

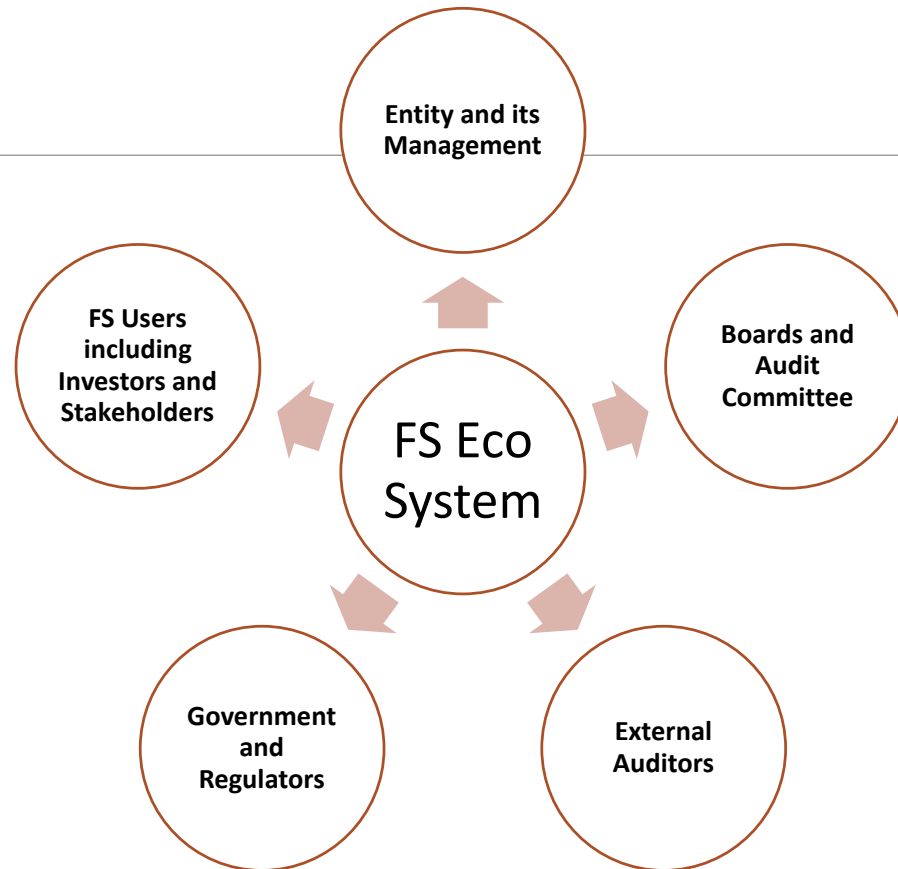
Understanding AQMM

in light of

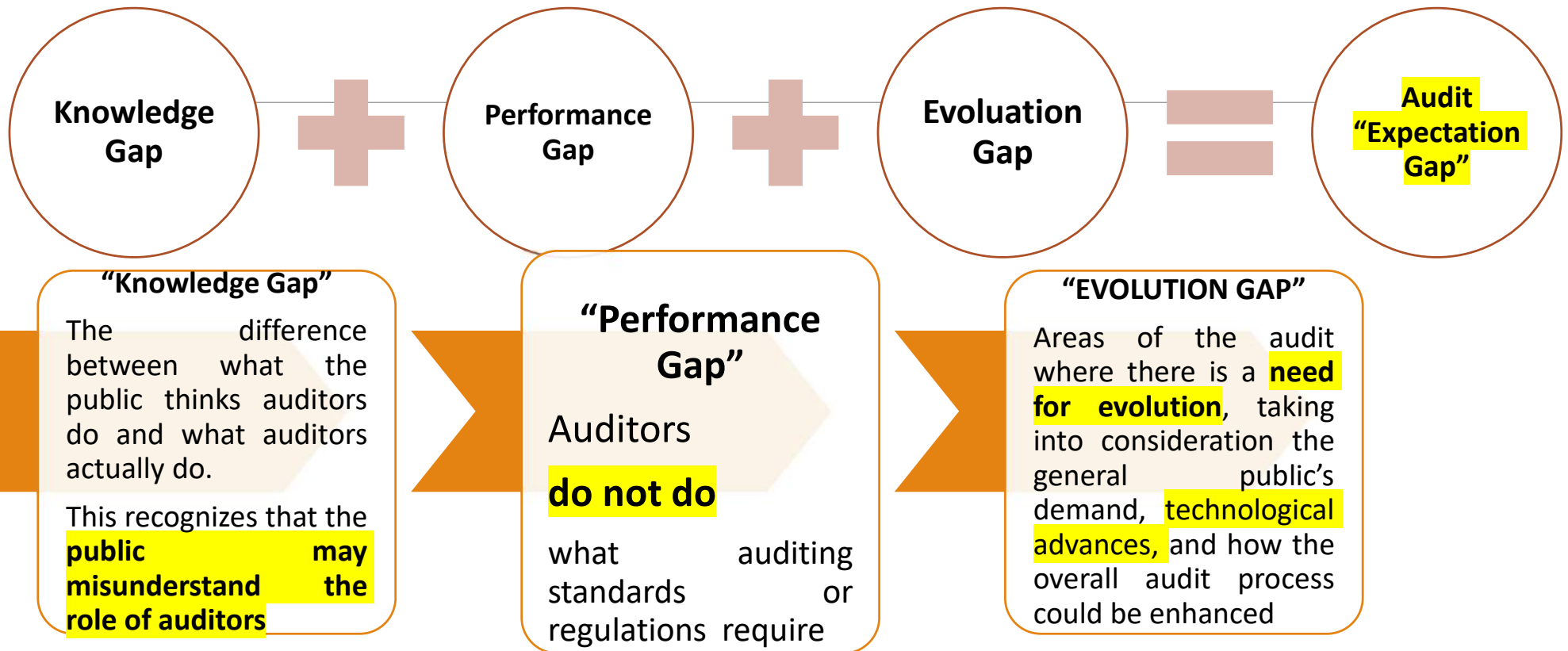
Audit Documentation

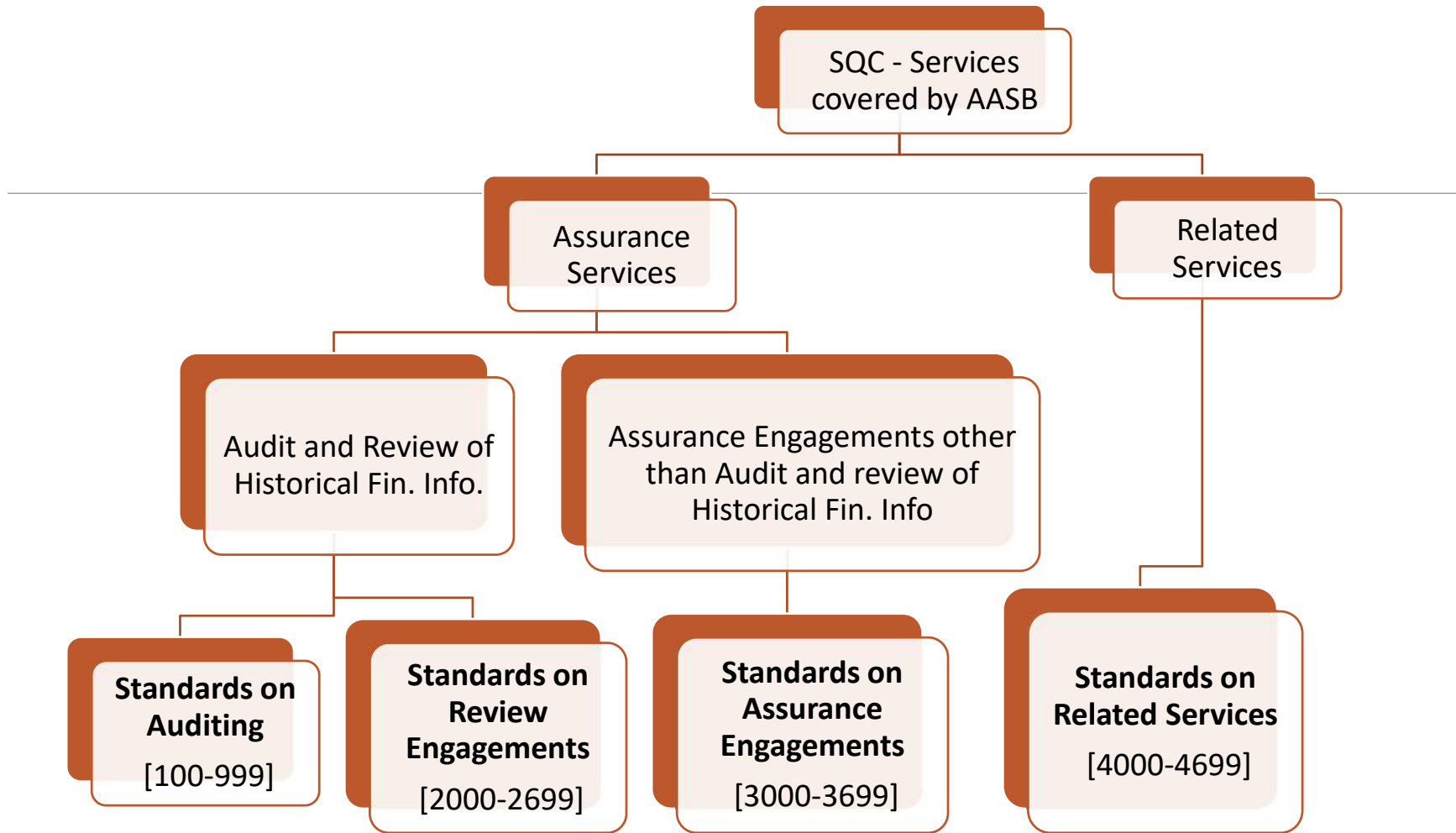
CA R S Balaji
Co-opted Member AASB of ICAI

