

STANDARDS ON AUDITING

Brief Background

- I.** The Standards [earlier, Auditing and Assurance Standards] issued by the Auditing and Assurance Standards Board, under the authority of the Council, are collectively known as the Engagement Standards and are categorized as —
- (1) Standards on Auditing (**SA**s) are for applications in the audit of historical financial information :
- (i) SA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
 - (ii) SA 210 Agreeing the Terms of Audit Engagements
 - (iii) SA 220 Quality Control for an Audit of Financial Statements
 - (iv) SA 230 Audit Documentation
 - (v) SA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
 - (vi) SA 250 Consideration of Laws and Regulations in an Audit of Financial Statements
 - (vii) SA 260 Communication with Those Charged with Governance
 - (viii) SA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
 - (ix) SA 299 Responsibility of Joint Auditors
 - (x) SA 300 Planning an Audit of Financial Statements
 - (xi) SA 315 Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment
 - (xii) SA 320 Materiality in Planning and Performing an Audit
 - (xiii) SA 330 The Auditor's Responses to Assessed Risks
 - (xiv) SA 402 Audit Considerations Relating to an Entity Using a Service Organisation
 - (xv) SA 450 Evaluation of Misstatements Identified During the Audit
 - (xvi) SA 500 Audit Evidence
 - (xvii) SA 501 Audit Evidence—Specific Considerations for Selected Items
 - (xviii) SA 505 External Confirmations
 - (xix) SA 510 Initial Audit Engagements – Opening Balances
 - (xx) SA 520 Analytical Procedures
 - (xxi) SA 530 Audit Sampling
 - (xxii) SA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
 - (xxiii) SA 550 Related Parties
 - (xxiv) SA 560 Subsequent Events
 - (xxv) SA 570 Going Concern
 - (xxvi) SA 580 Written Representations
 - (xxvii) SA 600 Using the Work of Another Auditor
 - (xxviii) SA 610 Using the Work of Internal Auditors

(xxix) SA 620	Using the Work of an Auditor's Expert
(xxx) SA 700	Forming an Opinion and Reporting on Financial Statements
(xxxii) SA 705	Modifications to the Opinion in the Independent Auditor's Report
(xxxiii) SA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
(xxxiv) SA 710	Comparative Information— Corresponding Figures and Comparative Financial Statements
(xxxv) SA 720	The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements
(xxxvi) SA 800	Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
(xxxvii) SA 805	Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
(xxxviii) SA 810	Engagements to Report on Summary Financial Statements

- (2) Standards on Review Engagements (**SREs**) are for application in the review of historical financial information
- (i) SRE 2400 Engagement to Review Financial Statements
 - (ii) SRE 2410 Review of Interim Financial Information performed by the Independent Auditor of the Entity
- (3) Standards on Assurance Engagements (**SAEs**) are for application in the assurance engagement [other than audits and reviews of historical financial information]
- (i) SAE 3400 The Examination of Prospective Financial Information
 - (ii) SAE 3402 Assurance Reports on Controls at Service Organisation
- (4) Standards on Related Services (**SRSs**) are for application in the engagements involving application of agreed-upon procedures to information, compilation engagements, and other related services engagements.
- (i) *SRS 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*
 - (ii) *SRS 4410 Engagement to Compile Financial Information – both effective since April 1, 2004*

II. Whereas the above Standards (1) to (4) apply to in the specified categories, Standards on Quality Control (**SQC** 1), Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other

Assurance and related Services Engagements – is for application in all the above categories.

III. The Standards on Quality Control apply to the firms – a sole practitioner/proprietor, partnership, or any such permitted entity of professional accountants – in respect of all their services. However, the Other Standards on – Auditing, Review Engagements, Assurance Engagements and on Related Services – apply to auditor/practitioners/engagement partner/key engagement team member(s).

In a manner of speaking, SQC can be said to be the mother Standard.

IV. As at present, the number of various Standards aggregates to 44 as under –

(1)	Standard on Quality Control (SQC)	=	1
(2)	Standard on Auditing (SAs)	=	37
(3)	Standards on Review Engagements (SREs)	=	2
(3)	Standards on Assurance Engagement (SAEs)	=	2
(4)	Standards on Related Services (SRSs)	=	2

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