless of the fact that he was in whole-time or part-time employment or that he was holding Certificate of Practice along with his employment.

In the present case, CA. X who besides holding a CoP, is also an employee and by referring a lawyer to the company in respect of some case, he receives a particular sum of fee by way of gratification from the lawyer out of his professional fee.

Therefore, CA. X will be held guilty of professional misconduct by virtue of Clause (2) of Part II of First Schedule to the said Act.

4. (a) **SEBI to Levy Monetary Fines And Penalties:** SEBI Act, 1992 empowers SEBI to levy monetary fines and penalties on any person incurring a default under the Act in the following cases-

(i) failure to furnish any document, information, books, other documents, return or report called for by the Board;

(ii) failure to maintain books of accounts and records;

(iii) failure by an intermediary to enter into an agreement with his client, redress the grievances of investors;

(iv) failure by a person sponsoring or carrying on any collective investment scheme, including mutual funds, without obtaining certificate of registration,;

(v) failure by a stock broker to issue contract notes in the form and manner specified by the stock exchange, failure to deliver any security or failure to make payment of the amount due to the investor, charging of excess brokerage;

(vi) any person dealing, communicating, counselling on the basis of some price sensitive information;

(vii) failure by a person to disclose the aggregate of his shareholding in a body corporate before he acquires any shares of that body corporate and failure to make a public announcement to acquire shares at a minimum price in case of takeovers.

(b) (i) **Borrowings in Cash:** Clause 31(a) requires reporting in case the loan or deposit was taken or accepted during the previous year otherwise than by an account payee cheque or an account payee bank draft for an amount exceeding the limit specified in section 269SS. Under Clause 31(b), the tax auditor has to state the particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T.

In addition, as per Clause 31(c), the tax auditor has to state whether the taking or accepting loan or deposit, or repayment of the same were made by account payee cheque drawn on a bank or account payee bank draft based on the examination of books of account and other relevant documents. Furthermore, the tax auditor has the responsibility to verify the compliance with the provisions of section 269SS and 269T of the Income Tax Act.

Therefore, in the present case, where the assessee has borrowed Rs. 50 Lakhs by way of cash and some of them by way of Account payee cheque/ draft, needs to be verified and to be reported in compliance with Clause 31 of Form 3CD.

(ii) **Payment of Rent:** A tax auditor has to report under Clause 23 of Form 3CD which deals with the particulars of payments made to persons specified under section 40A(2)(b) of the Income Tax Act, 1961. Where the assessee is an individual, the specified persons include any relative of the assessee (i.e. Husband, Wife, Brother, Sister or any other Lineal Ascendant or Descendant).

In the present case, an assessee has paid rent to his brother Rs. 2,50,000 which may be disallowed if, in the opinion of the Assessing Officer, such expenditure is excessive or unreasonable having regard to:

(1) the fair market value of the goods, services or facilities for which the payment is made; or

(2) for the legitimate needs of business or profession of the assessee; or

(3) the benefit derived by or accruing to the assessee from such expenditure.

Hence, this fact needs to be reported in the Tax Audit Report accordingly.

(c) **In respect of Telegraphic Transfers and Demand Drafts, the audit assistant would be given the following guidance-**

(i) The bank should have a reliable private code known only to responsible officers of its branches, coding and decoding of telegrams should be done only by such officers.

(ii) The signatures on a demand draft should be checked by an officer with the Signature Book.

(iii) All the T.Ts and D.Ds. sold by a branch should be immediately confirmed by the advices to the branches concerned.

(iv) If the paying branch does not receive proper confirmation of any T.T. or D.D. from the issuing branch or does not receive credit in its account with that branch, it should take immediate steps to ascertain the reasons.

5. (a) **Failure to Communicate with the Previous Auditor in Writing:** As per Clause (8) of Part I of First Schedule to the Chartered Accountants Act, 1949, a chartered accountant in practice is deemed to be guilty of professional misconduct if he accepts a position as auditor previously held by another chartered accountant or a certified auditor who has been issued certificate under the Restricted Certificates Rules 1932, without first communicating with him in writing.

In the instant case, M/s CD & Co. accepted the audit under State Level VAT Act, carried out by M/s AB & Co., another firm of chartered accountants, in the previous year. The current auditor communicated their appointment over phone i.e. no written communication held.

A communication in writing is mandatory requirement for all types of audit, if the previous auditor is a chartered accountant. Hence, the firm would be held guilty of professional misconduct under Clause (8) of Part I of First Schedule to the Chartered Accountants Act, 1949.

(b) Applicability of Provisions of Internal Audit: As per section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, every private company having turnover of Rs. 200 crore or more during the preceding financial year shall be required to appoint an internal auditor or a firm of internal auditors.