Financial Reporting Eco System



Audit Expectation Gap





Technical and Professional Standards



Standards on Quality Control



Accounting Standards & Standards on Auditing



Ethical Standards



Professional Standards



Statements Issued by ICAI



Notifications/Directions, including those of a self-regulatory nature



Relevant Statutes and Regulations



Guidance Notes

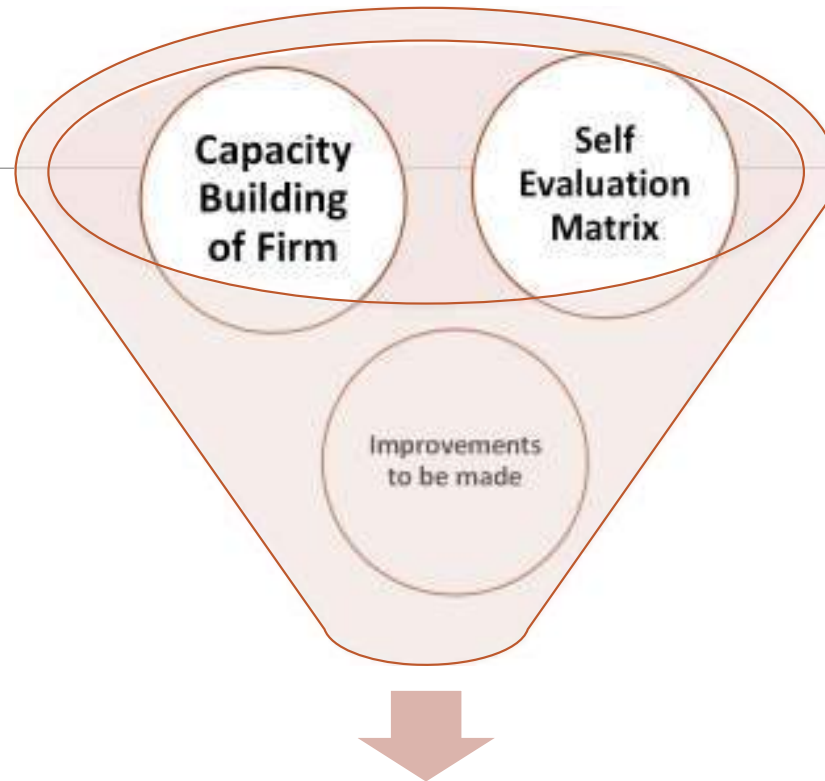


Documentation of procedures performed by the Auditor is of **critical importance**

**Audit Quality Maturity
Model – Version 1.0
(AQMM v1.0) developed
by CAQ of ICAI**



What is AQMM?



Audit Quality Maturity Model

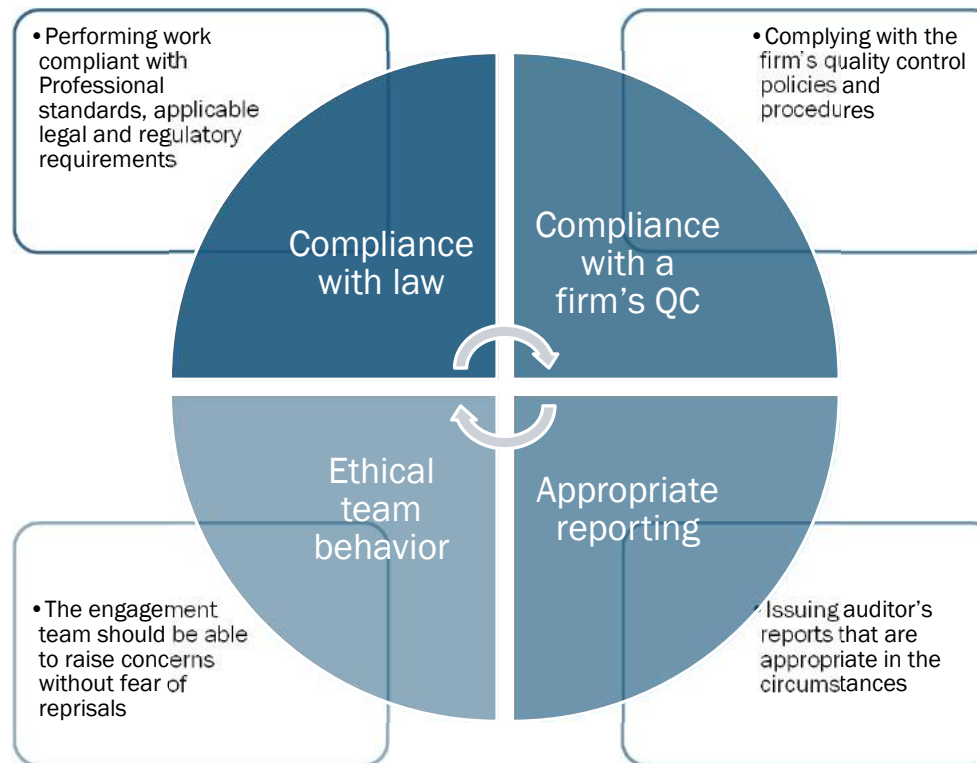
Enhancing Audit Quality



Enhancing Audit Quality

- Users depend on Audit Quality to have confidence in financial statements
- Audit quality is a complex subject and there is no analysis of it that has achieved universal recognition
- Audit quality should be improved at the Engagement, Firm and National levels

How does one measure Audit Quality?



Source: IAASB

Weakness
Identified
during Peer
Review

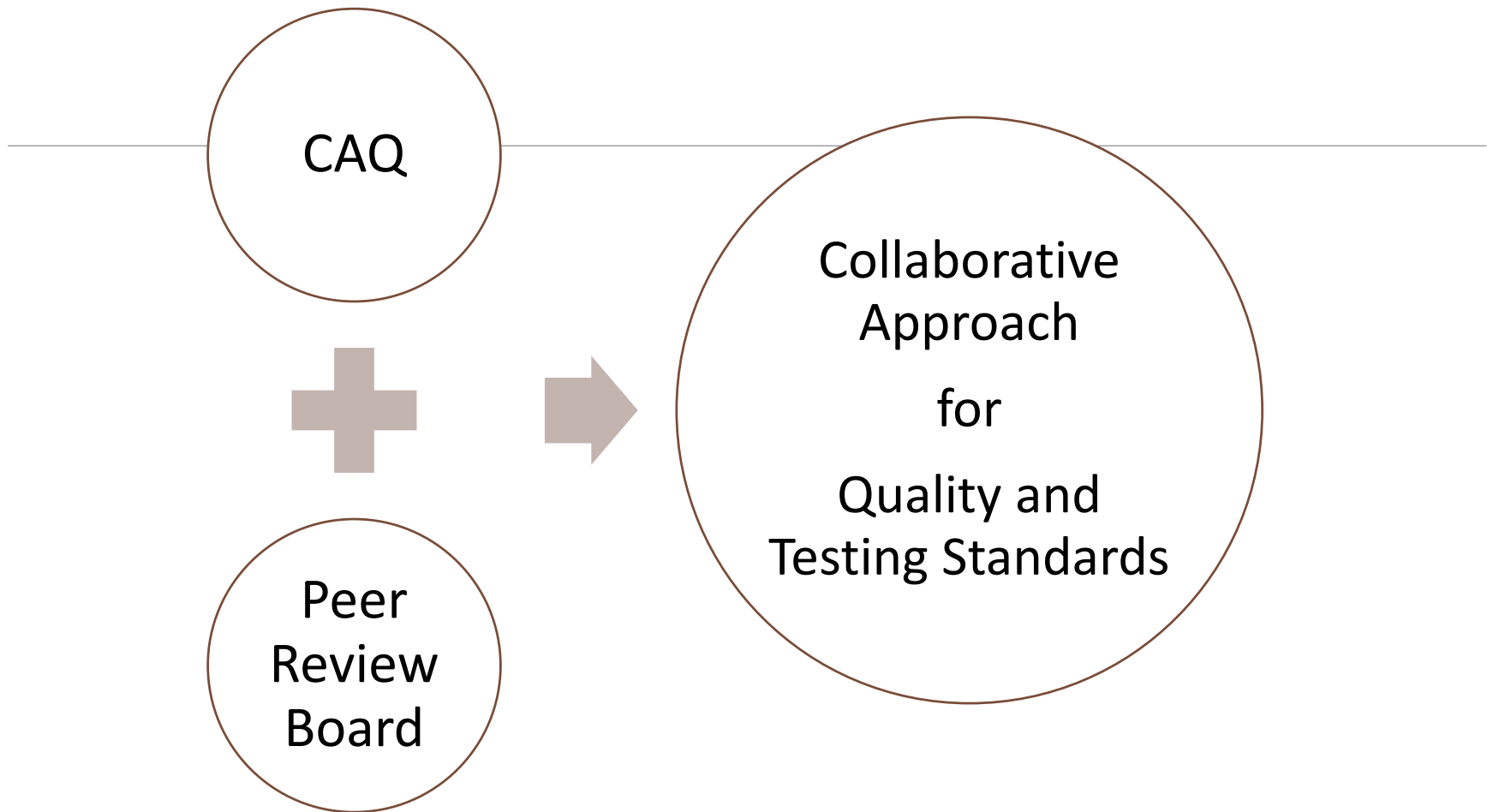
Audit documentation is not proper

No Practice manual or Quality Review manual maintained

Management Representation Letter not taken

Written communication to those charged with governance not issued

Technical standards not followed





**AQMM v 1.0 developed by
Centre for Audit Quality
(CAQ)**

Applicability of AQMM v1.0 (issued in June 2021)



The AQMM v 1.0 will apply to firms auditing the following entities:

- (a) A listed entity; or
- (b) Banks other than co-operative banks (*except multi-state co-operative banks*); OR
- (c) Insurance Companies

However, firms doing only branch audits are not covered.

AQMM would apply to firms auditing the above-mentioned entities.

It is **recommendatory for a year** and after a year the Council will review the date from which it would become mandatory.

Firm Audit Quality Maturity Rating



Section Reference	Total Possible Points
Section 1. Practice Management – Operation	280
Section 2. Human Resource Management	240
Section 3. Practice Management - Strategic/Functional	80
Total	600

Basis:	Level 1 Firm	Level 2 Firm	Level 3 Firm	Level 4 Firm
Up to 25% in each section	Indicates that the firm is in very nascent -will have to take immediate steps to upgrade its competency or will be left lagging behind.			
Above 25% to 50% in each section		Indicates firm has made some progress -will have to fine tune further to reach the highest level of competency.		
Above 50% to 75% in each section			Indicates firms which have made significant adaption of standards and procedures - Should focus on optimising further.	
Above 75% in each section				Indicates firms that have made significant adoption of standards and procedures – should focus on optimising further.

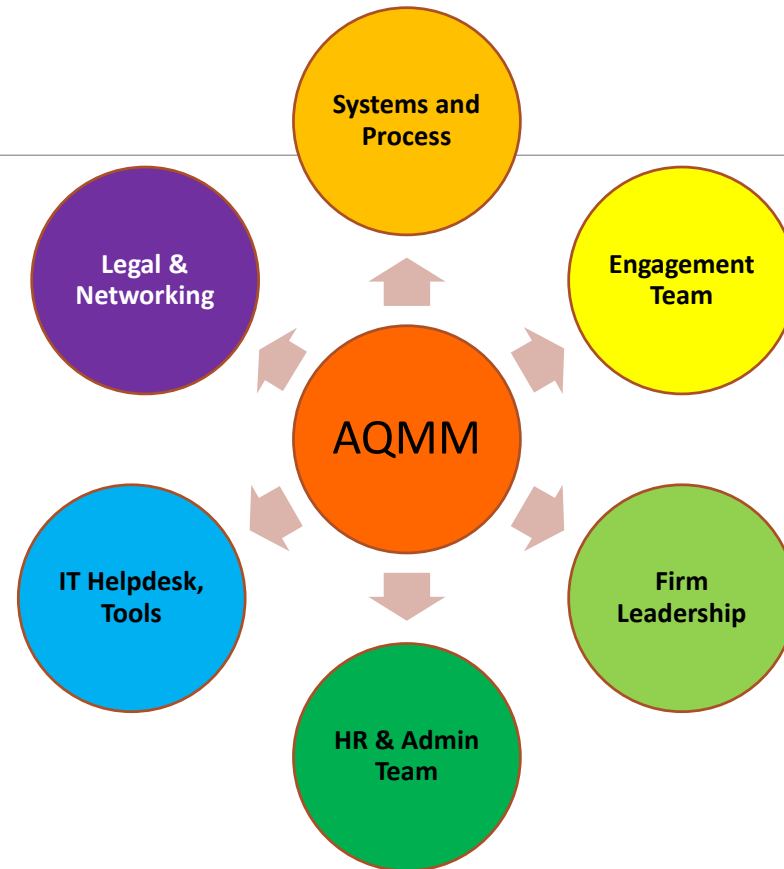
AQMM – Matrix

**Strategic Functions
(80 Points)**

Human Resource
Management
(240 Points)

Practice Management
– Operations
(280 Points)

AQMM – Cross Functional Features



Section 1 - Practice Management - Operation



Evaluation Criteria	Max Scores
1.1. Practice Areas of the Firm	12
1.2. Work Flow - Practice Manuals	16
1.3. Quality Review Manuals or Audit Tool	24
1.4. Service Delivery - Effort monitoring	36
1.5. Quality Control	80
1.6. Benchmarking of Service delivery	16
1.7. Client Sensitisation	16
1.8. Technology Adoption	64
1.9. Revenue, Budgeting & Pricing	16
Total of Section 1.	280

Section 2 – Human Resource Management



Evaluation Criteria	Max Scores
2.1. Resource Planning & Monitoring as per firm's policy	28
2.2. Employee Training & Development	44
2.3. Resources Turnover & Compensation Management	104
2.4. Qualification Skill Set of employees and use of expert	32
2.5 Performance evaluation measures carried out by firm (KPI's)	32
Total of Section 2.	240

Section 3 - Practice Management- Strategic/ Functional



Evaluation Criteria	Max Scores
3.1. Practice Management	20
3.2. Infrastructure – Physical & Others	48
3.3. Practice Credentials	12
Total of Section 3.	80

Audit Quality Maturity Model v 1.0 and its implementation



1. Practice Management - Operation



1.1 Practice Area of the Firm

(i) Revenue from
audit and assurance
services

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

Minimum revenue of 50% of the total revenue from audit and assurance services is considered specialisation, when consistently witnessed for a period of 3 years. (Exception applies only in case of acquisition of another firm or a group of professionals).