In the given case, Incentivise Pvt. Ltd. is a private company having turnover of Rs. 210 crore during the previous financial year which is under the prescribed limit for applicability of provisions related to internal audit. Although the turnover of the current financial year has been decreased, the turnover for the preceding financial year was more than Rs. 200 crore which is the requirement of the section as mentioned above.

Hence, Incentivise Pvt. Ltd. has the statutory liability to appoint an internal auditor and mandatorily conduct internal audit.

(c) Advantages of Cost Audit to Government: Cost Audit will be advantageous to the Government in the following manner-

(i) Where the Government enters into a cost-plus contract, cost audit helps government to fix the price of the contract at a reasonable level.

(ii) Cost audit helps in the fixation of ceiling prices of essential commodities and thus undue profiteering is checked.

(iii) Cost audit enables the government to focus its attention on inefficient units.

(iv) Cost audit enables the government to decide in favour of giving protection to certain industries.

(v) Cost audit facilitates settlement of trade disputes brought to the government.

(vi) Cost audit and consequent management action can create a healthy competition among the various units in an industry. This imposes an automatic check on inflation.

(d) Factors to be considered in Assessing Future Maintainable Sales: In assessing the sales which the business would be able to maintain in the future, the following factors should be taken into account-

(i) Trend: Whether in the past, sales have been increasing consistently or they have been fluctuating. A proper study of this phenomenon should be made.

(ii) Marketability: Is it possible to extend the sales into new markets or that these have been fully exploited? Product wise estimation should be made.

(iii) Political and economic considerations: Are the policies pursued by the Government likely to promote the extension of the market for goods to other countries? Whether the sales in the home market are likely to increase or decrease as a result of various emerging economic trends?

(iv) Competition: What is the likely effect on the business if other manufacturers enter the same field or if products which would sell in competition are placed on the market at cheaper price? Is the demand for competing products increasing? Is the company's share in the total trade constant or has it been fluctuating?

6. (a) Areas to be Examined: The areas covered in comprehensive audit will naturally vary from enterprise to enterprise depending on the nature of the enterprise, its objectives and operations. Some of the broad areas are listed below-

- Comparison of overall capital cost of the project with the approved planned costs.
- Production or operational outputs *vis-à-vis* under-utilisation of the installed capacity.
- Systems of project formulation and implementation.
- Planned rate of return.
- Cost control measures.
- Research and development programmes.
- System of repairs and maintenance.
- Adequate purchase policies.
- Effective and economical procedures.
- Project planning.
- Undue waste, unproductive time for men and machines, wasteful utilisation or even non-utilisation of resources.

(b) Engaging into Business/Profession Other Than the Profession of CA: As per Clause (11) of Part I of First Schedule to the Chartered Accountants Act, 1949, a Chartered Accountant in Practice is deemed to be guilty of professional misconduct if he engages in any business or occupation other than the profession of Chartered Accountant unless permitted by the Council so to engage.

Further, the Chartered Accountants Regulation, 1988 provides that a Chartered Accountant in practice shall not engage in any other business or occupation other than the profession of accountancy except with the permission granted in accordance with a resolution of the Council. According to the same, general permission has been granted for authorship of books and articles.

In the given case, CA. Preeti has written a cookery book without obtaining specific or prior approval of the Council.

On this context, it may be noted that no specific permission is required to be obtained for authorship of books and articles. Therefore, CA. Preeti would not be held guilty of professional misconduct under Clause (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

(c) Special Points in the Audit of Equipment Leasing Finance Company: The auditor should-

(i) Ascertain whether the Non Banking Financial Companies (NBFC) has an adequate appraisal system for extending equipment leasing finance.

(ii) Verify whether there is an adequate system in place for ensuring installation of assets and their periodical physical verification. In some major transactions, arrange for physical verification of the leased assets so as to dispel any doubts that equipment leasing finance was not extended without the corresponding assets being created.

(iii) Ascertain that the NBFC has an adequate system for monitoring whether the assets have been adequately insured against and regular maintenance of the leased asset is being carried out by the lessee.

(iv) Verify the lease agreement entered into with the lessee in respect of the equipment given on lease.

(v) Verify whether the Accounting Standard issued by the Institute of Chartered Accountants of India in respect of "Accounting for Lease" has been compulsorily followed.

(d) Soliciting Clients: As per Clause (6) of Part I of First Schedule to the Chartered Accountants Act, 1949, a Chartered Accountant in practice is deemed to be guilty of professional misconduct if he solicits clients or professional work either directly or indirectly by circular, advertisement, personal communication or interview or by any other means except applying or requesting for or inviting or securing professional work from another chartered accountant in practice and responding to tenders.