1. Practice Management - Operation



1.1 Practice Area of the Firm

(ii) Does the firm have vision and mission statement? Does it address Forward looking Practice statements/Plans?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

Scoring based on presence and implementation or Not.
Answers: Yes/No



1.2 Work Flow – Practice Manuals

(i) Presence of audit manuals containing the firm's methodology that ensures compliance with auditing standards and implementation thereof.

- For Yes – 8 Points
- For No – 0 Point
- Max score=8

(ii) Availability of standard formats relevant for Audit quality like –
- LOE
- Representation letter
- Significant working papers
- Reports and implementation thereof.

- For Yes – 8 Points
- For No – 0 Point
- Max score=8



1.3 Quality Review Manuals or Audit Tool

(i) Usage of client acceptance/engagement acceptance checklists and adequate documentation thereof

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(ii) Evaluation of Independence for all engagements (partners, managers, staff, trainees) based on the extent required. The firm must identify self – interest threat, familiarity threat, intimidation threat, self- review threat, advocacy threat and conflict of interest.

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(iii) Does the firm maintain and use the engagement withdrawal/rejection policy . templates etc?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4



1.3 Quality Review Manuals or Audit Tool

(iv) Availability and use of standard checklists in performance of an audit for compliance with Accounting and Auditing Standard.

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(v) Availability and use of standard formats for Audit documentation of business understanding, Sampling basis, Materiality determination, Data Analyst and Control Evaluation.

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(vi) Are the documents related to Quality control mentioned from (i) to (v) above reviewed and updated on a frequent basis (say annually) or with each change in the respective regulation or statute and remedial action taken?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4



1.4 Service Delivery – Effort Monitoring

(i) Does the firm carry out a Capacity planning for each Engagement?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(ii) Is a process of Budgeting & planning of efforts required maintained (hours/days/weeks)?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4



1.4 Service Delivery – Effort Monitoring

(iii) Are budget vs Actual analysis of time and efforts spent carried out to identify the costing and pricing ?

- Up to 10% – 0 Point
- More than 10% and up to 30% – 4 Points
- More than 30% and up to 50% – 8 Points
- More than 50% and up to 70% – 12 Points
- More than 70% and up to 90% – 16 Points
- More than 90% – 20 Points
- Max score=20

(iv) Does the firm deploy technology for monitoring efforts spent – Utilisation of tools to track each activity (similar to project management – Say timesheets, task management etc.) Note: **Digital Competency Maturity Model** (DCMM) Version 2 may be referred to arrive at the technical maturity of the firm/ CA.

- For Yes – 8 Points
- For No – 0 Point
- Max score=20



1.5 Quality Control for engagements

(i) Does the firm have a partner review/ Quality review for all audit assignments and is there a document of time spent for review of all engagements ?

- For Yes – 8 Points
- For No – 0 Point

(ii) Total engagements having concluded to be satisfactory as per quality review vs No of engagements quality reviewed

- Up to 10% – 0 Point
- More than 10% and up to 30% – 4 Points
- More than 30% and up to 50% – 8 Points
- More than 50% and up to 70% – 12 Points
- More than 70% and up to 90% – 16 Points
- More than 90% – 20 Points



1.5 Quality Control for engagements

(iii) No. of engagements without findings by ICAI, Committees of ICAI and regulators that require significant improvements

10% to 30% – 4 Points
More than 30% and up to 50% – 8 Points
More than 50% and up to 70% – 12 Points
More than 70% and up to 90% – 16 Points
More than 90% – 20 Points

(iv) Documentation of the firm in accordance with SQC 1

- For the presence of documentation in the critical areas of Ethical requirements, Acceptance and continuance of client relationships and specific engagements, and
- Engagement performance – 6
- Points
- For the presence of documentation in the areas of Leadership responsibilities for quality within the firm, Human resources, and Monitoring – 6 Points



1.5 Quality Control for engagements

(v) Does the firm have Accounting and Auditing Resources in the form of soft copies of archives Q&As, firm thought leadership, a dedicated/ Shared Technical desk?

For Yes - 8 Points

For No - 0 Point

Max score=8

(vi) Is appropriate time spent on understanding the business, risk assessment and planning an engagement? How have risks been mitigated through performance of audit procedures?

For Yes - 12 Points

For No - 0 Point

Max score=12



1.6 Benchmarking of service delivery

(i) Does the firm follow/ implement Standard delivery methodology – the adoption of audit manuals, adherence to practice standards and tools?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(ii) The number of statutory audit engagements re-worked (filing errors, information insufficiency, wrong interpretation of provisions, etc.)

- Less than 5% – 0 Point
- More than 5% to 15%: (-1) Point
- More than 15% to 30%: (-2) Points
- More than 30% to 50%: (-3) Points
- More than 50%: (-4) Points
- Max score=0



1.6 Benchmarking of service delivery

(iii) Number of client disputes (other than fees disputes) and how they are addressed.

- Less than 5% - 0 Point
- More than 5% to 15%: (-1) Point
- More than 15% to 30%: (-2) Points
- More than 30% to 50%: (-3) Points
- More than 50%: (-4) Points
- Max score=0

(iv) Are the timing of audit interactions with management planned in such a way that integrates with the auditor's requirements so that audit timelines can be met? [Review frequency of back- log, engagement agreed upon and not commenced, WIP, etc. (Excl. of client-side delays)]

- For Yes - 12 Points
- For No - 0 Point
- Max score=12



1.7 Client Sensitisation

(i) Awareness meetings and knowledge dissemination meetings/ articles / documents sharing with clients including :

- 1) Updating client on audit issues, formally – effectiveness of the process of communication with management and those charged with governance;
- 2) Updating client on changes in accounting, legal , audit aspects etc. with client specific impact; and
- 3) Follow through on previous audit observations and updates to management and those charged with Governance.

For Yes – 8
Points
For No – 0
Point
Max Score -8

(ii) Monitoring planned hours vs actual hours across engagement; the focus is on the existence of a monitoring mechanism



1.8 Technology Adoption

(i) Technology Adoption at Office

- Internal communication – chats (for Yes – 4 Points , for No – 0 points)
- Has the firm automated its office with automated Attendance System and Leave management? (for Yes – 4 Points , for No – 0 points)
- Project or activity management/ Timesheet management, (for Yes – 4 Points , for No – 0 points)
- Digital storage of records (scan, etc.), (for Yes – 4 Points , for No – 0 points)
- Centralised server/ Cloud (for Yes – 4 Points , for No – 0 points)
- Digital Library (Own or ICAI) (for Yes – 4 Points , for No – 0 points)
- Client interaction (Alerts, updates, availability of information in website, etc), (for Yes – 4 Points , for No – 0 points)



1.8 Technology Adoption

(i) Technology Adoption at Office

- Video conferencing facilities adopted, (for Yes – 4 Points , for No – 0 points)
- Does the firm use only licensed operating system, software etc.? (for Yes – 4 Points , for No – 0 points)
- Own E-mail domains, E-mail usage policies, etc. (for Yes – 4 Points , for No – 0 points)
- Use of anti-virus and malware protection tools, (for Yes – 4 Points , for No – 0 points)
- Data security, etc (for Yes – 4 Points , for No – 0 points)
- Cyber security measures (for Yes – 4 Points , for No – 0 points)



1.8 Technology Adoption

(ii) Awareness and Adoption of Technology for Service delivery – Say, use of Audit tools, usage of analytical tools, use of data visualisation tools or adoption of an audit tool.
Note: DCMM Version 2 may be referred to arrive at the technical maturity of the firm/ CA

For Yes – 12 Points
For No – 0 Point

Max Point - 12



1.9 Revenue, Budgeting & Pricing

(i) Whether the client wise revenue is in compliance with the Code of Ethics (currently fees from one client should not exceed 40% of total revenue) and once the deferred clauses of Part A are implemented this will be reduced to 15%.