Further, section 140(4)(iii) of the Companies Act, 2013, provides a right, to the retiring auditor, to make representation in writing to the company. The retiring auditor has the right for his representation to be circulated among the members of the company and to be read out at the meeting. However, the content of letter should be set out in a dignified manner how he has been acting independently and conscientiously through the term of his office and may, in addition, indicate, if he so chooses, his willingness to continue as auditor, if re-appointed by the shareholders.

Thus, the incorporation as an independent professional, made by CA. Modish, while submitting representation under section 140(4)(iii) of the Companies Act, 2013 and indication of willingness to continue as an auditor if re-appointed by shareholders, does not leads to solicitation.

Therefore, CA. Modish will not be held guilty for professional misconduct under Clause (6) of Part I of First Schedule to the Chartered Accountants Act, 1949.

7. (a) **Restriction on Shareholding in a Co-operative Society:** According to section 5 of the Co-operative Societies Act, 1912 (Central Act), in the case of a society where the liability of a member of the society is limited, no member of a society other than a registered society can hold such portion of the share capital of the society as would exceed a maximum of twenty percent of the total number of shares or of the value of shareholding to Rs. 1,000. The auditor of a co-operative society will be concerned with this provision so as to watch any breach relating to holding of shares. One should also watch whether any provision in the bye-laws of the society is not contrary to this statutory position. The State Acts may provide limits as to the shareholding, other than that provided in the Central Act.

(b) **Audit Programme for Verification of Transportation Charges:**

(i) Check rates contracted with transporters for carriage of goods.

(ii) Check whether the rates mentioned as per the contract are correctly taken in the transporter's Invoice.

(iii) In case of discrepancy, check whether the same is authorized by the appropriate sanctioning authority.

(iv) Check that the transporter's invoice includes a delivery challan which has customers stamp indicating the receipt of goods.

(v) In case there is no stamp on the delivery challan, check whether the goods are received back and there is a corresponding inward note.

(vi) Check whether all the goods to be dispatched have a transport booking order reference.

(vii) Check whether each transporter's invoice mentions the transport booking order reference.

(viii) Check whether all the transport booking orders have corresponding transporters names.

(ix) Check whether the transport booking orders are pre-numbered.

(x) Check whether all the invoices are correctly booked in the books of accounts.

(xi) In case there is an additional charge by the transporter due to extra carriage, check for the relevant supporting (like material Inward Note/Customer Rejection Note) and necessary authorization by the sanctioning authority.

(xii) Check whether service-tax on the transporters is correctly calculated and accounted.

(xiii) Verify that there is a mechanism for linking all the Transport Bills to the sale invoices.

(c) Hoarding Advertisement Expenses: The following would be the usual evidence to justify the expenditure-

(i) Copy of Resolution passed by the Company authorizing expenditure.

(ii) Examination of Quotations received from various advertising agencies.

(iii) Permission letter from the Municipal authorities.

(iv) Copies of contracts with advertising agencies.

(v) Bill/Invoice from advertising agency to ensure that rates charged for different types of advertisement are as per contract.

(vi) Receipts issued by the advertising agencies.

(d) Mandatory Review Areas of the Audit Committee as per Clause 49: The Audit Committee shall mandatorily review the following information as per Clause 49 of the Listing Agreement-

(i) Management discussion and analysis of financial condition and results of operations;

(ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

(iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(iv) Internal audit reports relating to internal control weaknesses; and

(v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

(e) Technical, Ethical and Professional Standards as per Statement on Peer Review: As per the Statement, Technical, Professional and Ethical Standards means-

1. Accounting Standards issued by ICAI and/ or prescribed and notified by the Central Government of India;

2. Standards issued by the Institute of Chartered Accountants of India including-

   (i) Engagement standards

   (ii) Statements

   (iii) Guidance notes

   (iv) Standards on Internal Audit

   (v) Statements on Quality Control

   (vi) Notifications/ Directions/ Announcements/ Guidelines/ Pronouncements/ Professional standards issued from time to time by the Council or any of its committees.

3. Framework for the Preparation and presentation of financial statements, framework of statements and Standard on Auditing, Standard on Assurance Engagements, Standards on Quality Control and Guidance Notes on related services issued, from time to time, by the Institute of Chartered Accountants of India and framework for assurance engagements;
4. Provisions of the various relevant statutes and/ or regulations which are applicable in the context of the specific engagements being reviewed including instructions, guidelines, notifications, directions issued by regulatory bodies as covered in the scope of assurance engagements.