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(ii) Fee considerations and scope of services should not infringe upon the quality of work and documentation as envisaged in SQC 1 under Leadership is responsible for quality within the firm.

- For Yes – 8 Points
- For No – 0 Point
- Max score=8

(iii) Adherence to a minimum scale of fees standards recommended by ICAI.

- For up to 50% of the engagements- 2 Points
- For More than 50% of the engagements – 4 Points
- For None – 0 Point



2. Human Resource Management

2.1 Resource Planning & monitoring as per the firm's policy

(i) Does the firm have a process of Employee/ Resources Planning for the engagements based on skill set requirement, experience etc.?

(ii) Methods/Tools used by the firm for Resource Allocation (use of spreadsheets, work-flow tools, etc.)

(iii) Is there a method of tracking the employee activity, to identify resource productivity (e.g. timesheet)?

For Yes – 4 Points
For No – 0 Point
Max score=4



2.1 Resource Planning & monitoring as per the firm's policy

(iv) Does the firm maintain a minimum Staff to Partner Ratio, Partner to Manager, Manager to Articles, Client to Staff ratio, etc.

- For Yes – 8 Points
- For No – 0 Point
- Max score=8

(v) Does the firm monitor the Utilisation & Realisation rate per employee

- For Yes – 4 Points
- For No – 0 Point
- Max score=4

(vi) Does the firm document the resource plan for each engagement and file it for reference during the engagement?

- For Yes – 4 Points
- For No – 0 Point
- Max score=4



2.2 Employee Training and development

(i) Does the firm have an employee training policy?

For Yes – 4 Points
For No – 0 Point
Max Score – 4 points

(ii) Number of Professional Development hours/days spent (Frequency) as a firm – per employee

60 Hours per year for junior – Level: 2 points for general training and 6 points for specialized technical training.

30 – 60 per year for Mid- Level: 2 Points for general training and 6 points for specialized technical training.

More than 30 hours for partners: 2 Points for general training and 6 points for specialized technical training.



2.2 Employee training & Development

(vi) Whether the firm has a performance management culture that rewards high performing employees and those who demonstrate high levels of quality and ethics?

For Yes - 8
Points
For No - 0 Point
Max score=8



2.3 Resource Turnover & Compensation Management

(x) Special policies to provide people time to rejuvenate especially after busy audit seasons

For Yes – 4 Points
For No – 0 Point
Max score=4

(xi) Focused policies and support for staff well - being, engagement and communication

For Yes – 8 Points
For No – 0 Point
Max score=4

(xii) An established mechanism to listen to people and their views and suggestions. Credible Employee survey and its outcome demonstrate how well people are taken care of and heard.

For Yes – 8 Points
For No – 0 Point
Max score=8



2.3 Resource Turnover & Compensation Management

(xiii) Standards of recruiting people – Assessment methodology, evaluation of quality and fitment to the job and culture

For Yes – 4 Points
For No – 0 Point
Max score=4

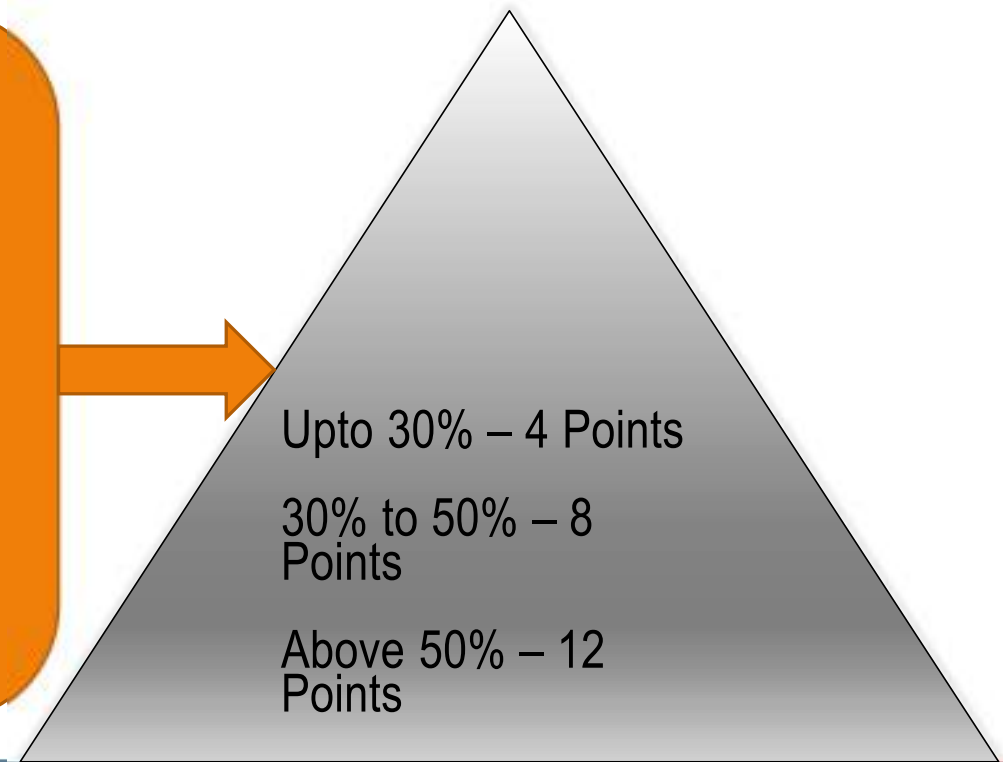
(xiv) Are the employees of the firm compensated as per a defined approach where salary is mapped to the knowledge and experience level of the employee?

For Yes – 4 Points
For No – 0 Point
Max score=4

2.4 Qualification Skill Set of employees and use of Experts



(iii) Members with Specialisation courses or Certifications – (Ranking can be based on newer areas or international qualification – say, Dip. IFRS or Firm Ind AS / IFRS Accreditation Requirements, etc.)



2.5 Performance evaluation measures carried out by the firm (KPI's)



(i) Does the firm have written KPIs for performance evaluation of the firm and partners?

(ii) Method for measurement and evaluation as mentioned above (i) are determined / specific.

For Yes – 8 Points
For No – 0 Point

Max Score - 8

(iii) There is a decided frequency for the evaluation and is consistently applied.

(iv) Are engagement partners reviewed based on the review results of the engagements of each partner.

3. Practice Management – Strategic/Functional



3.1 Practice Management

Does the firm Manage the following attributes relating to Assurance partners to maintain the same at optimum levels as deemed fit for the respective organisations?

(i) Does the firm have a balanced mix of experienced and new Assurance partners?

For average partner experience of partners > 5 years – 4 Points

For average partner experience of partners > 10 years – 8 Points

Max
score=8

3. Practice Management – Strategic/Functional



3.1 Practice Management

Does the firm Manage the following attributes relating to Assurance partners to maintain the same at optimum levels as deemed fit for the respective organisations?

(ii) Is the firm compliant with the ICAI Code of Ethics, Companies Act 2013 and other regulatory requirements in relation to Professional Independence and Conflict of Interest?

For Yes – 8 Points
For No – 0 Point

Max
score=8

3. Practice Management – Strategic/Functional



3.1 Practice Management

Does the firm Manage the following attributes relating to Assurance partners to maintain the same at optimum levels as deemed fit for the respective organisations?

(iii) Is there is a 'whistle blower' policy?

For Yes – 4 Points
For No – 0 Point

Max score=4

3. Practice Management – Strategic/Functional



3.2 Infrastructure – Physical & Others

Branches in the same city shall have only one point, branches in Metro and Tier -1 cities shall have additional points, team size per branch shall have additional points

(i) Number of Branches & Associates and network firms and affiliates

Upto 3 – 2 Points
4 to 7 – 4 Points
8 to 15 – 6 Points
More than 15 – 8 Points

Max score=8

3. Practice Management – Strategic/Functional



3.2 Infrastructure – Physical & Others

Branches in the same city shall have only one point, branches in Metro and Tier -1 cities shall have additional points, team size per branch shall have additional points

(ii) Are branch level activities Centralised/ Decentralised in accounting, Invoicing, and Payroll processing

Centralised – 8 Points
Decentralised – 4 Points

Max score=8

3. Practice Management – Strategic/Functional



3.2 Infrastructure – Physical & Others

Branches in the same city shall have only one point, branches in Metro and Tier -1 cities shall have additional points, team size per branch shall have additional points

(iii) Physical & Logical Security of Information are extended and implemented across locations?

For Yes – 8 Points
For No – 0 Point

Max
score=8

3. Practice Management – Strategic/Functional



3.2 Infrastructure – Physical & Others

Branches in the same city shall have only one point, branches in Metro and Tier -1 cities shall have additional points, team size per branch shall have additional points

(iv) Are there adequate Data Analytics tools and IT infrastructure available and are they being used for the relevant assignment?

For Yes – 12 Points
For No – 0 Point

Max
score=12

3. Practice Management – Strategic/Functional



3.2 Infrastructure – Physical & Others

Branches in the same city shall have only one point, branches in Metro and Tier -1 cities shall have additional points, team size per branch shall have additional points

(v) Is the infrastructure adequate in terms of internet/intranet network bandwidth/ VPN/Wi-Fi etc. for remote working?

For Yes – 12 Points
For No – 0 Point

Max
score=12



3.3 Practice Credentials

What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:

(i) Is the firm ICAI Peer Review certified?	For Yes – 4 Points For No – 0 Point	Max score=4
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3.3 Practice Credentials

What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:

(ii) Empanelment with RBI and C&AG	For Yes – 8 Points For No – 0 Point	Max score=8
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3.3 Practice Credentials

What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:

<p>(iii) Is there an advisory as well as a decision, to not allot work due to unsatisfactory performance by the CAG office?</p>	<p>For Yes – (-5) Points For No – 0 Point</p>	<p>Max score=0</p>
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3.3 Practice Credentials

What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:

(iv) Have any Government Bodies/
Authorities evaluated the
performance of the firm to the extent
of debarment/ blacklisting?

For Yes – (-10) Points
For No – 0 Point

Max score=0



3.3 Practice Credentials

What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:

(v) Any negative assessment in the report of the Quality Review Board?

For Yes – (-5) Points
For No – 0 Point

Max score=0



3.3 Practice Credentials

What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:

(vi) Has there been a case of professional misconduct on the part of a member of the firm where he has been proved guilty?

For Yes – (-5) Points
For No – 0 Point

Max score=0

Effect of Audit Documentation



Audit Documentation provides evidence that the audit complies with SAs

(SA 230- Para A7)



SA 230

Audit Documentation

Meaning of Audit Documentation



The record of -

- audit procedures performed
- relevant audit evidence obtained and
- conclusions reached



**Objective of the Auditor is
to prepare documentation
that provides**

**Sufficient &
Appropriate
record of basis for the
auditor's report**

**Evidence that audit
was
planned and performed
in accordance with
SAs & L&R**



Meaning of the term “Audit File”

Audit File

- ❖ one or more folders or other storage media
- ❖ in physical or **electronic form**
- ❖ containing records that comprise audit documentation for a specific engagement



Requirement 1: Timely Preparation of Audit Documentation

Auditor shall prepare the audit documentation on Timely basis.

It shall be prepared **before the Audit report is finalised**.

Timely preparation of Audit Documentation:

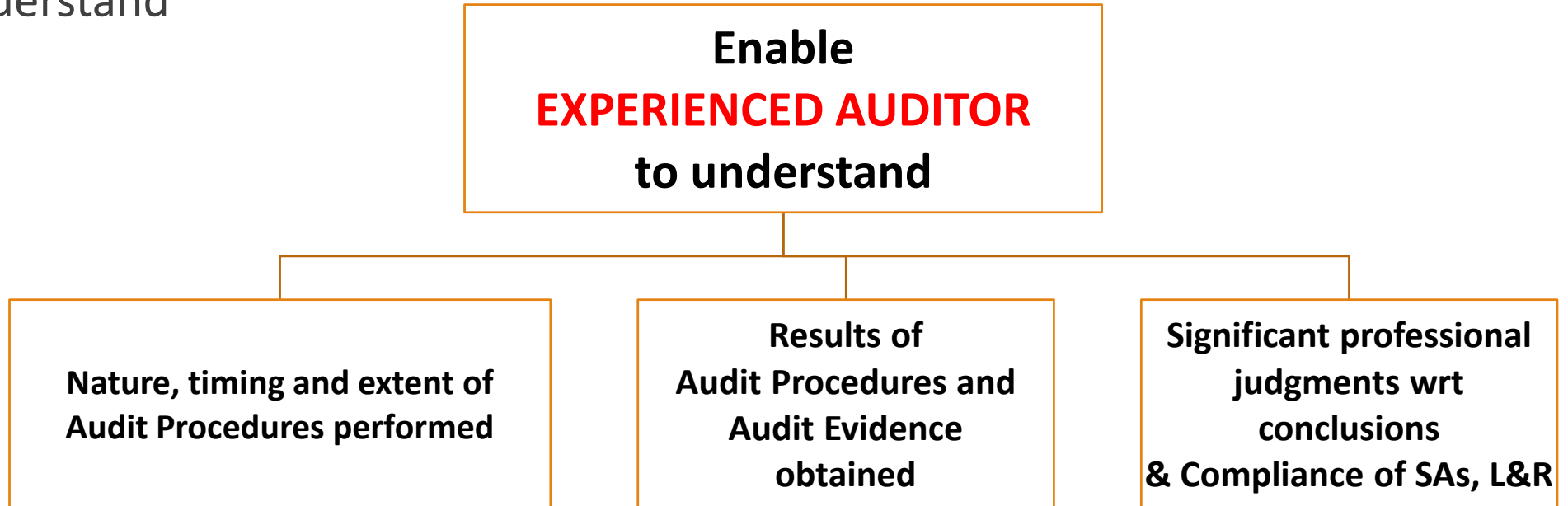
**Enhances
quality of audit**

**Facilitates
effective review &
evaluation of
Audit evidence**

**Documentation
prepared after
audit is likely to be
less accurate**

Requirement 2: Documentation of the Audit Procedures Performed & Audit Evidence Obtained

Auditor shall prepare audit documentation that is sufficient to **enable an Experienced Auditor**, having no previous connection with the audit to understand



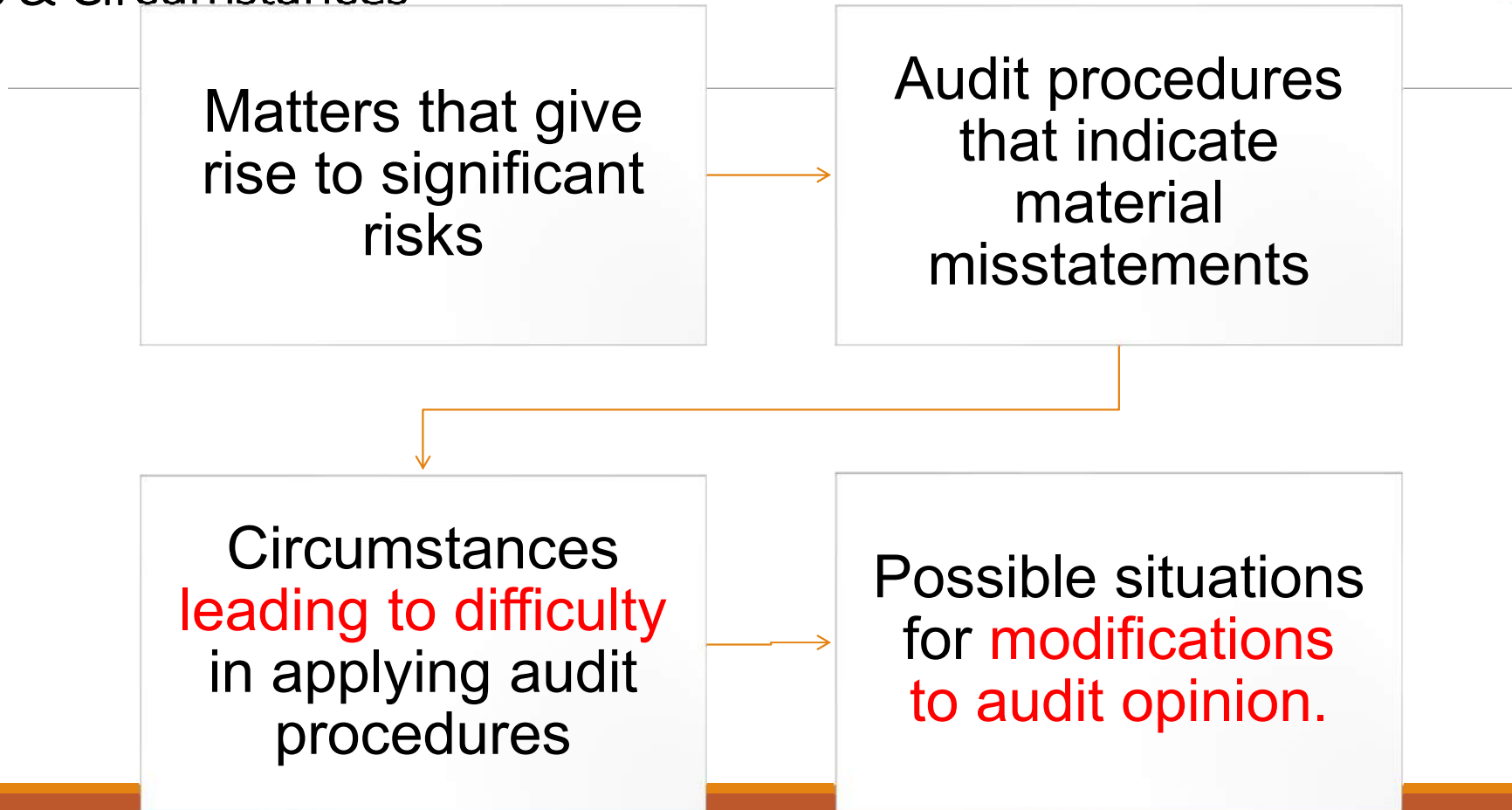


Meaning of the term “Experienced Auditor”

An individual (whether internal or external to firm) having practical audit experience, and a reasonable understanding of:

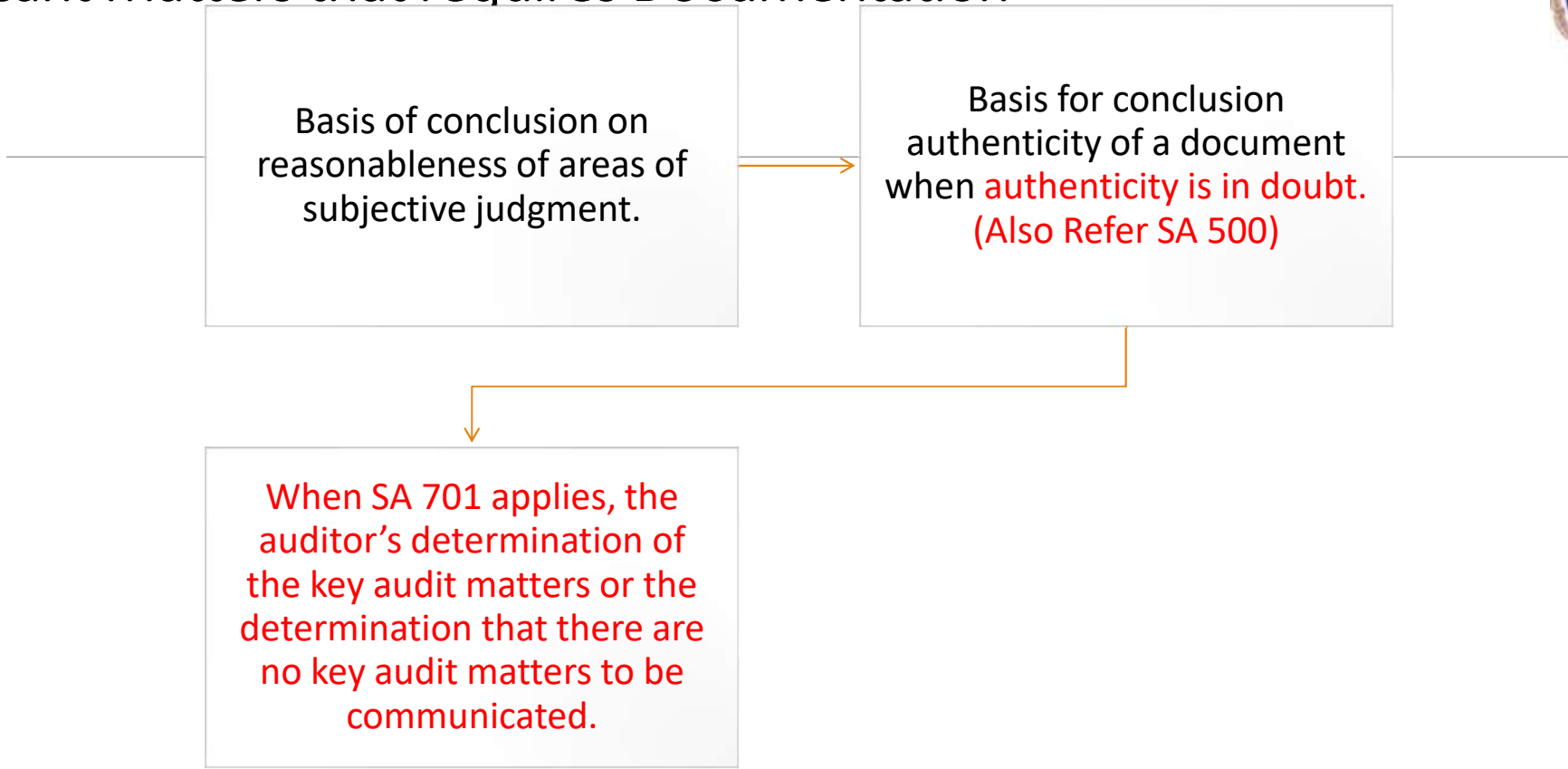
- Audit processes
- SAs and applicable L&R requirements
- Business environment
- Auditing and financial reporting issues

Auditor's Judgment requires objective analysis of Facts & Circumstances



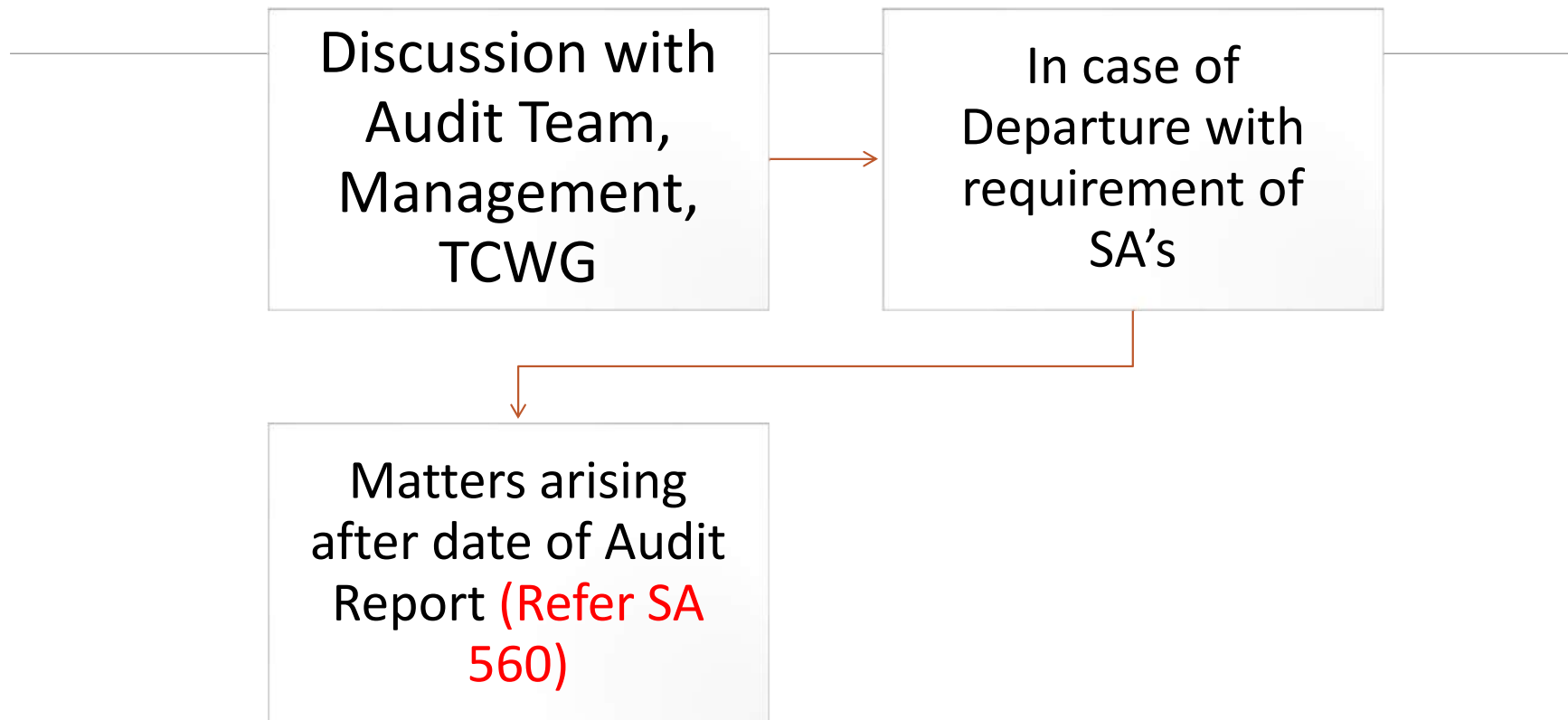


Significant Matters that requires Documentation





Specific Aspects for Documentation





Requirement 2: Specific Aspects in case of Smaller Entities

Audit Documentation for Audit of Smaller Entity

Generally less extensive than that for the audit of a larger entity.

No Documentation requirement for Team Discussions or Supervision

But “Experienced Auditor” condition still applicable



Practical Relaxation - Audit of Smaller Entities by SA 230

Professional Judgment

Not necessary/practicable to document every matter considered or Professional Judgment made in Audit

Professional Skepticism

Professional skepticism cannot be documented but demonstrated through documentation.



Assembly of Final Audit File

Set Policy of Documentation as per SQC 1

Time limit for assembly of final audit file shall be not more than 60 days after the date of Auditor's report

Should retain it for a minimum period of 7 years from the date of Auditor's report

Audit Documentation is the Property of the Auditor.

Firm Audit Quality Maturity Rating



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Above 25% to 50% in each section	Level 2 Firm	Indicates firm has made some progress -will have to fine tune further to reach the highest level of competency.
Above 50% to 75% in each section	Level 3 Firm	Indicates firms which have made significant adaption of standards and procedures - Should focus on optimising further.
Above 75% in each section	Level 4 Firm	Indicates firms that have made significant adoption of standards and procedures – should focus on optimising further.

Section 1 - Practice Management - Operation



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2.4. Qualification Skill Set of employees and use of expert	32
2.5 Performance evaluation measures carried out by firm (KPI's)	32
Total of Section 2.	240



Audit procedures can be performed using a number of tools or techniques, **which can be manual or automated (and often involving a combination of both).**

Practitioners may use various terms in practice to describe tools or techniques that are automated.



For example, applying automated analytical procedures to data during risk assessment procedures are sometimes referred to as data analytics.

In planning an Audit, it shall be helpful when the auditor uses Automated Tools and Techniques (ATT)

Audit Tools & its Automation

Efforts of ICAI in Audit Tools

The Committee for Members in Practice of ICAI is coming out with a bunch of 4 audit tools-

1. **Audit documentation tool, (Audit Trail, proper RMM identification)**
2. Data Analytics tool,
3. Digital Library
4. Practice Management tool.

These go-to-market tools will provide a one-stop solution to all the audit documentation and monitoring requirements of the firm. The audit documentation tool will include audit and accounting standard checklists.



Practical Aspects for Conceptual Clarity & Compliance

Specific Audit
Documentation

Acceptance
Related
Matters

Pre-Audit Correspondence

Appointment Letter

Consent Letter

Communication with Previous Auditor

Client Acceptance Checklist

Engagement Letter

Specific Audit
Documentation

Communication
&
Work Aspects

Letter of Confirmation

Representations by the Management

Correspondence Concerning Significant Matters

SA 240, SA 260, SA 265, SA 701

Sequence of Events – Step 2

Communication with the Previous Auditor

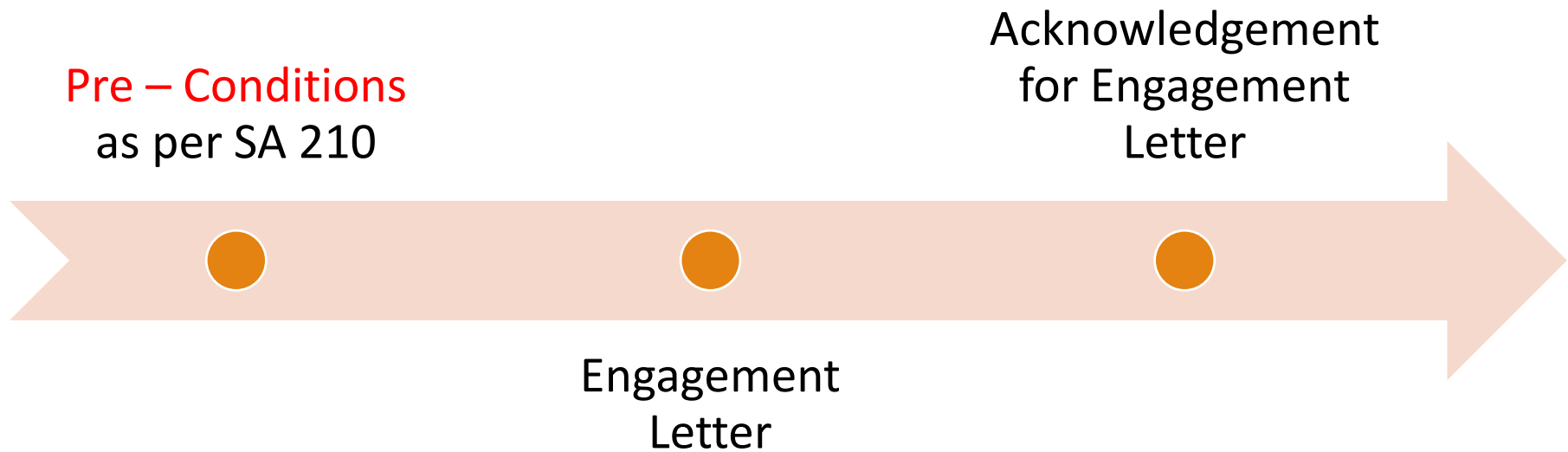
Clause 8 of Part 1 of First Schedule



Verification of Validity of Appointment

Clause 9 of Part 1 of First Schedule

Sequence of Events – Step 3



Practical Implications of Certain Important Standards

SA	Important SA's Regarding Ensuring Quality and base Work
210	Agreeing The Terms Of Audit Engagements
220	Quality Control for an Audit of Financial Statements
240	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
250	Consideration of Laws and Regulations in an Audit of Financial Statements
300	Planning an Audit of Financial Statements
315	Identifying & Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
330	The Auditor's Responses to Assessed Risks
450	Evaluation of Misstatements Identified during the Audit
550	Related Parties
570	Reporting on Going Concern
600	Using the Work of Another Auditor
700	Forming an Opinion & Audit Report Format
701-705	Key Audit Matters Reporting - Modifications in Audit Reporting
720	Other Information

Peer Review Enabler Module in Audit tools

Useful Reference Materials from ICAI

1. Practitioner's Guide to Audit of Small Entities

<https://resource.cdn.icai.org/58215aasbpg2020.pdf>

2. Implementation Guide to SA 230 – Audit Documentation

<https://resource.cdn.icai.org/53548aasb42961.pdf>

3. E- Booklet on Sample Check List on SAs:

Ready Referencer for Practitioners & CA Firms

<https://resource.cdn.icai.org/54214ccbmp43510.pdf>